

BILLIONS MORE TO GO

Other magnitudes of possible military spending, though not so immediate as Vietnam, are not so very distant either. This fall or winter, for example, the decision will be made on whether to produce the Nike-X, the great antiballistic-missile system. An article in *Fortune* next month will explore the uses of the Nike-X; suffice it to say here that, depending on what strategy is adopted, this weapon system can cost anywhere from \$8 billion to \$40 billion, starting with only \$250 million the first year but building up steeply over 7 or 8 years.

As the insane conflict between Pakistan and India illustrates so vividly, war and revolution are endemic in the Asian subcontinent, and nothing gratifies the Chinese Communists more than to see them flourishing. If Thailand is relatively secure, not so much perhaps can be said for its neighbors Laos and Cambodia. And over the longer run it looks as if the United States would wind up as the only Western Power with large international commitments—and additional billions in military and other spending. Britain, the only other Western Power extensively involved overseas, is increasingly restive under its load. The British defense budget is about \$6 billion, or 6.6 percent of GNP, almost as large a percentage as that of the United States. Worse, the country's still farflung military organization is responsible for about \$850 million or 77 percent of the U.K.'s \$1.1 billion (estimated) balance-of-payments deficit, the most important problem facing a nation that is living beyond its means in the sense that it cannot export enough to pay for its imports.

Defense Minister Denis Healey accordingly has announced an interim program for cutting the British defense budget by \$600 million or 10 percent, and warns that more reductions will be in order unless the country's balance of payments takes a quick and satisfactory turn for the better. The interim cost-reduction program is supposed to be achieved mainly by drastic economies that will not alter existing commitments. Up until recently British military accounting was practically nonexistent, but with the help of the Pentagon, the British military establishment is being McNamara-ized. The United States wants dearly to keep the British in the game, and not only because it doesn't want to be the only Western country policing the world. The British can play the game more cheaply than the United States; a good part of the British forces in Malaysia, for example, consist of low-paid Gurkha troops. And the continuing presence of the British is a stabilizing influence in countries where the sudden withdrawal of colonial rule has left people disoriented.

"WHAT ARE WE DOING THERE?"

Whether McNamara-izing the British military establishment will suffice to keep it in the game is another matter. Britain has already proposed reducing its military outlays in Germany. Now the question of whether its strongholds east of Suez are worth hanging on to is being debated. The British are spending about 20 percent of their defense budget east of Suez, and committing a third of their purely military strength to Malaysia and Singapore. The 50,000-man British force in Malaysia, relatively cheap as it is, costs around \$300