INTRODUCTION: ON CHOOSING AMONG NATIONAL INTERESTS

William T. R. Fox

In one sense there are no "great decisions." At the leading edge of choice, moral imperatives seem to get in the way of each other, the facts are often unclear, and the consequences of choosing one course of action rather than another are at best dimly perceived. Yet the nation's leaders must talk and write as if moral guidelines, indisputable facts, and assured outcomes ineluctably lead them to their announced choices. In building support for the chosen policy, there is great pressure to claim that hardheaded realism and strict conformity to the moral ideals of both Testaments govern their decision. The statesman's cruellest dilemma when groping with complexities he cannot fully understand may be whether or not to remain honest with himself.

Whether or not the decision-makers' public rationale for any given decision reflects their inner doubts, unacknowledged motives, and imperfect grasp of essential facts, the policy orientations that give consistency and a sense of direction to the stream of day-to-day decisions do reflect choices of major consequences. They are consequential whether the policy-maker decides to move in a new direction or to persevere in an old one—be it in respect to détente, arms control or rearmament, energy security, human rights, patterns of consultation with friends and allies, decision-sharing in the international economic order, income transfers to the poorest of the world's poor, or burden-sharing among developed countries. To avoid such choices is to avoid making the truly great decisions and merely to float with the tides of history.

Superpower status has brought the United States superpower opportunity. It has also brought superpower responsibility. To pass by on the other side is not an American option in the final decades of the twentieth century, however tempting that option may seem in a time of domestic preoccupation with inflation and unemployment and increasing awareness that the U.S. cannot make a refractory world follow its lead.

Apparently not even a superpower is omnipotent. After all, there is more than one, and American foreign policy rhetoric must be as carefully attuned to American capabilities as to American objectives. Superpowers are by definition powers of general interest. They cannot send their fire engines to every fire, but their alarm system ought to be reporting every wisp of smoke. With great but not inexhaustible resources, with multiple but not totally realizable objectives, and with inescapable and almost limitless responsibilities, American policy-makers must pick and choose, but always with an eye to the effect of each decision on overall peace and stability.

The picking and choosing of the elements that form the package of foreign policy objectives preferred by the government of the day is conventionally described by that government as being dictated by something called the "national interest." So too is the somewhat different package of foreign policy objectives any given critic of that government happens to prefer. To pretend that the national interest provides a magic formula that avoids the agonies of making great decisions responsibly is never to explore the underlying ethical basis for preferring one package of policy objectives to another and never to consider the relation of the actions taken to promote national interests to the legitimate interests of groups smaller than, larger than, or different from the nation.
To realize that national interests are not the only interests that national policy-makers must recognize is to remind ourselves that the collectivity of 226 million people calling itself the United States contains individuals who are members of other collectivities whose legitimate interest must be factored into any calculus of what seems best for all Americans.

The governing principle is easy to state: Americans should allocate their enormous but not unlimited resources—whether measured in lives, treasure, good reputation, or some combination of the three—so that equal amounts of good are purchased by the last unit spent publicly and the last one spent privately, by the last unit spent domestically and the last one spent internationally, and by the last unit spent for national security and the last one spent for other foreign policy purposes. Unhappily, without a broad and detailed consensus on priorities in public policy, the general principle is impossible to apply in any refined way.

Still, this “marginal benefit principle” is a useful guideline for those who make or influence public policy, underscoring the need for commitment to moral principles—moral because their policies affect human beings everywhere and in every situation. “Everything for defense and not one cent for any other public purpose until defense is fully funded” is an example of an absurd simplism that violates the general principle. A worldview that sees the U.S. as but one of many nations and the nation-state as but one among many groups bound by a legitimate concern for the shared interests of its members, and one that sees security as an important but not exclusive policy objective, takes for granted the absurdity of proclaiming absolute primacy for United States national security. People of good will may differ about the point at which the next dollar or the next year in a young man’s life is better spent on something other than security, but for each of us there is some point. And what is patently true for security is true for every other public policy objective.

How does all this apply to the great dilemmas of power and peace, of security and welfare, of basic human rights and international distributive justice, of intervention to maintain and promote such rights in some countries and nonintervention in respect of the same rights in still other countries? More particularly, how does this apply to the United States as the first year of the Reagan administration is at a close? Even assuming that rational Americans of good will have identical value preferences and accord identical priorities to one of these values over another when a proposed action would seem to lead to conflict between them, no calculus known to man could crank out correct policy. As the responsible statesman sorts out priorities, he must estimate the range of actual choice, ascertain the costs, and then choose what to do or not to do in a particular case.

It may, for example, be beyond the range of choice of the new policy-makers in Washington to build a strategic consensus among the Arabs and the Israelis, each preoccupied by what is seen as a threat by the other, to meet what the administration declares to be the number one—i.e., Soviet—threat in the Middle East. Likewise, enhanced radiation weapons may turn out not to make sense to the Europeans as an element in the defense of Western Europe, limiting yet another range of choice for the administration.

Gone are the days when “America the good” could go it alone and, as the hegemonic power in the New World, safely ignore the machinations of bad Old World power politics. Gone too is the brief postwar period when America could act single-handedly in coping with Old World threats to the peace and Third World demands for a better deal. Building a strategic consensus to cope with the threat posed by America’s major competitor on the world scene—or, for that matter, building a consensus with Canada on the acid rain problem—is not just a matter of selling to friends and allies what our policy-makers assert is in the national interest of all. It is a matter of reconciling what we perceive to be in our national interest with what they perceive to be in theirs.

It would be a miracle if our interests and theirs turned out to be perfectly congruent—and even more of a miracle if our perceptions and theirs turned out to be identical. Europe’s and Japan’s concerns about energy security are relatively greater than ours, their concerns about Israel’s security relatively less. Fair shares in Western defense might seem to call for fewer U.S. soldiers in Europe and a greater number from other NATO partners, but the substantial number of American soldiers in Europe is part of what gives credibility in both Soviet and NATO allies’ eyes to the American nuclear guarantee. Arms control enthusiasm rises in Europe as doubts about it grow in the United States. Yet for the U.S. to exchange “no first use of nuclear weapons” pledges with the Soviet Union would entail a careful calculation of the effects of that pledge on the whole edifice of Western security. Indeed, maintaining an alliance may be harder than negotiating one in the first place. And then there is Japan which, though not a superpower, is nonetheless the second biggest producer in the non-Communist world (and perhaps in the whole world). Japan, too, insists on being consulted, not just informed, about critical security choices, and it bargains hard on all kinds of economic questions. Plural actors, each with plural interests, narrow the scope for dramatic unilateral “great decision” making.

Many of the hard questions in the conduct of foreign policy arose all at once as the new Reagan foreign policy team moved promptly to set a course in El Salvador—questions such as the ethics of supporting “moderate” repression to put down a dissident coalition of moderate and radical reformers, including Communists, the propriety of choosing Central America as a theatre of head-on confrontation with the Soviet Union in the face of widespread doubts by those with whom the United States has to cooperate in other parts of the world; and the wisdom of intervening in a domestic struggle when experts differ so widely about the relation of an asserted external threat of subversion to that internal struggle.

As if coping with today’s threats from the Second World and today’s legitimate demands from the Third World were not enough, truly great decisions must take account of the debt the present owes the future. Draining America dry in a frenzied effort to lessen reliance on Mideast energy sources in the short term, potentially irreversible polluting of the biosphere in such places...
as the Northeastern United States and Eastern Canada, the proliferating of nuclear power installations around the world before techniques for either safe disposal or safe recycling of used fissile materials have been perfected, denuding the earth’s crust so that certain scarce but important minerals may well be denied to those who come after, drastically changing climates and land forms by imprudent ways of meeting today’s elemental needs, and arming in such manner as to make tomorrow’s arms control agreements unverifiable—these are only some of the ways in which we purchase today’s well-being at the price of tomorrow’s misery.

2 AMERICA’S DEFENSE: WHAT PRICE SECURITY?

Joseph J. Kruzel

Only six years ago the American GNP reached the $1.5 trillion mark; now President Reagan proposes spending an equivalent sum over the next five years on a crash program to beef up American military muscle. Can we afford it?

In purely economic terms the answer is undoubtedly Yes. Over the next five years the Reagan build up, if implemented, will take about 7 per cent of the U.S. GNP. This figure is substantially below the 12-15 per cent the Soviet Union allocates to defense and only a fraction of Israel’s world-leading figure of 25 per cent. American defense spending during the Korean and Vietnam wars took about the same proportion of GNP as that projected by the Reagan administration. Thus, while the buildup appears “massive” when compared to the lean defense budgets of the 1970s, plans call for a return to levels of defense spending typical of the ’50s and ’60s.

There is no question that the American economy can survive the strain of the largest peacetime rearmament since World War II. The real issues are whether the buildup is justified, whether the defense dollars thus spent will be put to good use, and, in the final analysis, whether the buildup will actually occur.

Do We Need It?

Comparisons of U.S. and Soviet military power can be debated endlessly and inconclusively. Differences in geography, technology, ideology, and historical experience have given the two sides vastly different military arsenals that can be compared in only the crudest way. Qualitative differences that are difficult to measure may be more important than quantitative distinctions, subjective values such as morale may be more significant than any objective measure.

In this conceptual thicket of interpretations, analyses, and assessments, two trends about Soviet military power stand out. The first is that over the past two decades the Soviets have increased their military power—nuclear and conventional, strategic and tactical—far beyond any conceivable requirement for deterrence or defense. Second, in the same period the USSR has emerged as a true global power. The Kremlin now has interests far removed from Soviet borders, and it has military power it can project to further those interests.

Nowhere have military trends run so dramatically against the United States as in strategic nuclear forces. Twenty years ago the United States enjoyed unchallenged superiority over the Soviet Union; today we find ourselves in a condition of tenuous parity, with the Soviets ahead in many critical measures of strategic power. The American strategic triad is now composed of forces entering their third decade of service. Some B-52s at SAC bases around the country are older than the pilots who fly them.

American strategic forces must be modernized, but as President Reagan’s missile-and-bomber decisions indicate, there is no clear vision of how to proceed. The deployment of a hundred MX missiles is half of what the Carter administration proposed, and the new missiles will be deployed in existing fixed-base silos, a basing mode that does nothing to relieve the vulnerability which gave rise to MX in the first place. Only a hundred B-1 bombers—half the original Air Force request—were authorized, a modest force that can serve merely to supplement the aging B-52 fleet until the radar-evading Stealth aircraft is developed sometime in the next decade. The one decision on modernizing strategic nuclear forces the Reagan administration has made with any enthusiasm is its approval of a billion-dollar program for improved communications, command, and control facilities, without which our nuclear forces might be rendered impotent.

While most attention has gone to strategic nuclear forces, these missiles, bombers, and missile-carrying submarines account for only about 10 per cent of the defense budget. The other 90 per cent is devoted to conventional forces, and it is in this area that the most pressing problems exist.

Since the early days of the Nixon administration the U.S. has been officially committed to a one-and-a-half-war defense strategy. At least in theory our forces have prepared to fight simultaneously a major war with the Soviets in Europe and a brushfire skirmish somewhere
else in the world. The Reagan administration is now contemplating the prospect of a multifront conflict. If war breaks out in one part of the world, it may spark conflicts in several other areas. According to this new view, it is entirely possible that the United States will someday find itself facing troubles in Africa, East Asia, Latin America, the Persian Gulf, and Central Europe—all at the same time.

Being prepared to fight any war at any time may be the dream of every defense planner, but it is not a defense strategy for the real world. Even in the Reagan defense package there is not enough to fund everything. There must be a strategy, a coherent vision of likely risks and probable costs, which determines what weapons are needed and in what quantities. The new strategy of multifront conflict will require force mobility and flexibility, two qualities manifestly absent from today's American military. The Reagan administration will have to improve sea and air transport capabilities and develop new and simpler weapons that can be moved easily and operated in the field without complex logistical support.

Where Will the $ Go?
For the past fifteen years the American military has been living off invested capital. The current deficiencies of U.S. forces are not the fault of any one president but of a decade and a half of sustained neglect. From 1965 until 1980 every defense budget proposed by a president was cut by Congress. For most of the past fifteen years increases in military spending ran below the rate of inflation. Since the inflation rate for defense was higher than for other sectors of the economy, the American military actually experienced substantial negative growth during this period.

The cuts generally came in modernization and readiness programs. These are unexciting elements of the defense budget that get low priority from hardware-minded legislators but are crucial for maintaining a military capable of doing something more than marching in parades or downing errant Libyan fighters.

Reducing readiness and slowing modernization is the easiest way to cut the defense budget. There is no congressional or public constituency for these crucial intangibles, and the cuts are easily rationalized on the ground that they can be restored in the next budget. For the past decade and a half, however, restoration has been pushed back year after succeeding year. The result is a military Potemkin village not even the facade of which is impressive. The shabby buildings and cracked runways of American military bases conceal even more serious deficiencies in stores of ammunition and spare parts and in reduced training schedules for aircraft pilots and tank crews.

There is no more pressing need for American defense than to restore the combat readiness of our forces. The danger is that as fiscal reality intrudes on the Reagan defense plans, we will again mortgage modernization and readiness to a new round of weapons procurement.

Return to the Draft?
President Reagan believes deeply in voluntary military service and will do everything he can to avoid reinstating the draft. For the time being at least the All-Volunteer Force looks good: Enlistments are up, and for the first time in several years all of the services are meeting their recruitment quotas. But in the years ahead Reagan's own defense plan, coupled with the unalterable demographic facts of American life, conspire to make some form of mandatory service a real possibility.

To man the defense establishment Reagan envisions, the American military, now at just under 2 million, will have to expand in five years to over 2.2 million people. This is the minimum number of new troops required; the military has exhausted just about all the labor-saving techniques available to it.

This 10 per cent increase must occur at a time when the pool of eighteen-year-old Americans is drying up. For the decade of the 1980s, each succeeding year will produce fewer potential military recruits. If the American economy improves in the years ahead and teenage unemployment is reduced, the military will be even harder put to raise its quota. The president will do all he can to spur recruitment with higher pay and improved benefits, but sometime in the next few years he will face a tormenting choice: to ask Congress to reinstate the draft or to scale down plans for rebuilding American military power.
**Will the Commitment Be Sustained?**

Perhaps there was a time during the 1980 campaign when candidate Reagan truly believed that he could simultaneously increase defense spending, reduce taxes, and balance the budget. Certainly in the first few months of the new administration there were defense enthusiasts all over Washington convinced that the U.S. was on its way to a navy with 150 new ships, an army with two new divisions, and an air force with four more wings. The MX, the B-1, the F-18 were all seen as faits accomplis.

It did not take long for the supply-side bubble to burst. Within a few months of inauguration, David Stockman fixed his baleful gaze on the Pentagon and the new administration. The $13 billion cut finally negotiated may have been a victory for Defense Secretary Weinberger over Budget Director Stockman, but their battle signaled a conflict that inevitably will become more protracted and contentious. Short of voodoo economics there is no way for Reagan to follow through on his defense plans without inflicting pain and suffering, in the form of increased taxes or continued inflation, on the American people. Once the true costs of the Reagan buildup become known (and it has likely been understated in early cost projections), pressures will grow to cut back.

The consensus behind President Reagan’s plan for defense spending is massive but fragile. The American people never have shown much enthusiasm for sustaining high levels of defense spending during peacetime. As the congressional elections of 1982 approach, and as Reagan considers his likely bid for reelection in 1984, he will have to decide whether he wants to campaign as the president who renewed American military strength or as the president who restored economic stability.

Most Americans tend to equate national security with military security and to assume that military security means tanks and aircraft, ships and missiles. In fact, military security requires far more than sophisticated weapons. “Hollow” army divisions that are ill trained and understrength, navy ships without crews, and air force fighters grounded for lack of spare parts—such forces contribute little to our military security.

True security for the United States requires assured supplies of materials for industry and secure access to sources of energy. Above all else it requires a stable, healthy, and competitive national economy. Strengthening American military power by sacrificing our economic strength hardly would be a step forward. Only with a strong and prepared defense establishment backed by a strong and competitive national economy can the U.S. enhance its security in the years ahead.

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**WESTERN EUROPE & THE U.S.: FRICHTION AMONG FRIENDS**

McGeorge Bundy

Last October the largest gathering of free Germans since John F. Kennedy spoke in Berlin in 1963 gathered in Bonn to protest a plan to place new American nuclear missiles in Germany. Although the organizers of the meeting said it was aimed at both the Eastern and Western sides of the nuclear arms competition, the major targets of crowds and speakers alike were the governments of the United States and West Germany.

The immediate cause of this powerful new tide of sentiment in Germany is the plan adopted by the NATO Council two years ago for the placement of 572 land-based midrange thermonuclear missiles in Western Europe, some 200 of them in West Germany. These missiles are intended as a counter to Soviet deployment of new theater weapons, in particular what the West calls the SS-20—a modern, sophisticated mobile missile that can reach all of Western Europe, the Middle East, and much of Asia. According to Secretary of State Haig, there are already 750 warheads deployed on SS-20 launchers, and in his view the SS-20 and other new theater systems have “presented the alliance with a threat of a new order of magnitude.”

At the end of November, American and Soviet negotiators will sit down in Geneva to negotiate on the question of the limitation or reduction of those systems and perhaps others that can reach Western Europe and the Soviet Union respectively. This effort is the necessary twin to the plan for missile deployment. For the West German Government and its public particularly it is essential that both tracks be pursued with energy.

Given the strong European desire to see this question negotiated away, and the widespread belief that the new American administration is unenthusiastic about arms control, there would be considerable danger of a split between Europeans and Americans even if the issues on the table were simple and even if the Soviet Government were eager to ensure the unity of NATO. In fact, neither condition holds. The Soviet desire to split the alliance is one of the constants of the international political scene—not cause for resentment, merely a fact of life. But what is more interesting is that, as presently framed, the Geneva negotiation will be extremely difficult for our side simply in terms of what we and our allies will be able to agree on.

Because there is indeed a substantial Soviet advantage in the special field of theater-range missiles, and because there is growing division among Europeans over the urgency and desirability of the new American weapons of this class, it will be easy for Moscow to make proposals that are unacceptable to the American
Government and those who agree with it in Europe but are highly appealing to others. Secretary Brezhnev has already proposed a freeze on both sides, he could go further and propose some unilateral Soviet reduction in return for cancellation of the NATO plan. So great are his current numerical advantages within this particular field that he can easily design an offer that looks generous to many in Europe but retains so many advantages that Washington will feel bound to reject it.

It is not often that the alliance offers so obvious an invitation to Soviet troublemaking. Only the considerable likelihood of Soviet rigidity and clumsiness stands between NATO and a substantial self-inflicted wound. Paul Nitze, who will sit for the United States in Geneva, is a practiced and expert negotiator who can be relied on to point out the more obvious flaws in Soviet proposals. But as long as the negotiation remains framed as the NATO decision itself has framed it—limited to Soviet and American theater-range missiles—there is little prospect of an American position that manages to persuade European doubters. As matters stand, the very best we can look for is a negotiation that only slowly erodes the NATO decision.

The Premise
But if we are to do better, we must understand things better. We must go back and see what the proposed American missiles were supposed to do, how we lost sight of the proposal’s original intent, and why, unless the nations of Western Europe themselves clearly support it, the proposal is neither necessary nor desirable for the safety of the alliance.

The basic premise for the proposed force was that the new effectiveness of the SS-20 gives the Soviet Union a new capability for nuclear attack on Europe. Without a new and balancing counter in the hands of the West, it was argued, and in particular without new American weapons clearly dedicated to this task and deployed on European soil, the Soviet Union would be able to threaten Europe in a way that would be politically effective; at a moment of intense crisis or of calculated Soviet aggression, the Europeans would feel disconnected from the American nuclear protection that has been an essential element of the alliance for thirty years.

But this basic premise quite simply was wrong. The SS-20 did not and does not give the Soviet Union any nuclear capability against Europe alone that it did not have in overflown measure before a single SS-20 was deployed. Not only were the existing SS-4s and SS-5, though old and cumbersome, entirely adequate to threaten Europe with a nuclear attack, but, far more important, every long-range Soviet strategic missile that can reach the United States also can hit Europe. There are so many of these missiles—some 2,500—and they have so many large warheads—some 7,000—that less than 10 per cent of the force could produce in Europe the same results that are feared from the SS-20. And this calculation, like the usual NATO discussion of the threat from the SS-20, does not take into account three new midrange systems now entering the Soviet arsenal.

It is not clear to me why this obvious, wholly undeniable capability has been generally ignored by Western analysts. Possibly Americans have been blinded by their natural preoccupation with the threat the Soviet long-range missiles pose to the United States. Still more possibly the Americans may have supposed—and here may even be right—that the Soviet military bureaucracy would be disinclined to assign long-range weapons to short-range targets. And European analysts may find it comfortable to assume that long-range missiles simply are not intended for them. But whatever the cause for the omission, it is flagrant, and it has led to a gross exaggeration of the meaning of the SS-20.

The reality is that the location, the range, and even the vulnerability of particular weapons systems do not define either the capabilities or the intentions of any nation that has built long-range nuclear systems with an enormous redundancy of survivable warheads. For the Soviet Union and the United States capabilities remain varied and overwhelming even when whole systems are subtracted (which is why the notion of an early “window of vulnerability” in relation to the U.S. Minuteman is quite simply inane). Moreover, the capabilities of strategic systems are not defined by the mind-sets of their designers or advocates or by the planning processes at staff level in Omaha or Brussels or Moscow or Washington. Capabilities are defined by what these systems, or parts of them, actually can do if they are so commanded. The ineluctable reality is that long-range systems can hit midrange targets. Thus, when you have vastly more than “enough” for intercontinental strategic deterrence, as both sides do today, you have more than enough for smaller assignments too. On this quite basic point some nuclear planners with their simplistic analyses, both in NATO and elsewhere, have been deeply misleading their political superiors.

As with capability so with intent. In a world of strategic nuclear redundancy, political intention is not constrained by the capabilities of particular opposing systems but by the absolutely inescapable risk that any use of nuclear weapons might trigger a reply. No one can be absolutely sure that a major Soviet attack on Western Europe would provoke an American strategic reply—but no one, given the existing levels of American commitment and American troops in place, can be certain that it would not. This uncertainty is absolutely inescapable, and in Europe it applies to a large-scale conventional encounter as well as to a Soviet nuclear attack. The certainty of this uncertainty is what deters the men of sanity on both sides; if it needs some marginal reinforcement in NATO today, it is mainly in the field of conventional troops and weapons.

The Possibilities
With a single important exception there is nothing the new warhead can do that cannot be done as well by other systems that we have already or plan to have. Like the Soviet Union, we have long-range weapons in numbers grossly beyond any basic deterrent need; we can assign a few of them to NATO missions just as readily as we might assign the proposed new NATO missiles. Nor does the location of the weapons make any difference from the American standpoint. Whether these weapons are based in Germany, at sea, or in Nebraska, the presidential decision to use them against anyone will be of the same awful magnitude—and in particular
if used against the Soviet Union, whose leaders know very well whose command sends them and where to direct the reply. Thus there can be no American interest in letting anyone think we would find it easier to fire at the Soviet Union from Europe than from the United States. A misconception that we may think this way is fueling much of the opposition in Europe.

There is indeed one thing some of the new missiles can do that no other weapon can do, but it is something we should not want to be able to do. The Pershing II missiles (there are 108 in the plan) can reach Russia from Germany in five minutes, thus producing the new possibility of a supersonic first strike—even on Moscow itself. That is too fast. We would not like it if a Soviet forward deployment of submarines were to create a similar standing threat to Washington. It is not for us to be the first to put on a hair trigger the decapitation of a great rival government. It is in the general interest of all that neither side pose such a threat to the other. The 1979 decision to place the Pershing II in Germany was a serious mistake. Reduce its range so that it does not threaten Moscow, or cancel it.

Leaving the new Pershing aside because of this grave defect, there is one important argument for the ground-launched cruise missiles, the remainder of the proposed force. Our allies may in fact want them. These at least are not plausible first-strike weapons because they move at less than the speed of sound; they can reasonably be seen as replacements for theater-based aircraft that no longer are able to reach their NATO targets as well as they once were.

We have other systems that can do those jobs. Long-range missiles and aircraft can be assigned to NATO in wholly adequate numbers—as indeed five Poseidon submarines now are—with no harm to the basic deterrent strength of our enormous and still growing strategic triad. But we should neither withhold deployment of the cruise missiles, if that is the will of our European allies, nor make acceptance of these weapons a test of loyalty to the alliance.

Because they are American weapons, it is only natural that American leadership has been required in planning for their deployment. But it is quite another matter for Americans to presume to decide which systems and which locations are most necessary to provide confidence to Europeans. Yet this is the way too many Americans, in and out of government, have been talking. One need not admire all the arguments of European opponents of deployment to understand the resistance to any plan that looks a lot like an American device for fighting a nuclear war in Europe alone.

But if we must not presume to decide this question for our friends, neither should we presume that it is decided by a single rally in Bonn, however large and well organized. The Europeans who support the new deployment are neither few nor feeble; and the agreement of 1979 is not to be abandoned if this new force, with the Pershing II modified or omitted, is indeed still wanted by the Europeans. It is all wrong, though, for Americans to use the advantage of ownership to press for a single solution when there are many to choose from. We must think in terms of what Europe wants and needs, and not react mechanically to match every Soviet move.

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**4 CENTRAL AMERICA: FIRE IN THE "FRONT YARD"?**

The United States faces a complex set of challenges in Central America. In Nicaragua a divided government fumbles its way toward a singular socialism that would guarantee an active political opposition and a vital private sector. In El Salvador there is yet a chance to work out agreement between democratic elements of the government and the revolutionary opposition. In Guatemala a corrupt and brutal alliance of economic and military élites is systematically radicalizing the Indian population and driving it to rebellion. In Honduras, a country rich in political talent and blessed with a civilized military, there is unsteady progress along the proper course, away from rascality and incompetence and toward a modern political state. Costa Rica and Panama are prime political assets whose leaders are willing to play a positive role in assisting their northern neighbors in developing pragmatic solutions.

Others to our south, like Mexico, Venezuela, and Brazil, are troubled by the Reagan administration's willingness to identify itself with reactionaries in the interest of stifling change. Not a single democratic leader in Latin America has failed to deplore the no-strings backing the United States gives to the grim butchery in El Salvador. Uncritical support for dictatorship undermines our worldwide objectives and strains relations with democratic allies everywhere.

The Reagan administration has much to do, and more to undo, if it is to fashion a blend of political, economic, and security policies with the capacity to bring tranquillity and progress to Central America. The cardinal imperative for the administration is to set aside the fiction that the troubles affecting Guatemala and El Salvador are, in any important way, attributable to outside forces.

Certainly the administration's concern for the future security of Central America is a valid one. The Soviet Union has achieved significant gains in Asia and Africa by linking its influence to revolutionary movements. Yet in their origins these movements were not pro-Communist; they turned to the Soviet Union when the
United States, misassessing nationalist revolutions, backed the spent status quo against the ineluctable forces of change. In Central America the situation is still retrievable, but only if we cease backing reactionary military governments and league ourselves with the progressive moderate forces.

Lessons From History
The issue facing the United States in Nicaragua is of basic importance for the rest of Central America. Will we have the vision to recognize that within the Sandinista government there are important pro-West forces that, with our encouragement, can emerge triumphant? Or will we follow a policy of harassment and estrangement designed to divide Nicaraguan society and bring about the failure of the revolution?

Nicaragua can go either way. It can end up totally identified with Cuba and the Soviet Union. There are disturbing signs that some influential Sandinista figures regard the enmity of the United States as a fact of life, something that must be compensated for by closer association with our enemies. The presence of large cadres of Cubans is indeed a matter for deep concern.

But a majority of the Sandinistas believe the future of Nicaragua depends on establishing close ties with the United States. This powerful group has the capacity to transform Nicaragua into a democratic nation. But they cannot achieve their goal of gradual democratization in the face of our opposition. We must ask ourselves what we will accomplish if we throw Nicaragua into a state of chaos by enlisting the assistance of the many thousands of former Somoza military now camped on the Honduran side of the Nicaraguan border. Those in our government who labor under the illusion that the Nicaraguan people will withdraw support from their government when confronting a foreign-supported threat forget that it took the Bay of Pigs to make Castro undisputed hero of Cuba.

In her seminal work, On Revolution, Hannah Arendt argued that fear of revolution has been the hidden leitmotif of postwar foreign policy. She also pointed out that "in the contest that divides the world today and in which so much is at stake, those who will probably win who understand revolution...and such understanding can neither be countered or replaced with an expertise in counterrevolution."

If we accept Arendt’s comment as accurate, then arguably the most tragic event in the modern history of our relations with Central America took place in Guatemala in 1954. Confronted with Arbenz’s inept leftist government that was feebly attempting to play off the Soviet Union against the United States, Washington furnished arms to rebel groups based in Nicaragua and Honduras. When General Castillo Armas entered Guatemalan City, the U.S. immediately recognized his regime and showered it with grants and loans. (No one has ever bothered to deny the U.S. Government’s hand in all this from start to finish.) In the three decades since, Guatemala’s public life has been a nightmare in which moderate political and civic leaders are labeled Communists and killed by paramilitary death squads.

The mentality that involved the United States in the overthrow of Arbenz involved us also in continuing support of repression. Without our constant shoring up of dictatorship, the people of Guatemala would have found their own political solution—perhaps democratic, perhaps not. But at the very least we would have had no role in the sealing off of democratic alternatives that has driven idealistic young people into revolutionary movements.

It is important to understand that our close ties and constant gifts never have led the military of Guatemala to moderate either their corrupt rule or their brutal treatment of the population. On the contrary, these have strengthened their own determination and dispirited their democratic opponents. The repressive regime of Guatemala is more antidemocratic than anti-Communist. As official repression continues and expands, the country grows more polarized, and the moderates inevitably unite with extremists to achieve the common overriding objective: overthrow of dictatorship.

At this point the main hope for change lies with the young military of Guatemala. On the day the United States is seen to support the positive aspects of the Nicaraguan revolution, encourage democratic institutions in Honduras, and work for a negotiated solution leading to reconciliation in El Salvador, that is the day fermentation will begin in the ranks of junior Guatemalan officers, many of whom deplore the identification of the military with death squads and wholesale corruption. It would be only a matter of months before the majors and captains acted to rid the country of the corrupt and bloody generals and colonels. Now is the time for the U.S. to initiate the process that will preserve the Guatemalan armed forces as an institution.

Before the Reagan advisors condemn this policy as unrealistic or risky they should examine the alternatives. The present Guatemalan regime has lost totally the respect of its people. Elections continue to be a farce. The choice in next year’s circus will be between a rightist general and a far-right civilian who has promised to kill not hundreds but thousands of “Communists.” Meanwhile, grinding poverty, the wholesale theft of rural lands from defenseless peasants, and the continuing massacre of moderate political and labor leaders are polarizing the country. Is it really so difficult for Secretary of State Haig to understand that these conditions breed revolution, that it is unnecessary to look to Moscow and Havana for an explanation of why Guatemalan young people are ready to fight to throw off the worst tyranny in the hemisphere?

Heart of the Matter
Guatemala today is the El Salvador of tomorrow. Nicaragua presents the most important challenge for the United States, but it is more urgent to confront the El Salvador dilemma. In order to do this the administration must rid itself of illusions and cope with reality.

A few essential truths must be grasped before one can begin to find a solution for El Salvador. The reasons for a strong revolutionary movement in El Salvador lie, again, not in Communist countries but within the frontiers of El Salvador itself and in the sterile policies of the Reagan administration. A glance at the last decade’s statistics tells the story. Children under one year of age accounted for 30 per cent of all deaths in the country.
Unemployment and underemployment ran consistently close to 40 per cent. The percentage of landless and near-landless was the highest in Latin America. Inevitably, this situation has produced authentic leaders and movements designed to harness discontent and provoke rebellion.

The basic error of the Reagan administration is to base policy on a system that is rotten to the core. Nothing we do can instill qualities of leadership in a military high command that lacks the courage or decency to court-martial and expel from its ranks officers and men who routinely torture and murder. Nothing we do can save a country whose rich and powerful system systematically export its wealth to their foreign bank accounts.

The insurgents are led by dedicated revolutionaries, but most are not fanatics. Several guerrilla leaders have supported publicly the Democratic Revolutionary Front's call for negotiations. The guerrilla troops will fight to the death if necessary; after all, the alternative is to be slaughtered by the armed forces. The many Salvadoran officials whose wives and children are safely out of the country and who bank their money in Miami are not the stuff of which martyrs are made.

The key to peace in El Salvador lies in accepting the truth that El Salvador is without leadership. Except for a handful of Christian Democrats and a few military officers, civilian and military leaders have been driven from El Salvador by the paramilitary death squads. International negotiations leading to a restructuring of the Salvadoran military (which would permit the safe return of the country's leaders) followed by elections offers the only sane road to peace and reconciliation of the Salvadoran family.

**Hope of the Isthmus**

Honduras lies at the heart of Central America. If Honduras finds the road leading toward peaceful, democratic change, there is hope for the isthmus. If Honduras goes the way of El Salvador, Central America could be lost to anti-U.S. revolutionary forces.

The Reagan administration has misunderstood the Honduran reality. Pentagon planners apparently believe that Honduras is a permanent island of tranquillity in a sea of trouble, serving as a base for the elimination of subversion in El Salvador and Guatemala. Honduras today is alive with American military uniforms. Green Berets on their way to the Salvadoran border; Air Force personnel manning the twelve helicopters that have no purpose other than to threaten Nicaragua; Army and Navy personnel involved in planning and executing joint maneuvers such as Operation Hawk View, which put 180 U.S. servicemen into Honduras in October.

All this military activity has convinced the progressive, moderate civilian leadership of Honduras that the Reagan policies have the potential of drawing Honduras into a fratricidal war. There are solid grounds for fear. The Pentagon is sending to the Honduran military a constant message that reads: Elections are all well and good, but your first task is to eliminate subversion.

The obvious course for United States foreign policy is to help Honduras join Panama and Costa Rica as proof that democracy can effect necessary structural change in Central America. Instead, our policy appears bent on driving the Honduran armed forces into identifying with the Salvadoran and Guatemalan military—the most disastrous examples in the hemisphere.

The single most important cause of instability in Central America is the inability of the economic and military elites to accept responsibility for the collapse of their countries' political and social structures. They are as one in their insistence that all the problems of Guatemala and El Salvador are imported from abroad by foreign-trained malcontents. If Secretary of State Haig ever makes good on his repeated threat to “go to the source” and eliminate Cuba, he will find that revolutionary movements will go on much as before.

The Reagan administration now understands that its Central American policy is a failure. Private pressures have had absolutely no effect on the Lucas regime and the Guatemalan military continues its wholesale killing. In El Salvador optimism for a quick and dramatic roll-up of the revolutionary forces has given way to despair as the Salvadoran military continue to butcher innocent civilians and display their inability to control
the growing threat from the insurgents. The Mexican-French initiative, which recognized the Revolutionary Democratic Front as a "representative political force," has placed two of our most important allies squarely against the Reagan policy.

It is a relatively simple task for the Foreign Service professionals to fashion a new policy toward Central America that would set a sensible, moderate course aimed at resolution of the area's most pressing problems. The unanswered question is whether the right-wing ideologues who control our Central America policy can be persuaded to let common sense take over.

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5 PROTECTING THE WORLD'S RESOURCES: IS TIME RUNNING OUT?

However man organizes himself in communities or nation-states, he needs to eat to live and he needs food to eat. These common-sense facts at first seem unrelated to the complex political problems of today, but such banalities may form the fundamental reality of intercommunal and interstate relations in the very near future. To cite just two examples: Drought and famine in localized regions of the African Sahel became world issues in the mid-1970s, and the three-year production shortfall in Soviet wheat harvests currently places demands on United States food production systems that have yet to be fully appreciated in the political arena.

Viewed globally, the world's agricultural ecosystems on which all of us depend are evolving in directions and at rates we perceive only dimly at present. Our survival—not merely as a nation-state, but as a species—rests upon our awareness of the transformations in global agroecology and upon our capacity to mitigate their most destructive effects. For it remains an open question whether a global ecosystem can sustain the food production strategies that are presently practiced or currently proposed.

Since many of us consider the "food problem" only in times of crisis such as the periodic or localized famines in Third World countries, the "issue" may appear essentially one of underproduction. It seems that people in some parts of the world don't produce enough food to eat. Perhaps more ominous is that these localized and occasional famines seem to occur with increasing frequency and to involve greater numbers of people. Some observers regard these regional crises as premonitions of worldwide crises. As one recent study has pointed out:

...economists at the International Food Policy Research Institute predict that by the year 1990 production of staple food crops in developing countries will fall short of food demands by from 120 to 145 million metric tons (t), 3 times the 37 t shortfall of 1975. Hardest hit will be the poorest countries with per capita gross national product (GNP) in 1973 of less than $300. Their food deficit will be 75 to 80 million t/year.

An obvious response to the problem of imminent underproduction is to give full support to all programs that promise to increase food production. Two broad strategies seem possible: bring more arable land into full use under available cropping systems or transform and intensify production on existing agricultural land.

The first alternative is, of course, the classic solution. Much of the history of conquest and imperial expansion—reflected most typically in "frontier" societies like the United States, South Africa, and Australia—has been entwined with the processes of extending agrarian systems to previously "underutilized" or purportedly "vacant" territory. This historically rooted experience has generated in these societies deep-seated cultural beliefs that, as we shall see, have limited
the scope of the imagination in coping with problems of an ecosystem.

In our current global ecosystem there is not much more land to be expanded upon profitably. While in particular cases wide new expanses of territory may be brought under cultivation, in global terms enormous amounts of cropland are being withdrawn from cultivation each year as urban and suburban areas convert former farms into housing projects, industrial zones, and shanty towns. The important figure in this double-ended process of land-use conversion, then, is the total net increase in land under cultivation.

But even where expansion is possible, the costs may prove prohibitive. When marginal lands farther and farther from population centers are brought into cultivation, major infrastructure and transport investments are required, adding to the price of production in these areas. The result is that even the most optimistic projections of increasing surface area under cultivation do not really address the issue of producing affordable food for the world's hungry people.

The other alternative that suggests itself is to increase the intensity of cultivation on existing cropland. Here, at least superficially, there appears cause for optimism. The systematic application of scientific technology to agriculture in Western countries since World War II has led to dramatic increases in total production on existing or even reduced areas of cropland. This has been accomplished by the development of mechanized techniques for planting and harvesting and the application of chemical pesticides and herbicides to reduce environmental constraints on the growth of desired foodstuffs. Perhaps most significant have been the systematic experimental breeding programs to foster the growth of usable portions of the plant or to increase the plant's overall responsiveness to particular kinds of growth-stimulating fertilizers. These new "high-yield varieties" (HYVs) virtually have displaced previous varieties of crops in the Western world.

So successful have been these techniques in terms of total volume of production that to some observers they constitute a veritable "Green Revolution," comparable in scope to the "agricultural revolution" that transformed human societies when plants were domesticated some ten thousand years ago. The application of recombinant DNA research to plant species promises even greater changes. Journalists already speak of a "Second Green Revolution" in describing such experimental developments as the genetically engineered "tomato" (a potato-tomato fusion) or the prospect of a "meatato" (a hypothetical fusion of animal cells and the potato). It would seem that "thanks to science" human food production is on an entirely new plane.

Good Intentions

According to some observers, then, the overall productive potential of the Earth's ecosystem is assured with the breakthroughs afforded by the successive Green revolutions. Enormous surpluses can be generated where scientific techniques are applied; thus the "problem" becomes one of distributing these surpluses to the areas of food production shortfall.

Ideally, of course, this might work, and much of the activity of well-intentioned food-relief programs in the West can be understood as attempts to implement this kind of "solution" to current and foreseeable food crises in Third World areas. The difficulty is that even if sharing surpluses is possible theoretically, it is all too often subject to bottlenecks and blockages that leave millions of people vulnerable to starvation. And quite simply, our technical capacity for agricultural production has outstripped our cultural capacity for sharing.

For this reason many Third World nations, along with sensitive observers in the relief organizations themselves, have sought to focus the attention of the world community again upon the problem of production rather than on distribution alone. They assert that relief programs will not solve problems of food shortage, at best they can only postpone them. What is worse, by providing cheap or free alternative food sources that compete with weak production systems already in place, relief programs may actually cripple and destroy local systems, thus creating ever larger food demands over time.

Third World nations that have experienced this kind of famine relief or whose food-import bills are mounting are beginning to address these problems with increasing urgency. Their goal is national food self-sufficiency. In many cases the amount of new land available for cultivation is small, and in fact the fertility of existing cropland is often rapidly deteriorating through soil erosion, leaching, waterlogging, and salinization.

Faced with the demand to increase total food production on available or diminishing land surfaces, it is not surprising that agricultural experts and government planners look increasingly to Green Revolution technology. In this process, agricultural planners in the Third World are actively encouraged by a host of well-meaning Western experts. It is as if the ethical impulse behind much of the well-intentioned relief work to distribute surplus food during the 1950s and '60s is now translated into an equally strong moral imperative to export the Green Revolution technology.

Ingrained Metaphors

The technology of the Green Revolution is, of course, designed to facilitate greater intensity of production on existing land surfaces; and in this respect it might be expected to foster a new outlook on global agroecology, totally different from the one that characterized the period of agrarian frontier expansion in the Western world. Ironically, this does not seem to be the case. On the contrary, newly developed technologies seem only to fuel the culturally ingrained metaphors of expansion and domination. Here again we may be witnessing a situation in which technological advances have outstripped the culture's capacity to cope with them. Thus the Green Revolution is said to have opened up new "frontiers" of production worldwide that beckon to us with the possibilities—indeed the imperative—of conquest. Sterling Wortman of the Rockefeller Foundation is quite explicit about it:

Neded now are concerted campaigns to move into the countryside not only with knowledge of new techniques and new varieties of crops and animals but also with roads
and power systems, with inputs such as fertilizers, pesticides and vaccines for animal diseases and with arrangements for credit and for marketing agricultural products.

This "move into the countryside" is a huge task, but Green Revolution advocates express nearly unbounded optimism that now whole technological packages can be exported instead of just food surpluses.

As in the initial stages of frontier expansion onto open land, so too with technological expansion onto the new tropical frontiers. In 1976 agricultural development expert W. David Hopper phrased it in these terms: "As one considers the tropical farming world and the technology now available or soon to be available, there can be no grounds for pessimism about the latent potential of the world to feed increasing numbers of people for a long period ahead." Writing in a special issue of Scientific American, he went on to suggest that no longer is it nature that exercises significant constraints on production, but only men:

It is important to recognize that the world's food problem does not arise from any physical limitation on potential output or any danger of unduly stressing the "environment." The limitations on abundance are to be found in the social and political structures of nations and in the economic relations among them. The unexploited global food resource is there, between Cancer and Capricorn.

Such a confident vision is compelling but somehow unconvincing. On a technical level alone, agronomists warn that the tropics are not quite the "unexploited global food resource" that the technological optimists seem to think they are. Soils are generally poor in these regions, and the torrents of rainy seasons can impoverish them even further if extensive surface areas are exposed by mechanical manipulation. In addition, pests and competing vegetation can reproduce themselves very rapidly in tropical conditions, leaving large-scale monocrop systems particularly vulnerable to predation or blight. Some of these problems can be checked temporarily with the coordinate use of pesticides and herbicides, but the "co-evolutionary race" between host and pest takes place rapidly under tropical conditions.

These kinds of impacts, as well as irrigation systems and mechanical farm equipment, cost considerable money. It is becoming clear that only the larger farmers with access to capital can afford the Green Revolution.

It is here, perhaps, that Green Revolution optimists make their most serious oversight. Even where the production figures of the newly endowed enterprises show dramatic expansion, the food problem is not thereby solved. Displaced farmers crowd into sprawling urban areas, where they continue to reproduce themselves at staggering rates—in part, it has been suggested, to cope with the increased economic insecurity they experience after being uprooted from the land. With a large family there is always a chance that at least one child will find employment to support parents in old age.

In terms of the long-run impact upon global ecology, it is also apparent that there are real dangers in exporting the Green Revolution as a solution to the food problem. What is occurring is a radical reduction in the genetic variability of the world's crop systems as single strains of HYVs replace indigenous varieties of rice, wheat, corn, sorghum, millet, and others around the world. This "genetic collapse" leaves particular systems, and potentially the world's agroecosystem, vulnerable to climatic or pest problems on a scale previously unknown. Research scientists may well be able to keep one step ahead of these crises, but increasing reliance upon them to do so generates a dependence by Third World countries upon the centers of scientific research in the developed world.

In short, far from solving the food problem, exporting the Green Revolution may in fact work to heighten disparities between rich and poor in the Third World, increase the vulnerability of particular countries to pests and climatic irregularity, and further aggravate dependency upon the West for farm machinery, petrochemicals, capital, and scientific research.

The Green Revolution, with all its stunning achievements, does not open up "frontiers"—because there are no frontiers in a cyclical system. This point underscores a sobering fact. In the final analysis, man cannot produce food; he can only facilitate the processes necessary for a plant to produce it.

In short, the food problem will be solved only if it is reformulated within the framework of a global ecosystem, with metaphors of cyclical interchange replacing those of pyramidal production or frontier expansion. To survive as a species in our ecosystem requires that we subordinate ourselves to it, accepting our role as servant of exchange, not master of production.

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6 JAPAN: STRATEGIC ALLY, ECONOMIC RIVAL

The late Japanese Prime Minister Masayoshi Ohira coined the phrase "productive partnership" to characterize the relationship between the U.S. and Japan. The concept seems to me powerfully suggestive. It invites one to stand back from current controversies and consider the question, "Productive of what and for whom?"

Last September marked the thirtieth anniversary of the signing of the Peace Treaty and of the Mutual Security Treaty, the agreements that established the framework governing relations between the U.S. and Japan. If we think back thirty years, the nature of the partnership and the desired product of that partnership appear...
relatively clear, at least in retrospect. What did Americans want from the partnership?
1. A demilitarized and democratic Japan integrated into the community of nations;
2. Japanese economic recovery and prosperity;

What did Japan want from this partnership?
1. Economic recovery and prosperity;
2. Reassertion of Japan’s rights as a sovereign nation, including an end to occupation and return of Okinawa;
3. Security from foreign military attacks or threats.

How has the partnership performed? The bottom line is clear: It has been a success—beyond the wildest dreams of anyone involved in formulating the treaties of 1951. Who in the early ‘50s imagined that twenty years later Japan would be the economic miracle of the postwar period? Who would have believed that three decades hence Japan would be the second industrial power in the non-Communist world, its GNP more than 40 per cent of America’s, and its citizens’ per capita income approaching that of America’s? Who could have conceived that by 1981 the external threat posed to Japan by the Soviet Union and China would be so diminished that an American government would try to persuade a Japanese government that some real threat remained? And who would have supposed that the Japanese society and government would be so antimilitaristic and spend such a small percentage of its GNP on self-defense that Americans would be lecturing Japanese on the necessity of spending more?

This brings us back to the partnership of today and of the decade (or decades) ahead. And it returns to the question, “Productive of what and for whom?” What this partnership produces for Japan, I will leave for others to answer. As for Americans, I believe the benefits can be summarized under three major headings: economic, security, and political.

**A Community of Interests**

First, Japan contributes to America’s economic well-being. Though we tend to forget this when discussing automobiles or other items of trade, Japan provides a major market for American products. In fact, it is the principal customer for our agricultural exports and our second largest market overall. Japan supplies the U.S. with high-quality, low-cost goods that expand Americans’ choices, fight inflationary pressure, and encourage American producers to be competitive. Take the case of Japanese automobile imports. While the pain of adjustment has been substantial—and our troubled auto industry’s special circumstances are a legitimate national concern—the benefits derived from the sale of Japanese cars in the U.S. are considerable. In addition to saving American consumers over $1 billion annually in lower sticker prices, a recent Columbia University study concludes that these sales lower substantially U.S. gasoline consumption (by more than 2.5 million gallons in 1977, the last year for which figures are available), create nearly seventy thousand jobs for Americans, and spur American automobile makers to build cars that are more fuel efficient, economical, and suited to consumer tastes.

Too often Americans talk as if they were doing Japan a favor by buying its products. It is my impression, however, that when an American buys a Datsun or Toyota or a Sony Betamax or Walkman, his choice is governed not by charity toward Japan but by what he believes to be the best product at the best price.

Second—and a more controversial proposition—Japan contributes significantly to American security. Japan maintains a sizable self-defense force; its $15 billion defense budget ranks eighth in the world. An “unsinkable carrier” in the Pacific, as General MacArthur used to say, Japan provides the U.S. key military bases and contributes over $750 million annually to their upkeep. Moreover, Japan has launched a significant military modernization program, increasing defense spending regularly, while simultaneously coordinating overall defense planning with American forces in the region.

Third, Japan is one of America’s closest political allies. It shares a fundamental commitment to parliamentary democracy, individual rights, a market-based domestic economy, and an open international economy. Indeed, in defining these national values over the last thirty years, Japan’s leaders have taken as their point of departure the close partnership with the United States.

The success of Japan in realizing these values is of much more than symbolic value. Imagine—to take an extreme hypothesis—that Japan had fallen under Soviet domination after World War II. Had the Japanese people succeeded economically and politically under Soviet institutions and values—as well they might have—would we Americans or the rest of the world be as confident today that “communism doesn’t work”? The fact that this non-European culture has proved such a dramatic economic and political success stands as a reaffirmation of the values we share and as a beacon to other governments.

Moreover, the community of interest between the U.S. and Japan is proving increasingly crucial to the achievement of specific political objectives. In Asia, for example, where Japan provides the largest amount of development assistance, its strong and growing diplomatic and economic ties with China, South Korea, and the countries of ASEAN significantly complement America’s own efforts. The result is “a higher level of resilience within Asia’s less developed countries, which poses a strong political deterrent to external aggression.
GLOBAL INFLATION: IS THERE A CURE?

Jeremiah Novak

After nearly ten years of inflation it is clear to everyone—rich and poor, Communist and capitalist alike—that there is little to recommend it as a way of life. Nevertheless, curing inflation carries with it several risks. Its opposite is, at best, austerity and, at worst, deflation and depression. Austerity is politically bearable; deflation and depression are intolerable. The chief question of the moment is whether austerity can be achieved without unbearable consequences.

The most serious problem in fighting inflation is the generalized disorder in the world economy—a disorder that has been widely perceived since August, 1971, when the Bretton Woods fixed exchange-rate system broke down. This breakdown was compounded by the oil price hikes, growing protectionist policies in all nations, and a period of vast chaos in financial markets, especially in 1978 and 1979. And behind all this chaos is the startling reality that no one central, hegemonic economic power is able to deal with the crisis, as did the United States after World War II. Nor is there a
global financial agency, like the International Monetary Fund, to take the place of the U.S.

Instead, although the IMF has taken the lead in jawboning down inflation, the present fight is being waged by an informal consensus among central bankers, mostly European and American, and via uncoordinated national policies. Because there is no global policy, the inflation-fighting efforts of one nation can be frustrated by events in other nations. As a result, only tentative policies can be announced, and these must be changed as circumstances alter.

A world of uncertainty, where every nation faces both internal and external restraints that undermine the best of intentions, enhances the opportunities for mistakes in government policy. Consequently, the battle against inflation is fraught with the danger that one or more nations will misread the confused situation in the global economy and set off a deflationary spiral—either by deflating too quickly or turning to protectionist policies that trigger a trade war. Such was the case in the early 1930s, when mild inflation was fought by uncoordinated national deflationary policies after the breakdown of the world trading system.

Who Pays the Price?

Modern economic thought has failed to devise a way to control inflation and embark on austerity measures that avoids the creation of widespread unemployment. In fact, nearly 15 million people in the industrialized world are unemployed today, most of them as the direct result of austerity measures. In Third World nations, where austerity is a way of life, millions more are unemployed or underemployed. Even Communist China, according to a Defense Intelligence Agency report, began to practice austerity in 1980, causing it to cancel contracts for new factories and to tolerate unemployment of 15-20 per cent of its urban workforce. In Poland financial austerity has resulted in food shortages and unemployment in a society noted for its productivity.

Compensatory programs such as unemployment insurance, food stamps, and welfare—where available—are no substitute for honest, hard work. To rob a worker of part of his productive potential is a cruel way to impose austerity, for countless “guest workers” forcedly repatriated to their home countries, the cost is even greater. To millions of workers in the Third World, where there are no compensatory programs, austerity means debilitating poverty.

Thus the cost of controlling inflation is borne by those segments of society who can least afford it. This is true even in America, where welfare payments have been cut drastically. Austerity too often is a virtue preached by the rich and practiced by the worker and farmer, if voluntarily.

What is missing from the discussion of austerity and inflation control is any vision of what comes next. People are asked to sacrifice but are given no notion of whether their sacrifice will lead to a better world. After the global crisis of the past decade, will a reformed international financial system be erected to stabilize world production and prices? After this period of austerity, will the industrialized nations work together to develop programs to accelerate economic development in poor nations? Will further sacrifices be required? In short, is there any future beyond austerity?

These are not academic questions—or even idealistic ones. They were raised in the 1930s and answered at Bretton Woods in 1944. Today, talk of new mechanisms of international economic arrangements, ranging from the Third World’s new international economic order to Reaganite proposals to return to the gold standard, are in the air. What is needed, however, is the statesmanship to face up to the opportunities—and costs—of creating a sustainable global trading system that accelerates economic development and offers industrialized nations a healthy environment in which to compete. Inflation grew out of the imbalances in the global economy, and it can be ended convincingly only when the global economy is restabilized. Without this, austerity will lead inevitably to deflation. The only other approach is a retreat to isolationism and protectionism and a return of the depression of the 1930s.

Inflation and Weapons

It is ironic that the current calls for austerity everywhere in the world are accompanied by calls for increased weapons expenditures—notably unproductive weapons that add nothing to the supply-side of goods and are, like war itself, inherently inflationary. Indeed, the current arms race is one of the chief causes of global inflation. In the U.S. welfare cuts are offset by huge weapons expenditures that have added to the budget deficit and result in high interest rates—and thus contribute to austerity. Economic security is being reduced to enhance military security.

The increased armaments are a symptom that many statesmen no longer believe that the world trading system and community of nations can be reformed. Perhaps leaders of the world make this assumption unknowingly, yet it is implicit in the very scale of the renewed arms race. If this is their assumption, then the austerity we now face will end in war and even greater austerity. If, however, statesmen do believe the global community can be reintegrated, then the arms expenditures are redundant; the real problem is the statesmen’s lack of decisiveness.

Thus the battle against inflation is really a battle for peace. The most effective way to end inflation is to end the arms buildup and to reform the institutions of the global trading system. For inflation itself is a symptom—of a global order gone awry.

After the panic of 1929-32, world leaders called a World Economic Conference in London in 1933. They realized then that depression and the threat of protectionism and economic nationalism could be ended only by reform of the international financial and trading system. The London Conference proved a failure, and from then on armament expenditures soared, reaching the crescendo of World War II. Today we are facing the same essential questions of war and peace and economic stability. Shall we reform the global economic system now, or shall we wait until after the next war? Can we act this time before it is too late?

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Since the late 1940s, when the Soviet bloc came into being in Eastern Europe, Moscow has faced many a crisis in its front yard. The first one, in 1948-49, was its conflict with Tito’s Yugoslavia, followed by crises in Poland and Hungary in 1956, Albania and Rumania in the early 1960s, Czechoslovakia in 1968, and now, since August, 1980, in Poland again. In two instances the Soviet Union resorted to military intervention, in the other cases Moscow tried to regain predominant influence through political and economic pressures.

Is there a pattern of Soviet behavior toward the countries of Eastern Europe? And if there is, what does it tell us about the choices of the Soviet leadership concerning the current Polish crisis?

The Soviet pattern seems to derive from Moscow’s judgment of whether or not a local Communist party has the ability to control the processes of change. At least in the past, if a Communist party no longer was a leading force in society—as in Hungary and Czechoslovakia—the Soviet Union was prepared to put aside other considerations and apply all means at its disposal to protect its real or imagined interests. On the other hand, if the local Communist party was the one that was initiating changes, even if Moscow did not necessarily like or approve of them—as in Yugoslavia, Albania, and Rumania—Soviet intervention did not follow. Put another way, change “from below” was unacceptable because its outcome was unpredictable, while change “from above” was grudgingly tolerated.

Given the absence of Soviet military intervention in Poland so far, it must be assumed that the Soviet leadership retains some hope that the Polish Party can overcome the present challenge to its authority “from below”—that there can be a Polish solution to the Polish crisis. Although the Soviet leadership has several times appeared close to making the fateful decision to intervene, it must have concluded that there was still a chance, however slim, that certain “healthy forces” within the Polish Party could curtail the immense power of the independent labor union, Solidarity, and limit the extraordinary authority of the Catholic Church as well. True, by the time the twenty-fifth Congress of the Communist party of the Soviet Union was held in Moscow early in 1981, the Soviet Party had lost confidence in the ability of Polish leader Stanislaw Kania to resolve the crisis. In his keynote address Leonid Brezhnev failed to endorse Kania even as he praised the leader of the other beleaguered Communist party, Babrak Karmal of Afghanistan. Conversely, of the six East European leaders who spoke at the Congress, only Kania did not pay homage to Brezhnev. In a subsequent message to Warsaw, the Soviet Union left no doubt of its preference for a stronger Polish leader, one who would be prepared to use force if necessary against what Moscow regarded as rampant “counterrevolutionary tendencies.” Thus, it came as no surprise that Kania was eventually removed as head of the Polish Party.

The central question facing the Soviet Union still remains: Can any Polish leader overcome the Party’s reluctance and essential weakness to confront Solidarity and reassert its own authority? Clearly, Moscow has been looking for a “Polish solution”—a Soviet-backed effort by the Polish Party to defend the Soviet concept of a one-party political system. All the Soviet pressures of the past year, including military intimidation, have sought to signal a message to the Polish authorities: Roll back some or most of Solidarity’s gains or face the prospect of Soviet “fraternal assistance.” For, as time goes by, the Soviet Union becomes ever more certain that what is taking place in Poland amounts to a counterrevolution; that its strategic position in the heart of Europe is in grave danger; and that the emerging political order in Poland may challenge Soviet authority elsewhere in Eastern Europe and perhaps in neighboring republics of the Soviet Union itself. As seen in Moscow, the Polish crisis constitutes a potent threat to Soviet gains since World War II and is, therefore, the single most troublesome issue in Soviet foreign policy since then.

To Intervene or Not to Intervene

For Brezhnev and his aging colleagues, then, this is surely a “no-win” situation. Patient as they may be, they must be assessing the costs and consequences of a Soviet military intervention. Their dilemma is both real and profound. There are as many as seven reasons why they may decide against employing military force.

First, an invasion would likely lead to a civil war that could last for many months. What the Polish armed forces as a whole would do under the circumstances remains an open question, but it is at least probable that one or two divisions—and certainly tens of thousands of individual Polish soldiers—would take up arms against an invading Soviet army.

Second, with Polish miners sure to flood the country’s numerous and very valuable coal mines and industrial workers sure to occupy most Polish factories, a Soviet military intervention would bring the Polish economy to a standstill, if not altogether destroy its productive capacity for years to come.

Third, invasion would entail—for the first time in Soviet history—the concurrent military engagement of the Soviet armed forces on two volatile and dangerous fronts, Afghanistan and Poland, possibly overextending Soviet power. Although Moscow is presumed to have the firepower and probably the manpower to handle two such wars simultaneously, its ability to win both of them is not a foregone conclusion.

Fourth, an invasion would tend to strengthen pro-American, pro-NATO forces in Western Europe. At least in the short run, it would challenge the appeal of neutralist and pacifist tendencies and thus negate long-
term Soviet diplomatic efforts to impair the cohesion of the Atlantic alliance.

**Fifth,** a Soviet military intervention inevitably would lead to the termination of Western credits to Poland and of Western technology to the Soviet Union and its allies, as well as to a very expensive program of Soviet assistance to the struggling Polish economy.

**Sixth,** the ideological consequence of an invasion would be the further erosion of Soviet influence and prestige among workers and Communist parties everywhere, especially in Italy and France; it would provide additional ammunition to Chinese resistance to Soviet "hegemonism"; and it would create still another crisis of conscience among the political élites of several East European countries.

**Seventh,** the political upshot would be to put an effective end to Brezhnev’s career at a time when the beginnings of a succession struggle have already taxed the political resources of the Soviet system.

The case made by Moscow for a military intervention is simpler, and it is based on considerations of power and ideology that are less familiar to Western readers and perhaps even less "rational" than those of the case made against it. Yet in the context of Soviet political culture they make a powerful and, very possibly, convincing argument.

**First,** the Soviet Union would retain its control over the vital strategic pathway between Germany and the Soviet Union. The Soviet position as the preeminent military power in Europe would remain assured. Moreover, a Soviet military operation not only would show Moscow’s considerable arsenal of firepower but, more significantly, would reflect its willpower to accept immense risks in defense of its strategic interests.

**Second,** an invasion very likely would stifle further significant challenges to Soviet political authority in Eastern Europe. Conversely, all pro-Soviet elements in the region—opportunists and the remaining true believers—would gain new strength and confidence from the knowledge that they could rely on Moscow’s support. This would be welcomed particularly by the hard-line, incurably pro-Soviet leaders of East Germany and Czechoslovakia, who have long advocated stern measures by the forces of the Warsaw Pact. Thus, although the emerging political order in Eastern Europe would be neither authentic nor diverse, it would be “orderly” nonetheless. With the post-Stalin tendency toward East European autonomy arrested and both unity and uniformity reimposed, the Soviet bloc could present a more purposeful and cohesive image to the outside world.

**Third,** the possibility, however remote, that the Polish “illness” could infect the Soviet system itself would all but disappear. The Soviet leadership once again could consider as essentially safe and secure the potentially unstable Baltic states of Lithuania, Latvia, and Estonia as well as the Polish-speaking region of the western Ukraine.

**Fourth,** the reemergence of a pro-Soviet Poland would be claimed as demonstrating anew the ideological wisdom displayed time and again since 1917: that while, in theory, there may be “several roads” to socialism, the Soviet road remains the most viable one in practice. Moscow undoubtedly would make the point that so long as “socialism” must coexist with “capitalism” and “imperialism,” any significant departure from the Soviet model must lead to counterrevolution rather than to the naive and idealistic Polish vision of “socialist renewal.” Indeed, ideological supporters of the Soviet Union would rejoice in what they could regard as still another demonstration of the irreversibility of historical development toward, and never away from, the Soviet version of socialism.

**Prognoses**

Which argument finally informs the ultimate Soviet decision either to intervene or to give the Polish Communists still more time is, of course, impossible to predict. During the past year American specialists on the Soviet Union and Eastern Europe have offered different views—and made different bets—on the likelihood of a Soviet invasion. Adam Ulam of Harvard, for example, has maintained that a Soviet military intervention is not inevitable; others, like Walter Laqueur of Georgetown University, have argued that Solidarity’s major gains will have to be curtailed—by the Polish authorities if possible, by the Soviet Union if necessary.

The immense concentration of power in the hands of General Wojciech Jaruzelski—who now leads the Party, the government, and the armed forces as well—suggests that the Soviet Union may still be looking for a unique, and Polish, solution to the Polish crisis. As George Will has noted, the new leadership in Moscow may use “economic dislocations as an excuse for imposing martial law.” General Jaruzelski’s initial measures indicate that possibility. What remains to be seen is the reaction of Solidarity and, indeed, the Polish nation as a whole to a declaration of martial law. Will it be viewed as a temporary step justified by disorder and economic hardship or, alternatively, as deception—part of a process that began with economic strangulation by Moscow a few months ago in order to make martial law now appear to be a reasonable response to chaotic conditions?

In either case, the recent reassertion of Party authority in Poland offers a glimmer of hope that a Soviet invasion is not imminent. But the evidence of Soviet reluctance to intervene militarily should not be seen as evidence of an unwillingness to defend Moscow’s interests in this vital country and to do so by any means available. From the Soviet point of view, the question is not whether the Polish “counterrevolution” has to be ended; the question is whether the Polish Party can still summon the strength to do it. If it can, there are hard times ahead: shortages, demonstrations, strikes, arrests. Yet in the long run a successful Polish experiment grudgingly tolerated by Moscow would signal the rise of still another departure from the Soviet model of governance, the repercussions of which would be felt everywhere in the Soviet imperium.

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