

Arms control, SDI and Wall Street

Last week's abortive meeting in Moscow about the proposed agreement on intermediate missiles may not be too depressing. Both sides may learn from their contretemps and may yet sign the agreement.

MR George Schultz, one of the most amiable of men, has evidently had a rotten trip to Moscow. First, there was fog, which required that he should arrive by train. Second, knowing that his boss, the President of the United States, was even then (but not before time) going back on his nearly seven-year promise not to increase taxes in the United States, Mr Schultz had nevertheless insist in his talks with Mr Mikhail Gorbachev that the same president would never abandon his conviction that the Strategic Defense Initiative (SDI) is the next best thing to an olive branch carried by a dove. Mr Schultz is probably not much better placed than the rest of us to know whether President Reagan will be able to hold to this line until the end of his presidency just over a year from now, but last week's events must have sown doubt in his mind.

On the face of things, several confusing things have happened all at once. On one reading of events, in the year since the abortive Reykjavik summit, the Soviet Union has lulled the United States into believing it would sign an agreement on the abolition of intermediate-range missiles, but, when the agreement was all but ready for signing, has imposed a post-condition — the requirement that there should also be an understanding about SDI. It is surprising that so many people are so surprised; this, after all, is what happened at Reykjavik. Indeed, Mr Gorbachev has been as consistent in his public declarations that SDI is an abomination as has been Mr Ronald Reagan in his insistence that only SDI can make the world safe from nuclear war. Is it not time that the two people came to an understanding of why they appear to differ so radically?

Time to sign

To hope to do that, they have first to sign the treaty on intermediate missiles, INF for short, whose negotiation is complete. If they fail to bring the INF treaty to a conclusion, they will find they have lost the goodwill and even interest of those states likely to be most affected by the treaty, those of western and eastern Europe. The Soviet Union has the most to lose in this respect, if only because it has gained most from its apparent willingness to give up its provocative deployment of its force of SS-20 missiles aimed at western Europe for the past decade and from its enthusiasm for the idea of a treaty. To fail to sign would also enhance the free-floating ambitions of the governments of Britain and France, each of which would sense a vacuum into which to flow. The general appreciation that Mr Reagan needs a treaty if he is to make it into the history books and that Mr Gorbachev will eventually come to see that a refusal to sign will be a political setback is one of the reasons why people have not been more downcast by Mr Schultz's trip to Moscow.

The questions remains of what should be said and done about SDI. The present impasse, illustrated by what Messers Schultz and Gorbachev said to each other in Moscow, is a consequence of calculated misunderstanding. The United States, or rather its president and his close advisers, says that SDI is a means of protecting whole nations from attack by hostile nuclear missiles, that a power sensing itself immune from attack would be able to let its offensive nuclear missiles rust in their launchers and that everybody would be able thenceforth to sleep more easily in

their beds. Given the premise, the conclusion is in a probabilistic sense correct. Mr Gorbachev, on the other hand, says that there is no reason why a nation convinced it is immune from attack by other people's missiles should not also keep its own in good trim, planning to use them when a suitable occasion arises to knock the other fellow out. That is also an accurate calculation. Both people are logically on sure ground, and may continue shouting "yaa-boo" at each other for the rest of time unless something is done.

Bluff

The logical escape from each side's determination to see only one side of the other's case is for one to call the other's bluff. Mr Gorbachev is best placed to make the argument simply by asserting that moves towards the deployment of SDI should in logic, and for the sake of equal balance, be compensated for by reductions of the numbers of strategic missiles actually deployed. It is a simple point. If SDI is in any way effective, does that not imply that its users should be prepared to make unilateral reductions of their strategic missile forces? The same argument has often been used the other way about, as when supporters of SDI have said that adversaries would find it ruinously expensive to equip themselves with a countervailing force of offensive missiles. Does it not follow from that that an effective SDI should allow a nation to go without strategic missiles of any kind? Or to make do with, say, half a dozen?

At this point, the argument becomes academic. If it were indeed possible to develop an effective SDI (and even the enthusiasts acknowledge that the point has not yet been proved), those responsible would want some strategic credit for their cleverness. But the argument in its simple form shows quite clearly that the diplomatic way to neutralize SDI is in the context of negotiations about asymmetrical reductions of strategic arms. Why has a sensible person such as Mr Gorbachev overlooked that simple conclusion?

The simple answer is what people in the United States are often saying, that Mr Gorbachev's objective is not so much security (which matters nevertheless) as the more sensible use within the Soviet Union of scarce economic resources. If this is indeed the case, an INF agreement would bring very little relief. Virtually autonomous as they are, the Soviet military would not save much money for the civilian government if only one range of weapons were put on the shelf. That may explain why Mr Gorbachev so often talks in grander terms, of agreements to abolish nuclear weapons permanently; then at least it might be possible to think of bringing all those people (and their reliable production techniques) back into the civil economy. But that dream is a long way off. Maybe the most disappointing lesson to be learned from last week's meeting is that Mr Gorbachev has realized how slow will be the economic benefits of arms control, which may mean that he pays less attention to the possibilities. The best hope is that the events of the past few days on the world's stock exchanges will have pushed President Reagan in the opposite direction, towards a recognition that SDI (whatever its promise) is a poor use of economic resources. Is that too much to hope for?