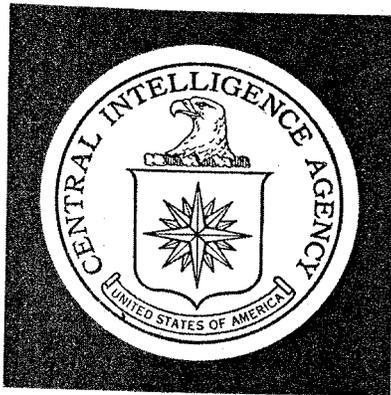


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NONPROLIFERATION TREATY: THE NEXT PHASE

The US and the USSR have introduced parallel drafts of a nonproliferation treaty (NPT) at Geneva, but there are still problems to be worked out between them. The Soviets have begun the search for compromises on these differences and for ways in which they, together with the US, can get around the remaining objections of the nonnuclear states.

Ambassador Roshchin, head of the Soviet delegation, has indicated that Moscow is willing to consider a compromise on the key question of safeguards--the subject of Article III, which was left blank in the draft submitted to the disarmament conference last week. He told the US delegate that the Soviet version of Article III--calling only for the International Atomic Energy Agency (IAEA) to verify compliance with the treaty--could be altered to help overcome objections raised by members of EURATOM, which operates the safeguards system of the Common Market countries.

Roshchin said the provision could note that the IAEA can negotiate agreements "bilaterally or multilaterally." Such a formulation could accommodate EURATOM in fact if not in name, and

clear the way for a compromise--probably one in which the two institutions would work out the inspection problem between them.

The question of security assurances to nonnuclear countries is another hurdle still to be gotten over. After the US-Soviet draft was tabled, Roshchin told the US it was essential for Moscow and Washington to reach agreement quickly on this and the safeguards question so that the NPT could be more easily defended at the UN General Assembly. The Russians see eye-to-eye with the US on the desirability of confining consideration of the draft to the Geneva forum until a text--a complete one, if possible--can be put before the General Assembly, probably in October.

The Soviets have also indicated that they will go along with Washington's wish to make separate statements on security for nonnuclear states, rather than writing these assurances into the treaty. Before the treaty is signed, however, objections from several quarters must be overcome.

Moscow's delay in tabling the treaty draft, apparently the result of Rumanian foot-dragging,

indicates that approval of a final text by the USSR's allies will not in every case be automatic. As self-appointed spokesman for the nonaligned states, India is giving the draft treaty a cool reception and promises to take an especially hard look at the security guarantees. On the Western side, West Germany and Italy object to the proposed unlimited duration of the treaty and to the amendments provision, which gives a veto power to the

IAEA board of governors--of which they are not permanent members.

Moscow is least likely to give ground on these latter two points. The Russians are obsessed with preventing West German access to nuclear weapons, and do not want to limit the NPT's duration nor give the signatories the right to reject amendments. [redacted]

MOSCOW PAYS FOR SOVIET TROOPS IN EAST EUROPE

Recent research on the balance-of-payments deficits in Soviet accounts since the late 1950s indicates that Moscow reimburses its allies for most if not all costs of maintaining Soviet troops in Eastern Europe.

The substantial deficits in bilateral accounts with East Germany, Poland, and Hungary are proportional to the number of Soviet troops billeted there. There is no similar imbalance in accounts with Rumania, Czechoslovakia, and Bulgaria, where no Soviet troops are stationed. This strongly suggests that any contribution by

the Eastern European countries toward the upkeep of Soviet troops is small and in no case an economic burden.

Against this background, Rumania's grievances toward the Warsaw Pact take on an overwhelmingly political hue. The purported Rumanian memorandum to other pact members, published by the French Communist Party newspaper L'Humanité in May 1966, complained about the expenses that arose from the maintenance of foreign troops on the territory of pact countries. Rumania was reported to have argued that the country from