

World Trade by Richard Schulman

Europe's strategic outlook

The Jesuits have a new study out on trade competitiveness. Out front is Europe, with the United States trailing far behind.

The U.S. Export Competitiveness Project headquartered at the Jesuits' Georgetown University has just published one of their more sophisticated contemporary handbooks for "Western European handling" available in print. "The United States, Western Europe, and the Third World: Allies and Adversaries" was written by Simon Serfaty, director of the Washington Center of Foreign Policy Research and a faculty member at Johns Hopkins School of Advanced International Studies, and was put out by Georgetown's Center for Strategic and International Studies. It is a polemic in favor of a nonhysterical approach to Western Europe's increasing policy differences with the United States.

Serfaty's thesis is that U.S. economic and military decline is inevitable and irreversible and that given this reality, a certain divergence of Western European economic and military policy from the U.S. is not only inevitable but—as in the case of France's military interventions into Zaire and Tunisia—desirable for the Atlantic Alliance. As long as Western Europe confines its policy differences and rivalry with the United States to isolated items on an issue-by-issue basis, such as export competition for Third World markets within agreed upon bounds—the interests of the Atlantic Alliance will be

safeguarded by its new pluralist leadership.

Serfaty's paper is reminiscent of the profiles of Giscard d'Estaing's "vulnerabilities" by the *New York Times's* European director, Flora Lewis. Indeed, Serfaty, like Lewis herself, is close to European social democratic circles which are typified by *Le Monde's* Washington correspondent Michel Tatu.

The limitation of Serfaty's thesis, however, is obvious: the more the U.S. and Western European economies continue to diverge, the less leverage the United States has to dissuade Europe from adopting the "triangular" approach to Third World development envisioned by the French and West Germans, including Soviet nuclear export capability.

Here are selections from the pamphlet.

"... To the states of Western Europe, Iran may have shown once more—and in the most vivid fashion—that the American connection is not so desirable in the Third World where European interests are threatened by the consequences of misguided, misdirected, and misapplied U.S. policies ... [T]he allies may come to see the events in Iran and Afghanistan as the latest expression of the decline, or even irrelevance, of the U.S. deterrent....

"[A] trend in the military balance that seemed to favor the Soviet Union has ... progressively enhanced Europe's sensitivity to the consequences of any provocation of the Kremlin, be it through a strategy of human rights, the playing of an ever elusive Chinese card, or the challenging of well-established or new Soviet presences in Third World countries.... To Europe, SALT II might buy enough time either for a U.S. effort to redress its compromised strategic posture, or for European initiatives to confront the consequences of growing Soviet capabilities and diminished U.S. leadership....

"[T]he United States is now seen on the continent as part of the threat to Europe's economic security at the very time it has lost some of its relevance to the physical security of Europe. Accordingly, special relationships have been sought more and more pressingly with the former colonies and new influentials in the Third World, thereby returning to former historical patterns....

"In this expanding competition among industrialized countries for the benefits of trade with the Third World, the United States, Canada, and the United Kingdom have until recently been losing to the more aggressive and successful strategies of Japan and West Germany, as well as to those of Italy and France in a lesser degree.... Future competition among industrial states for Third World markets is likely to be concentrated in the advanced technology sectors of new products and processes, where the United States had once had many advantages, but today finds formidable rivals in the Japanese and some European states...."