

209080

JPRS-USA-87-007

8 JULY 1987



**FOREIGN
BROADCAST
INFORMATION
SERVICE**

JPRS Report

DECLASSIFICATION A
Approved for public release;
Distribution Unlimited

Soviet Union

***USA: ECONOMICS,
POLITICS, IDEOLOGY***

No 3, MARCH 1987

REPRODUCED BY
U.S. DEPARTMENT OF COMMERCE
NATIONAL TECHNICAL
INFORMATION SERVICE
SPRINGFIELD, VA 22161

19980812 176

55
78
A05

8 JULY 1987

Soviet books and journal articles displaying a copyright notice are reproduced and sold by NTIS with permission of the copyright agency of the Soviet Union. Permission for further reproduction must be obtained from copyright owner.

SOVIET UNION
USA: ECONOMICS, POLITICS, IDEOLOGY

No 3, March 1987

[Except where indicated otherwise in the table of contents the following is a complete translation of the Russian-language monthly journal SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA published in Moscow by the Institute of U.S. and Canadian Studies of the USSR Academy of Sciences.]

CONTENTS

U.S. Workers' Interest in Foreign Policy (pp 3-13) (Ya.N. Keremetskiy).....	1
Development of U.S. Economy in 70's-80's (pp 14-25) (N.V. Volkov).....	14
Conservative Influence in U.S. Politics (pp 26-33) (A.M. Migranyan).....	28
Catholicism in Canadian Sociopolitical Affairs (pp 34-43) (S.B. Filatov) (not translated)	
With the Women of New England (pp 44-49) (V.S. Anichkina) (not translated)	
History of Foreign Policy--Truman to Reagan (pp 50-54) (V.L. Chernov).....	38
U.S. Narcotics Problem (pp 54-58) (B.P. Sitnikov).....	43
Economic, Social Aspects of Data Processing (pp 59-66) (A.A. Kuteynikov, V.B. Supyan).....	49

CONTENTS (Continued)

A Tour of Literary America (pp 67-76) (A.S. Mulyarchik) (not translated)	
Re-Inventing the Corporation (Conclusion) (pp 77-88) (John Naisbitt, Patricia Aburdene) (not translated)	
Economic Advantages of U.S. 'Brain Drain' (pp 89-97) (Ye.A. Lebedeva).....	59
Use of Feed Resources in Animal Husbandry (pp 98-106) (B.A. Chernyakov) (not translated)	
Book Reviews	
Review of U.S. Book on Prevention of Nuclear War (pp 107-110) (A.V. Churmanteyev).....	70
Review of 'Counsels of War' by Gregg Herken (pp 110-112) (I.Ya. Kobrinskaya) (not translated)	
Review of 'Contemporary American Conservatism and Liberalism' by Wictor Osiatynski (pp 112-114) (I.Ye. Zadorozhnyuk) (not translated)	
Review of 'U.S. Economic Expansion: Western Europe'; 'U.S. Economic Expansion: Latin America'; 'U.S. Economic Expansion: Asia and Africa' (pp 114-115) (I.A. Shifrin) (not translated)	
Review of 'American Realistic Painting. Essays' by Ye.M. Matusovskaya (pp 115-117) (D.Ye. Furman) (not translated)	
Review of 'The "New Age" Religions' by L.N. Mitrokhin (p 118) (I.A. Geyevskiy) (not translated)	
Maine (pp 119-125) (not translated)	
The Maple Leaf--Canada's Symbol (pp 126-127) (A.I. Cherkasov) (not translated)	

PUBLICATION DATA

English title : USA: ECONOMICS, POLITICS, IDEOLOGY
No 3, March 1987

Russian title : SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA

Author (s) :

Editor (s) : V.M. Berezhkov

Publishing House : Izdatelstvo Nauka

Place of publication : Moscow

Date of publication : March 1987

Signed to press : 16 February 1987

Copies : 31,000

COPYRIGHT : Izdatelstvo "Nauka", "SShA--ekonomika,
politika, ideologiya", 1987

U.S. WORKERS' INTEREST IN FOREIGN POLICY

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 3, Mar 87
(signed to press 16 Feb 87) pp 3-13

[Article by Ya.N. Keremetskiy: "The Working Class and Foreign Policy Issues"]

[Text] The American workers, who have a stereotyped reputation in their own country as people indifferent to everything but the daily existence of their own families, have taken an increasing interest in foreign policy since the late 1960's and early 1970's. This interest has been recorded in studies of worker attitudes, in public opinion polls, and in reports on labor union activities. Its development was the result of the stronger influence of the interconnection of domestic and foreign policy issues on the financial and social status of the laboring masses under the conditions of the increasing internationalization of U.S. monopolist capital, the globalization of the economy, and the development of imperialist expansion.

Never before in the history of American state-monopolist capitalism has foreign and military policy been the kind of focal point of conflicting class interests as it has been in the 1980's. The Reagan Administration exposed the class aims of its imperious policy to the maximum. Politicians and the mass media in the United States have had good reason to ascertain the existence of mounting "national dissent" in connection with the growth of military budgets and the creation of a "strong national defense."

The American ruling class, which has always been preoccupied with maintaining the political stability of the class supremacy of the state-monopolist bourgeoisie, is aware of the tremendous ideological and political advantages of portraying workers as jingoists willing to sacrifice the shirt off their backs on the altar of "American power." American workers do have patriotic feelings, and they are fueled in every way possible by rightwing forces seeking support for foreign policy ventures. American workers, however, also have a great deal of common sense and an awareness of their own socioeconomic interests.

No matter how "deideologized" the consciousness of the American workers might be, it has to reflect the experience of their existence under the conditions of changing class relations. This ultimately has the deciding effect on their attitude toward foreign policy.

As a "typical American" in terms of his frame of mind, as a pragmatist with no developed class consciousness (for reasons warranting special discussion), the "average" worker in the United States reacts to the policies of the government and big business in line with his assessment of the impact of these policies on his own financial and social status. In the 1950's he was caught up in the general mood of the "cold war" because he was informed that the Soviet Union was supposedly preventing the start of the "American age" and impeding the establishment of American hegemony, which, as he was told, would secure the financial well-being of all social groups in the United States. He believed that the "American empire," in addition to guaranteeing big business superprofits, would also give him his "fair share."

When Gus Hall analyzed the extras with which American workers were furnished in the 1950's and part of the 1960's, he concluded that privileges of this kind "are extended for the labor unions' public support of capitalism as a system; for the support of bourgeois parties and U.S. acts of imperialist aggression; for assistance in the deception, division, and suppression of the working class movement in the countries where American corporations derive their superprofits."¹ American capitalism's loss of its previous privileged position in the world capitalist economy, the growing strength of American transnational corporations, and the progressively weaker position of American labor unions radically changed the situation in class relations. Monopolist capital broke off the "class partnership," stopped sharing part of its superprofits from the overexploitation of workers in foreign countries, and shifted the entire burden of financing the policy of imperialist expansion to the working class in the form of higher taxes. At the beginning of the 1970's Gus Hall ascertained that "for the majority of American workers, the balance of compensation is now negative"²--in other words, imperious policy became a factor with a negative effect on their socioeconomic status.

Back in the middle of the 1970's an article by C. Mains aroused interesting debates in FOREIGN POLICY magazine. This political scientist with a liberal ideological outlook was virtually the first bourgeois researcher to direct attention to the destruction of the "national foreign policy consensus" by the working class.

"Public opinion polls in our country," he wrote, "indicate that low-paid blue-collar workers are worried about the cost of foreign policy. This group is more inclined than any other to oppose aid to foreign states."³ Mains concluded that the main reason for the growing interest of most industrial workers in foreign policy was their realization that this policy was being pursued in the interest of transnational corporations, for the sake of the accumulation of wealth by the recipients of the highest incomes, those who would lose nothing, but, rather, would derive all of the benefits from this policy. The working masses, he wrote, want the government to eliminate all of the tax privileges allowing big capital to profit from foreign economic operations, and to force big business and the rich to assume a "fair share of the cost" of the policy of empire-building by passing the appropriate tax laws. Otherwise, the author observed, there would be no chance of a "national consensus" in this sphere. "Today's worker," he warned the powers that be, "is not what he was 30 years ago or even 10 years ago." There is no doubt

that the American worker's level of awareness today "is much higher than before," he concluded.⁴

But Mains and the other political scientists who took part in the debates on the development of class conflicts in matters of foreign policy had no doubt that the blue-collar workers--industrial workers--would continue supporting the constant growth of military expenditures because they would see the curtailment of the militarization of the economy as a threat to their jobs.

The 1970's and, to a much greater extent, the 1980's proved that the attitude of industrial workers toward militarization, including those employed directly in military production, was much more complex than it seemed to the empirical mentality of the bourgeois political scientists. Above all, this attitude has displayed a clear tendency toward change, and change leads to more contradictions in the thinking of most blue-collar workers.

Since the beginning of the "cold war" and the militarization of the economy in the 1950's, many workers have regarded the growth of the Pentagon budget as a factor in the maintenance of employment for purely practical reasons. A pamphlet published by the Coalition for a New Foreign and Military Policy and objecting to the militarization of the economy said: "The military budget is frequently viewed as a gigantic social program for the creation of jobs."⁵ The Reagan Administration, extremely worried about the problem of creating a foreign policy consensus (or unanimity), is trying to take advantage of this stereotyped belief today. Striving to secure the support of workers and labor unions for the arms race, Ronald Reagan has said that an increase in military spending is absolutely essential for the creation of jobs and the reduction of unemployment. Statements like this are a typical symptom of the increasing militarization of policy and of thinking itself, which was discussed in the Political Report of the CPSU Central Committee to the 27th CPSU Congress.⁶

The American working class of the 1980's is in a position it has not been in since the 1920's, when the bourgeoisie and the government secured the complete submission of this class to their will by annihilating organized resistance and setting arbitrary wage limits. In the 1980's the alliance of the monopolies and the government has waged an offensive against the gains of labor unions in the 1950's, 1960's, and 1970's and is also trying to subdue the working class' fighting spirit and lower its sociopolitical consciousness. During the process of carrying out the program of "Reaganomics," the powers that be have tried to demoralize industrial workers by fueling their growing fear of the high rate of chronic unemployment. In essence, the Reagan Administration regards its economic policy of maintaining high unemployment as the principal method of securing worker support for the arms race. To some extent, it has been successful, because the short-term considerations of the economic benefits derived from arms production have prevailed over long-term considerations in certain groups of workers in the regions where people are working on Pentagon contracts.

The personal egotistical interests and illusions of some working class groups are still a serious obstacle impeding the transition to a vigorous struggle

against the militarization of the society. Nevertheless, in studies of working class attitudes toward the military and foreign policies of American imperialism, the facts of the greatest scientific importance are not those reflecting the old pragmatic attitude toward the militarization of the economy, but those reflecting the new experience of the working class and the related tendencies in the development of its consciousness and behavior. This new experience is connected with the situation in which: 1) the working class now views increased military spending as a factor in the maintenance and growth of high unemployment; 2) the escalation of the arms race is accompanied by cuts in social spending; 3) the buildup of the military fist for the pursuit of the imperious policy of "neoglobalism" is increasing the power of the military-industrial complex, which is leading the attack on the socioeconomic gains of the masses, and increasing the aggressiveness of transnational corporations, which are taking jobs away from workers in the United States.

The new experience of the American working class is expressed by leftist trade-unionist ideologists, who explain to labor that "as military production becomes increasingly capital-intensive and automated, the number of people employed in it decreases."⁷ When spokesmen for the steelworkers union addressed a congressional subcommittee on employment, they said: "Science has already offered solid proof that military spending creates fewer jobs than spending to solve domestic problems. It is also clear that our military spending has reached an unprecedented level for peacetime, while our peaceful, domestic needs are not being satisfied adequately."⁸ According to scientific estimates publicized by labor unions, the military budget in 1982 alone cost American workers 2 million potential jobs.⁹

Workers with a developed sociopolitical consciousness regard militarization as a parasitical waste of national productive forces. This is their main argument in favor of the curtailment of military production and the development of civilian sectors of the economy. According to labor union data, the military industry has absorbed almost half of the scientists and engineers in the country. By taking the most highly skilled manpower, capital, technology, and raw materials away from civilian industry, the military industry is inhibiting the development of the civilian sector and the growth of labor productivity in it.

In the opinion of many labor leaders and activists, the military industry is jeopardizing the viability of the American economy. They underscore the fact that other countries, which spend an insignificant portion of their gross national product on weapons, have a strong economy and are now formidable rivals of the United States in the world marketplace.

The Pentagon military budget threatens manpower in civilian industry, public services, and the public sector, where most of the contemporary working class is concentrated. For government employees, teachers, workers in public health, social security, and communications, and others, the growth of the Pentagon budget is tantamount to the loss of jobs because its growth is financed by cuts in social spending. The low-paid strata of the working class that are subject to discrimination--ethnic minorities, women, and youth--suffer the most from the arms race. Their employment depends on the development

of the public sector, consumer services, and civilian production with comparatively low capital requirements.

Virtually all public opinion polls in the 1980's indicate that the overwhelming majority of workers--unorganized labor and, especially, workers organized in labor unions--prefer cuts in military appropriations to cuts in social spending. In 1981, according to Harris survey data, 65 percent of all workers believed the President when he said that increased military spending was needed to surmount the arms gap in competition with the Soviet Union. In the middle of 1985, however, the majority (51 percent) did not agree with the need to increase military spending for the same reason.¹⁰ On the level of general opinion or simple common sense, the workers' line of reasoning is approximately the following: "If we are lagging behind the Russians and they are as aggressive as the President says, why have they not attacked us yet?"¹¹

According to Gallup Institute data, workers engaged in physical labor were the most likely of all the "socioprofessional groups" recognized by the institute to approve of cuts in military spending. The indicator is highest for union members and their families: 74 percent of the blue-collar workers and 81 percent of union members and their families support the conclusion of a U.S.-Soviet agreement on an immediate and verifiable freeze on the testing and production of nuclear weapons.¹² When PUBLIC OPINION, a rightwing conservative magazine, summarized the results of public opinion polls, it had to acknowledge the increasing opposition to Reagan's militarism.¹³

Americans belonging to different social groups have also been asked whether the administration's military policy has brought the United States closer to peace or to war. Each time the question is asked, the majority of high-income respondents, members of the grand bourgeoisie and the upper middle strata, say that the military policy of the current administration has brought the United States closer to peace, while low- and middle-income respondents, especially union members, feel that this policy is bringing the United States closer to war.¹⁴ Reagan's military policy receives the strongest support from those who identify themselves with the Republican Party, which has always had the reputation of the "party of the rich." "The higher the level of education and income, the less opposition to administration foreign policy," THE NEW YORK TIMES summed up its analysis of survey data.

The socioeconomic implications of militarization and imperious policy force American workers to ask themselves the practical question of why the super-profits resulting from the imperious policy of "neoglobalism" are collected by big business and by the rich, while the average citizen has to pay for it. The tendency toward the polarization of the foreign policy interests of the main classes became more pronounced in the United States in the 1980's.

According to the data of polls and special studies, privileged groups in the labor force--skilled workers belonging to shop unions, the "labor aristocracy," and the closely related rightwing labor bureaucracy, who categorize themselves as "middle class" in terms of income--express the least dissatisfaction with the Reagan Administration's military and foreign policies. The foreign policy of the Republican administration is still being supported by

white skilled labor in, for instance, the construction industry. For a long time these workers derived considerable advantages from the construction of military installations abroad, especially in Vietnam. Reagan's foreign policy is also supported--for selfish personal reasons--by the most corrupted segment of the union bureaucracy, closely connected with the Mafia, namely the leaders of the teamsters union, who have traditionally supported the Republican Party in elections and have enjoyed special presidential patronage in exchange.

In the 1980's, however, the American monopolist bourgeoisie has preferred a broad-scale attack on the financial and social status of the working class as a whole to the bribery of specific groups of workers. This has been one of the main reasons for the increasing unanimity of working class views on military and foreign policy issues, although this has been a complex and contradictory process.

The foreign policy of the AFL-CIO, which has gained a lasting reputation in the American public mind as the most conservative foreign policy force, is also becoming contradictory and ambiguous. Its perceptible departure from the diehard support of the arms race and the foreign policy expansion of American imperialism reflects the mood of most of the union rank and file and the labor movement's interest in consolidating its political strength and political influence in the society.

In the 1980's the AFL-CIO Executive Council refused to support increased military spending unconditionally for the first time in the federation's history. The AFL-CIO leadership has accused the current administration of destroying the "national foreign policy consensus" with its policy of "guns instead of butter."

The right-of-center AFL-CIO leadership is in a difficult position: It must choose between defending the interests of the military-industrial complex and maintaining the level of social consumption to which the working class has grown accustomed, which is one of the essential conditions for the self-preservation of the labor movement as a reformist political force. The AFL-CIO Executive Council constantly accuses the Republican administration of "social injustice" at its sessions. It substantiates this accusation with the following argument: "The budget which presupposes a real increase of 9-10 percent in military spending and simultaneously cuts social expenditures by 3 percent, not counting previous cuts, cannot be called fair, and it also will not guarantee national security." The labor federation leaders have had to take the following stance: "If social expenditures are cut, then military expenditures must also be cut, so that the military budget will not constantly enrich military-industrial corporations and the top-level military bureaucracy and simultaneously impoverish all segments of the working class. According to an executive council statement, "by transferring the burden of defense spending to those who are least capable of bearing this burden, the military budget could destroy the foundations of the social cohesion and political unity required for the creation of a strong national defense."¹⁶

The AFL-CIO Executive Council then suggested the "reasonable" division of the arms race burden. It proposed that the Pentagon budget be augmented by

levying additional taxes on corporations and the recipients of the highest incomes. Given the present alignment of class and political forces in society, however, this is naturally no more than a good intention; the American bourgeoisie has such superior political strength that it will have no difficulty in continuing to transfer the burden of the arms race to the laboring public.

The right-of-center AFL-CIO leadership does not understand (or pretends not to understand) that the militarization of the economy has turned into one of the main factors eroding the social and political strength of the labor movement. It is still adhering to the concept of "strong national defense" and the concept of U.S. military superiority to the Soviet Union.

President L. Kirkland of the AFL-CIO has tried to assure the labor movement and the public in general that "equal adherence to the creation of a strong economy and social justice at home and to a strong national defense are not contradictory."¹⁷ The fact is, however, that Kirkland himself asserts the priority of military spending, agreeing with President Reagan on this point. This undermines his entire theory about the "lack of contradiction."

There is already strong opposition to this theory in the AFL-CIO, however, on the part of the left-of-center and leftist labor unions representing the interests of the largest segments of the contemporary U.S. working class. In arguments with the opposition, which asserts the priority of social spending over military spending, L. Kirkland angrily declares that the two cannot be compared in terms of their importance to society because they "depend on fundamentally different considerations."¹⁸

It is not surprising that many Americans believe that there is no fundamental difference between the policies of rightwing politicians in Washington and the AFL-CIO. Big business is striving to support this belief in every way possible. For example, BUSINESS WEEK remarked: "Judging by AFL-CIO rhetoric, its worst enemy is President Reagan, who fired 11,400 air traffic controllers and cut the Department of Labor budget by 30 percent. But when we look at foreign policy affairs, we see a radically different picture. Through a few little-known organizations, the AFL-CIO spends 43 million dollars a year in 83 countries to carry out its anticommunist projects, which merge with the foreign policy activity of the Republican administration."¹⁹ The magazine had good reason to report that the AFL-CIO leadership was still adhering to "cold war" assumptions in its foreign policy operations in Latin America, Africa, and Asia.

If the AFL-CIO remains a conservative foreign policy force, it cannot gain strength and increase the political influence of the labor movement. Unless it emerges from its state of moral-political isolation, unless it wins the allegiance of the peace movement, organizations of ethnic and racial minorities, the women's movement, senior citizens, environmentalists, and the leftist and liberal intelligentsia, and unless it becomes a leader of the antimilitarist coalition, it will have no real chance of forcing the government to change its antilabor domestic and foreign policies.

There is another extremely dangerous sociopsychological aspect of the idea of "strong national defense." The arms race creates the atmosphere of a

"mobilized society," in which the fear of the "red menace" invariably prevails, dissidents are persecuted for "anti-American activities," and war hysteria and chauvinism are fueled. In this atmosphere, even the modest demands of the AFL-CIO for a lower rate of increase in military spending and the preservation of social programs are portrayed as unpatriotic moves, allegedly benefiting communism, by the enemies of the labor movement. This is how anti-union public opinion is created and chauvinism is aroused by taking advantage of the average American's nostalgia for "America's earlier strength."

Nevertheless, more and more labor unions are realizing that the socioeconomic, sociopsychological, and political consequences of the escalation of the arms race by rightists pose a lethal threat to the working class and that the time has come for radical changes in AFL-CIO foreign policy. This stance has already been taken by 19 of the largest American labor unions, including such well-known opponents of the militarization of the economy as the United Automobile and Aerospace Workers Union, the Association of Machinists and Aerospace Workers, the Federation of State, County and Municipal Employees, the United Food and Commercial Workers Union, the National Education Association, and others.²⁰ The United Steelworkers of America, once conservative in its foreign policy views, has also become an active opponent of the arms race.

In contrast to the right-of-center leadership, leftist and left-of-center leaders believe that the creation of a "strong national defense"--that is, the arms race--and a strong economy are incompatible. In the labor movement of the 1980's there has been some support for the radical alternative to the militarization of the economy--the idea of gradual economic conversion, the conversion of military production into civilian production, an idea set forth by economists closely connected with progressive unions since the 1970's. Above all, this applies to the most resolute advocate of this conversion--President W. Winpisinger of the International Association of Machinists and Aerospace Workers. "Organized economic conversion," Winpisinger observed, "is the humane, reasonable, and only possible way of releasing workers, territorial communities, and whole states from the trap of military spending."²¹ Conversion, in W. Winpisinger's words, is needed to create an economy of greater social justice, "a moral economy, a humane economy."

In the 1980's the idea of the "humane economy," as opposed to the inhumane militarized economy, has been taken up by many labor unions leading the struggle for the new social consciousness of the laboring masses.

The callousness and greed of capital, according to leftist labor leaders, are most cogently revealed in the foreign economic expansion of American transnational corporations, which move their enterprises to other countries, destroying the U.S. industrial base and abolishing the jobs of comparatively high-paid production workers.

The internationalization of capital is eroding the position of American labor unions in the economic struggle for hiring conditions. Transnational corporations have dramatically reduced the effectiveness of strikes as a weapon of the American worker by overexploiting cheap manpower in their overseas branches. The positions of the sides in the economic struggle are influenced most by the

threat to move enterprises from the United States to countries with cheap labor unless the labor unions submit to the wishes of capital and accept its demands for lower wages and inferior working conditions to enhance the competitive potential of American goods.

American workers are suffering from the effects of the competition of cheap foreign labor on employment and wages. According to AFL-CIO data, foreign competition caused the loss of 2 million jobs in the first 4 years of Reagan's presidency.²² The illusions that the American working class could keep its status of the "labor aristocracy" on the international level were completely dispelled during that period. It was also during that period that the conflicting interests of the labor movement in the United States and of transnational capital in foreign economic policy, especially trade policy, were fully revealed.

Since the late 1960's and early 1970's the labor unions have been guided by a desire to expand the domestic U.S. market by preserving and developing the civilian branches of mass production and consumer services capable of absorbing considerable manpower. This would have strengthened the position of workers in their struggle for higher wages and better working conditions.

The increasing strength of transnational corporations, however, is equalizing the average wage in the United States with the low average standard wage in the international labor market. This is the main reason for the American corporate interest in foreign economic expansion. The assignment of priority to the domestic market would be tantamount to the corporations' agreement to a higher income for American workers and, consequently, a lower profit norm. Capital naturally cannot agree to this.

Frightened by the competition of cheap labor, American unions snatched at the first available means of protecting jobs--a protectionist trade policy, requiring the institution of protective import quotas and customs duties by the government. As even the labor unions admit, however, protectionism has become a "dirty word" in the 1980's, because restrictive quotas and duties unavoidably raise prices and reduce production efficiency. Although protectionism temporarily protects the worker as a producer, it injures him as a consumer. By insisting on protectionism, the American labor unions are objectively damaging themselves politically by giving their enemies another excuse to portray them as an egotistical "special interest group" striving to set its own affairs in order at the expense of the public interest.

The greatest danger of protectionism, however, is the objective ability of protective trade policy to weaken the position of American labor unions in the struggle against transnational corporations. Under the conditions of a "globalized" economy and a developed system of international division of labor, the protectionist defense of jobs unavoidably sets American workers in opposition to workers in other countries and thereby weakens the international strength of labor, the only guarantee of success in the struggle against international capital.

In their efforts to create anti-union public opinion in the country, the mass news media in the United States happily carry pictures of American "Luddite"

workers using sledgehammers to smash the Japanese cars that are costing them their jobs. But workers with a developed consciousness and a sense of class solidarity realize that the American labor movement can avoid defeat in its battles with transnational corporations only by "cooperating closely with labor unions in other countries for the sake of equal hiring conditions in the industrially developed and developing countries."²³ In other words, they should strive for a high standard of working conditions and wages for all segments of the international working class. The establishment of this standard is the main economic condition for the development of international class solidarity.

In the early 1970's Marxist researcher G. Green wrote: "Most labor unions are still unaware of the interdependence of multinational corporations, colossal military expenditures, and reactionary imperialist foreign policy."²⁴ Reaganism has forced them to acknowledge this connection. Since 1981 official AFL-CIO statements have accused the rightwing Republican administration of subordinating foreign policy to the interests of the economic and political power of transnational capital, which intends to destroy the labor movement. Secretary-Treasurer T. Donahue of the AFL-CIO declared: "The essence of the current administration's foreign policy activity is that President Reagan is allowing narrow mercantile interests to dominate our foreign policy. He is allowing international bankers and transnational corporations to endanger our national interests."²⁵

The right-of-center upper echelon of the AFL-CIO is infected by anti-Sovietism, however, and does not condemn the "neoglobalist" expansion or the latest attempt to impose the hegemony of the military-industrial complex on the world.

Nevertheless, the times are changing. Just 30 years ago the AFL-CIO Executive Council could use anticommunism as a commodity in profitable barter transactions with the White House and big business. In exchange for the support of the policy of imperialist expansion, the union bureaucracy and the labor aristocracy received sops from the government--money for labor training and retraining programs, prestigious appointments--for example, the posts of attaches in charge of labor affairs in U.S. embassies, resources for exchanges of labor union delegations, etc. The liberal segment of the ruling elite sometimes repaid the union bureaucracy with intervention in labor conflicts to moderate the excessive aggressiveness of some corporations. All of this stopped in the 1980's, but now the anticommunism of the AFL-CIO (although it is not as pronounced as it was in the days of the G. Meany dictatorship) is restricting the unions' movements in the struggle against "Reaganomics"--the policy of redistributing national wealth in favor of transnational corporations and the monopolist bourgeoisie.

In the American labor movement of the 1980's there is a growing realization that the anticommunism and anti-Sovietism of the right-of-center AFL-CIO leadership is becoming one of the main causes of the weaker political influence of unions. There is growing dissatisfaction with the traditional AFL-CIO line of creating a pro-American union "empire" in the international labor movement. After all, the cultivation of schismatic "free" labor unions

unavoidably promotes the establishment of pro-American authoritarian-terrorist regimes, such as the Duarte regime in El Salvador, which later get rid of all unions, including the "free" ones, in an effort to please transnational corporations.

The creation of the Committee in Support of Democratic Freedoms and Human Rights in El Salvador by 22 labor unions was a major event in the struggle within the American labor movement to change the official foreign policy line of the AFL-CIO. These unions represent half of all the organized American workers. At the 16th AFL-CIO Convention in 1985, it was only with the greatest difficulty that L. Kirkland managed to prevent an overt split over foreign policy issues.

According to the opposition, the labor movement should be guided by the principle of class solidarity to change the balance of power in the economic and political struggle in its own favor, and not strive to be the junior partner of big business and Washington in the attainment of their own goals.

The struggle to surmount the traditional conservative foreign policy line of the AFL-CIO has been a difficult one, because "antiradicalism, including anticommunism, has become a stable element of the rhetoric and actions of American union leaders due to real or imagined threats to their authority and the privileged position of their unions or due to its capacity to help them curry favor and demonstrate their loyalty to capitalism and Americanism."²⁶ But American capitalism can no longer pretend to be some kind of "unique capitalism," capable of securing the highest standard of living in the world for the working class in its country. In the 1980's the status and rights of workers were defended less in the United States than in other developed capitalist countries. This has objectively deterred the attempts of the AFL-CIO to demonstrate its loyalty to "capitalism and Americanism" with a conservative foreign policy line.

In particular, the AFL-CIO Executive Council supported the ratification of the SALT II treaty (which was vehemently opposed by G. Meany). The labor federation departed from the traditional line of the "cold war" era and announced at its 16th convention that it "welcomes the resumption of Soviet-U.S. talks in Geneva and supports the idea of the balanced reduction of nuclear arms."²⁷ At the same time, however, the executive council did not support a resolution submitted by the machinists and automobile workers unions regarding the movement's direct support of a nuclear freeze, a moratorium on nuclear tests, and real progress in arms control. It is still too hard for it to give up its illusions regarding the possibility of U.S. military superiority to the Soviet Union. Nevertheless, it will have to give up these illusions.

At the same time, now that the development of the union movement in the United States and other countries is being threatened by apartheid in South Africa, which is suppressing the struggle of the overexploited black workers, the AFL-CIO Executive Council mobilized American labor unions in support of the struggle of their class comrades in the stronghold of racism.

In short, the American labor movement has undergone visible changes in the 1980's. It is essentially waging a struggle for survival. The success of

this struggle, as many leaders and members of the labor movement are realizing, will depend largely on whether the unions finally make a vigorous effort to raise the political (and foreign policy in particular) consciousness of the laboring masses. The prevailing influence on the political consciousness of workers at this time is not exercised by labor unions, but by television, which propagates the views of the dominant class and ruling elite. This is one of the reasons for the extremely contradictory foreign policy thinking of American workers. Attitudes which are mutually exclusive from the strictly rational standpoint coexist and intermingle here.

The "average" worker is more and more convinced that there can be no alternative to the policy of peace in the thermonuclear age, but he also believes that America cannot get along without a "strong national defense." Judging by all the data, he favors military parity with the Soviet Union and equal security, but during the years of the "cold war" he grew accustomed to sharing propagandistic anti-Soviet stereotypes. He is against aid to "contras" of all stripes, but he is prejudiced against anti-imperialist progressive regimes. Part of the working class (primarily the unorganized white workers in cities in the southern states, infected by racism) is impressed by R. Reagan's "nationalism" and his policy of reviving the "American empire" by employing flagrantly violent methods in international affairs. These white workers who feel nostalgia for "omnipotent America" voted for the Republican President.

The elimination of these contradictions, the liberation of the consciousness of the laboring masses from the dogmata of "American exclusivity," American messianism, and bourgeois views, and the development of class consciousness are a more essential condition today than every before for the growth of the political strength of the American labor movement.

FOOTNOTES

1. Gus Hall, "The Revolutionary Movement and Contemporary Imperialism," Moscow, 1974, p 133.
2. Ibid., p 135.
3. FOREIGN POLICY, Spring 1975, p 117.
4. Ibid., Summer 1974, p 168.
5. "More Jobs. Converting to a Peaceful, Productive Economy," Wash., 1978.
6. "Materialy XXVII syezda Kommunisticheskoy partii Sovetskogo Soyuza" [Materials of the 27th CPSU Congress], Moscow, 1986, p 20.
7. "More Jobs."
8. DAILY WORLD, 24 April 1986.

9. GUARDIAN, Summer 1982, p 7.
10. THE HARRIS SURVEY, 22 July 1985.
11. INTERNATIONAL HERALD TRIBUNE, 7 February 1983, p 2.
12. GALLUP REPORT, October 1984, pp 4, 9.
13. PUBLIC OPINION, June-July 1985, p 35.
14. Ibid., p 18.
15. THE NEW YORK TIMES, 17 April 1986.
16. AFL-CIO NEWS, 26 February 1983, p 3.
17. Ibid., 23 February 1985, p 3.
18. Ibid.
19. BUSINESS WEEK, 4 November 1985, p 72.
20. For a more detailed discussion, see POLITICAL AFFAIRS, October 1984, pp 25-28.
21. THE EVENING BULLETIN, 1 November 1978.
22. AFL-CIO NEWS, 9 November 1985, p 5.
23. SOLIDARITY, June 1984, p 4.
24. G. Green, "What's Happening to Labor," Moscow, 1976, p 396.
25. AFL-CIO NEWS, 27 March 1982, p 2.
26. "The American Working Class. Prospects for the 80's," N.Y., 1980, p 206.
27. "Report of the Executive Council of the AFL-CIO, Sixteenth Convention," Wash., 1985, p 259.

COPYRIGHT: Izdatelstvo "Nauka", "SShA--ekonomika, politika, ideologiya",
1987

8588

CSO: 1803/07

DEVELOPMENT OF U.S. ECONOMY IN 70'S-80'S

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 3, Mar 87
(signed to press 16 Feb 87) pp 14-25

[Article by N.V. Volkov: "Structural Changes in the American Economy";
passages rendered in all capital letters are printed in boldface in source;
first paragraph is editor's note]

[Text] The restructuring of the U.S. economy has been given extensive coverage in Soviet economic literature. The mechanism for the creation of the new technological structure in the leading capitalist country is based primarily on the same elements of the production system that allowed monopolist capital to quickly accumulate large quantities of material and financial resources for accelerated economic reorganization. This aspect of the structural changes in the United States in the 1970's and 1980's is the subject of this article, published in the form of a discussion.

The 1970's and early 1980's have been of special importance in the postwar development of the U.S. economy. It was precisely during this period that crisis-related breakdowns in the reproductive mechanism of the American economic system became apparent. The increasing instability of economic growth, the increasing length and destructive potential of cyclical crises of overproduction, closely interwoven with structural crises, the negative effect of upheavals in the monetary sphere, and the intensification of foreign competition forced American monopolist capital to begin the extensive retooling of the production system.

Production Efficiency and Structural Changes

The dynamics of national economic structural changes in the United States in the 1970's and 1980's depended largely on the state of production efficiency. The level and speed of production during this period motivated American corporations to begin reorganizing the technological system established during earlier phases in the development of modern assembly-line production.

It is obvious that a prolonged decline in production efficiency unavoidably motivates corporations and the government to seek means of modernizing production. It not only motivates them but also secures the very process of this modernization. After all, the transition to new and more complex types

of equipment and technology, ultimately making up a new technological structure, depends, first of all, on the existence of the necessary material and financial resources; second, on the ability of production units meeting the requirements of scientific and technical progress to satisfy society's need for progressive equipment; and, finally, a fairly lengthy period of capital accumulation. During a prolonged decline in production efficiency, the rapid creation of these conditions is an unrealistic objective.

In the United States the rate of structural changes rose perceptibly after the crisis of 1973-75. But after all, the level of production efficiency in the United States was the highest in the capitalist world in the 1960's and early 1970's, far exceeding the indicators for Western Europe and Japan. Although the gap between them was gradually reduced in subsequent years, the United States remains the leader. How could the high level of efficiency and the stepped-up restructuring of the American economy be combined in this case?

The founders of Marxism did not exclude the possibility of major changes in capitalist production without a decline in efficiency. As we know, K. Marx stressed that capital is distinguished by "an immanent desire and constant tendency...to augment the productivity of labor" and underscored the revolutionary nature of large-scale industry, which "constantly makes revolutionary changes in the technical basis of production...and continuously transfers huge amounts of capital and manpower from one branch of production to another."¹ These natural tendencies in the development of capitalism as a method of production indicate that significant changes in its technological structure could be the result of the deterioration of productive forces and of capitalism's inherent tendency to constantly make revolutionary changes in technical equipment.

In the capitalist society scientific and technical progress is indissolubly connected with one of the main goals of the exploitative class--"lowering the price of labor by lowering the price of goods."² This means that even when the conditions of reproduction are relatively favorable, monopolies will always seek methods and resources for the use of more efficient types of equipment in production. In addition, we must not forget the permanent stimulus of the bourgeoisie's pursuit of surplus value. Its source is the augmentation of labor productivity at the enterprises of the companies managing to take the lead at least temporarily with the aid of some kind of technological innovation.

The theoretical possibility of structural reorganization under the conditions of rising production efficiency was confirmed by the economic development of the leading imperialist powers in the postwar period. The speed with which Western Europe and Japan restructured their economies in the 1950's and then modernized them under the influence of scientific and technical progress and the structural crises in the world capitalist economy was made possible by the efficient use of production capital and the "intelligent" use of highly skilled manpower. The structural policy of the governments in Western Europe and Japan, aimed at protecting the national economy and stimulating the development of priority fields of production, also played an important role. This not only reduced the gap between them and the United States, but also

established an economic structure capable of, on the one hand, withstanding the pressure of American monopolies and, on the other, setting some of the main directions in the development of the world capitalist market for goods and services.

The speed of structural changes in the American economy in the 1970's and 1980's was also connected with rising production efficiency. This is a tangible connection and it proves that in the United States and in rival centers of imperialism, the contradiction in the restructuring of the economy consists in the attempts of monopolies to prolong the acquisition of additional profits by enhancing the effectiveness of all elements of the existing production system and simultaneously making the transition to new types of advanced technology. High profits led to accumulation on a broader scale, and this is the reason for the intensity of the structural changes in the U.S. economy in the period in question.

The interaction of enhanced efficiency and quicker structural changes in the United States differs considerably, however, from the pattern in Western Europe and Japan. The reason is American capitalism's higher level of intensification and, consequently, of production efficiency. Whereas the intensive development of U.S. industrial corporations entailed the replacement of primarily embodied labor, their main rivals abroad were unable to solve the problem of simultaneously economizing on live and embodied labor.³ This is why production efficiency in the United States must be evaluated with a view to certain distinctions. What are they?

First of all, the enhancement of production efficiency in the leading capitalist country took place under the conditions of intensive reproduction. Second, the initial level of production efficiency was much higher than in other capitalist states. Therefore, the slower rise of the level of efficiency in the United States than in the countries representing its main competitors should not be regarded simply as a negative aspect in the development of the American economy. This is even more obvious in view of the fact that when the absolute LEVEL of production efficiency was rising in the FRG, France, England, Italy, and Japan, the RATE was lower in the 1970's and 1980's. In Japan, for example, the rate of increase in labor productivity in the 1980's was only about half as high as in the 1960's and 1970's, whereas it rose in the United States. Third, the highest level of production efficiency in the capitalist world allowed American monopolies to accumulate much larger quantities than their rivals of the resources (including from foreign sources) needed for the transition to the new technology.

There is no question that no degree of intensification of the reproduction process can exclude the decelerating effect of cyclical crises. It was precisely during these periods of economic regression that production efficiency declined considerably. Furthermore, the crisis-related "collapse of all DECAYED ELEMENTS"⁴ exhibits its most radical forms during capitalism's transition to a new technological structure. It is no coincidence that the longest and most severe crises of this century in the United States were the crises of 1929-33, 1973-75, and 1980-82. The first ended American capitalism's transition to assembly-line production, and the latter two coincided with the

departure from this method and the distinct tendency toward the use of more automated systems and new organizational-administrative structures.

The accelerated development of the American economy after the crises of 1973-75 and 1980-82 was connected largely with the extensive withdrawal of technologies no longer meeting society's rapidly changing requirements. Is it possible, however, to accomplish the broad-scale modernization of the production system, requiring hundreds of billions of dollars, at a time of much lower rates of increase in production efficiency (not to mention a lower absolute level)?

In principle, this is theoretically possible in a single sector, examined in isolation from the national circulation of industrial capital, but for the American economy as a whole, with the close interdependence of its sectors (for example, the automobile industry, metallurgy, the rubber industry, and the petrochemical industry) and spheres (production and financial) and with its huge high-technology sector, declining production efficiency does not seem a convincing explanation for structural changes. Unfortunately, when the nature of the economic competition of the three centers of imperialism is discussed in our literature, writers often concentrate on the economic achievements of Western Europe and Japan. This creates the impression that American capitalism has mainly lost ground.

The roots of this common assumption are not very deep: A thorough analysis of the initial and final points of rows of statistics of the "structural features" of any particular period in the development of the American economy reveals this. If the indicator of the capital requirements of GNP growth is used as a general indicator of production efficiency, the choice of periods has a considerable effect on the final results of calculations and on the conclusions drawn from them. The explanation of the quicker restructuring of the U.S. economy as a result of the reduced effectiveness of the use of capital resources seems more logical when the dynamics of this indicator over the postwar decades are analyzed (see Table 1). The results of the calculation of average rates for 10-year periods, however, depend a great deal on the effects of crises and can therefore seriously distort the real state of affairs. In essence, they reflect the degree of ineffectiveness of the use of investment resources during periods of crisis in each of these decades more than they reflect the results of their use at times of expanded economic activity.

The connection between declining production efficiency and structural changes is also attested to by calculations of the effectiveness of capital investments in the U.S. economy for what could be called combination periods. For example, in Soviet economic literature the latter have been described as the "pure" decade of the 1950's; the period of time between the start of the cyclical phase of prosperity in 1961 and the highest point of prosperity in the 1971-73 cycle; and the period beginning and ending with the crises of 1974 and 1980. The rates of maximum capital-intensiveness for these periods were 5.4, 4.2, and 7.1.⁵ In other words, the effectiveness of GNP production in the United States decreased by a factor of 1.7 in the 1970's and 1980's. This is not surprising in view of the fact that the phase of prosperity in 1975-79 was "squeezed" at both ends by severe economic crises.

The demarcation of periods according to phases of recovery and prosperity seems to be the most objective method of evaluating the effectiveness of capital investments in the United States. The use of this method radically changes the dynamics of the indicator in question. Instead of a decline in the effectiveness of the use of investment resources in the 1970's and 1980's, it reveals a rise, although it is not as distinct (Table 1). The rise of the coefficient is less important than the fact that it coincides with the acceleration of structural changes in the U.S. economy. Therefore, the high speed of structural changes in the American production system in the last 15 years (and these changes take place more quickly during phases of prosperity, and not of crisis, when additional conditions are essentially established for them) was made possible by the maintenance of a high rate of increase in capital efficiency.

Table 1. Dynamics of Increasing Capital-Intensiveness of U.S. GNP from 1950 to 1984

<u>Indicators</u>	<u>1950-59</u>	<u>1960-69</u>	<u>1970-79</u>	<u>1980-84</u>
Increased capital-intensiveness*				
Average for decade	5.33	3.87	4.78	5.91
Average for phases of recovery and prosperity in these periods	3.28	3.53	3.11	3.04

* Calculated as the relationship of gross capital investments to the average annual rate of GNP growth. The higher the coefficients, the lower the effectiveness of capital investment.

Source: "Economic Report of the President, 1985," Wash., 1985, p 234; "National Accounts. Main Aggregates. 1953-1982," OECD, Paris, 1984, p 30; BUSINESS CONDITIONS DIGEST for the corresponding years.

In addition to the high level of production efficiency, which allowed American monopolies to concentrate the necessary internal resources in the most important areas of production reorganization, incoming foreign capital had an important effect on the establishment of the new technological structure in the United States. Capital exported in the form of direct and portfolio investments from Western Europe, Japan, and the "new industrial countries" to the United States between 1981 and 1985 exceeded 275 billion dollars. Favorable investment conditions in the American money market simultaneously reduced the outflow of capital from 100 billion dollars at the beginning of the 1980's to zero by 1985.⁶ On the one hand, this allowed the Reagan Administration to liquidate much of the federal budget deficit and, on the other, it aided considerably in financing the restructuring of the American economy. An analysis of the reasons for the broad-scale transfer of capital to the United States indicates that the most important incentives for foreign direct and portfolio investments were the higher return on investments in the leading country of the world capitalist economy, the prospect of a rise in profits as the structural changes in the American economy took place, and the desire to gain a stronger position in the U.S. domestic market. It was precisely the high level

of production efficiency (including in comparison to Western Europe and Japan) that allowed American capitalism to make extensive use of the financial resources of its main rivals to accelerate the restructuring of its own economy.

Did Production Efficiency Decline in the Processing Industry?

The processing industry has the most perceptible effect on the rate of return on investments in the American economy. Although the significance of several branches of the non-production sphere, particularly the ones securing the accumulation and dissemination of information, increased substantially in the 1970's, production units connected directly with the creation of investment and consumer goods still played the leading role. "The processing industry," noted R. Lawrence, the author of a serious study of the competitive potential of the U.S. economy at the turn of the decade, "is regarded as the fulcrum of the modern economy, a major source of high wages and employment, the main source of labor productivity growth, the center of the vitally important regional economy (this refers to the traditional distribution of industries among states--N.V.), and a decisive element of national defense."⁷ This was an accurate description of the present state of affairs: The processing industry in the United States now accounts for around one-fourth of the GNP (for the sake of comparison, non-material services account for no more than 30 percent), and its development absorbs almost 40 percent of gross capital investments. This is why the state of production efficiency in this most important sector of physical production has a direct effect on all changes in the reproduction process.

Calculations of several general indicators of production efficiency in the American processing industry for phases of cyclical recovery and prosperity indicate that the use of resources in this branch was just as effective in the 1970's as in previous decades. For example, the price of a unit of increase in production volume remained virtually the same, but the price of an increase in labor productivity for corporations decreased by a factor of 1.4 (see Table 2).

On the average, the increase in labor productivity was also higher in the U.S. processing industry in the ascending phases of the cycles of the 1970's. This is attested to by calculations of the relationship of the gross product of processing branches to the number employed and to the number of man-hours worked. In the latter case the rate of increase in labor productivity in periods of expanded real output in the 1970's exceeds indicators for the 1950's and 1960's, even if only slightly (by 0.1 and 0.25 percentage points).⁸

Changes in the value structure of the capital used in the American economy had a considerable effect on the continuous augmentation of labor productivity. K. Marx repeatedly stressed in "Das Kapital" that the level of labor productivity is influenced by "any change at all in the labor process" and by the ratio of expenditures on physical elements of production capital to expenditures on manpower. "The development of the social productive force of labor," he wrote, "is displayed in two ways. First, in the magnitude of existing productive forces, in the cost and dimensions of the production conditions in

which the new production is accomplished, and in the absolute amount of accumulated productive capital; second, in the relative insignificance, in comparison to all capital, of the portion spent on wages--that is, in the relative insignificance of live labor."⁹

Priorities in the expenditures of American corporations and small private enterprises on capital reproduction in the last 15 years indicate perceptibly worse conditions for the growth of labor productivity: In the 1970's and early 1980's the value of fixed capital in the processing industry increased by 87 percent (by 53 percent in all physical production), while the proportion accounted for by wages in the total value of capital used each year decreased from 35.1 to 29.1 percent between 1965 and 1981 (from 29.7 to 23.6 percent in physical production).¹⁰ At the same time, the rates of the reduction of labor-intensiveness and the rise in the capital-labor ratio were just as high as in the 1960's in physical production.

All of these processes took place in years which were among the most economically "problem-ridden" in the postwar development of American capitalism: The quadrupling of energy prices and the steady high rate of inflation, the institution of government price controls, the loss of international banking's faith in the dollar (although it was temporary, it was quite painful for the United States), the colossal influx of manpower into the domestic labor market, and the intensified assault of competitors all combined to diminish possibilities for the acceleration of U.S. economic growth. Nevertheless, even under these conditions, the rate of growth in the ascending phases of the 1970's was not much lower than in similar phases of the previous decade. This allowed American corporations to increase industrial output by 41 percent. Only Japan displayed a slightly more rapid increase in industrial production (42.2 percent over the decade).¹¹ In the leading West European states--the FRG, France, and Great Britain--the results of industrial development were much less impressive than in the United States. Furthermore, in the 1970's each percentage of increase in the output of American enterprises rose perceptibly in real terms: In the 1960's it was equivalent to 3 billion dollars in goods, and in the next decade the figure was already 4.5 billion.¹² In other words, output per unit of capacity increased for 20 years in the United States.

At the same time, during the ascending phases of the cycles of the 1970's there was a distinct tendency toward reduction in the load of production capacities; there was also a slow rise in the time indicator of the use of industrial equipment (the rate of increase in average weekly hours of use in the processing industry had been 1.5 times as high in the 1960's).¹³

In other words, on the threshold of the 1980's, despite negative tendencies in the use of fixed capital, much of which was worn or obsolete, and a rise in the level of its relative overaccumulation, there was an increase in the efficiency of equipment based on scientific and technical advances. It is no coincidence that in the last decade, when the percentage of high-technology equipment in all new capital equipment doubled, the average age of operating machinery in the processing branches decreased to 6.2 years, as compared to 7.2 in 1965, reflecting monopolist capital's tendency to use the most modern types of production equipment.¹⁴

Table 2. Changing Effectiveness of Production in U.S. Processing Industry, 1950-1979

Indicators	Rates of increase	
	For decades	Average for recovery, prosperity phases
Price of unit of product increment*		
1950-59	1.0	1.73
1960-69	1.27	1.21
1970-79	0.95	1.28
Labor productivity**		
1950-59	1.9	1.65
1960-69	3.3	3.78
1970-79	3.7	4.40
Capital-Worker ratio***		
1950-59	3.80	1.37
1960-69	2.42	1.96
1970-79	3.30	1.67
Price per unit of increase in labor productivity****		
1950-59	2.0	0.83
1960-69	0.73	0.52
1970-79	0.89	0.38

* Relationship of investments to gross product.

** Relationship of industrial output in constant 1972 prices to number employed.

*** Remaining value of fixed capital per worker.

**** Relationship of capital-labor ratio to labor productivity.

Source: SURVEY OF CURRENT BUSINESS, September 1981, pp 34-35; July 1985, pp 54-55; "Economic Report of the President, 1985," pp 234, 245, 275.

Of course, the efficient use of industrial equipment in the United States is largely a result of changes in inventory. This is why the explanation of national economic advances as a result of the high efficiency of the fixed capital of American monopolies could sound somewhat illogical. In fact, however, the significant changes in the structure of productive capital themselves reflect an important prerequisite for the further reorganization of the main elements of the existing technological structure--manpower, scientific and technical potential, and production organization. It is true that this kind of reorganization requires the existence of highly productive equipment and highly perfected technological processes for the rapid and efficient conversion of scientific ideas into new types of equipment, construction materials, instruments, etc.

Did the United States have the kind of equipment and technology needed for the stepped-up restructuring of the economy in line with the latest advances in scientific and technical progress? There is no question that it had them, and in sufficient quantities, although the creation of material resources for the reproduction of American capital in the 1970's and early 1980's was based primarily on means of production that were somewhat prematurely called "yesterday's equipment." After all, all of the industrial and household equipment associated in our minds with the microelectronic age in the development of productive forces was composed and assembled with the aid of "traditional" equipment.

It would be wrong to say that forging and pressing equipment and metal-cutting tools were not modified or combined in efficient technological flowlines. These processes picked up speed. It would also be wrong, however, to ignore the fact that only around 30 percent of the metalworking equipment in the United States at the end of the 1970's was less than 10 years old, and the number of tools with numerical programmed control did not exceed 2 percent of all the machine tools in the country. For this reason, when the efficiency of fixed capital is assessed, it would obviously be wrong to consider only the age and technical parameters of the equipment. Another side of the matter, reflecting the possibilities and results of the efficient use of the production system, is equally important. It was precisely to augment the latter that new types of equipment were included in the existing technological systems of American corporations in the 1970's. The gradual, rather than immediate, incorporation of new equipment in production processes and the maximum extraction of the "resource potential" of old equipment with the aid of this technological policy allowed the monopolies to maintain a high level of efficiency in the use of fixed capital and simultaneously make qualitative changes in its structure.

Therefore, in the ascending phases of the cycles of the 1970's the production system in the United States as a whole was used just as efficiently as in similar periods of the previous decade. This gave American monopolist capital an opportunity to lay the technical foundation for the transition to the new stage of flowline production, one of the salient features of which, as Soviet scientist Yu.A. Vasilchuk noted, is "a fundamentally new type of automation: automation built into the system of the scientifically programmed conveyor operations of highly specialized manpower."¹⁵ The maintenance of a high return on earlier investments in production makes the modernization of the production system less costly and less "wasteful" and allows for the stepped-up development of new technological systems within the old technological structure. The restructuring of the American economy is following these precise patterns.

The sequence of the links in this chain is the following. The peak of efficiency has been reached in the present, machine stage of flowline production in the United States. It is high enough to satisfy society's needs with the framework of this technological structure, but it cannot meet the new demands arising in connection with the automation of flowline production. Until the new technological structure begins reproducing itself on its own basis, it does this with the aid of the high yield of resources in the old technological structure.

If a catastrophic decline in production efficiency had actually taken place in the 1970's, it would be impossible to explain how the inefficient production system avoided the expansion of the field of production¹⁶ when 30 million new workers and employees entered the labor market between 1965 and 1980 (this was an increase of 40 percent in the number employed, as compared to 20 percent in the previous 15 years). For the sake of comparison, we should note that employment rose 10 percent in Japan and only 5 percent in the FRG during that period.¹⁷

The service sphere, where around 74 percent of the labor force is now concentrated, accounted for virtually the entire increase in employment in the 1970's. The total expenditures of millions of new consumers on just the durable goods manufactured in the processing industry were 403 billion dollars higher in the 1970's than in the previous "golden decade" of American capitalism. To satisfy this demand, corporations had to enhance the efficiency of the old production system and begin building the new technological structure.

More than half of the people employed in services are engaged in the circulation, distribution, and consumption of goods created in physical production. The new labor in the service sphere also intensified the specialization of the firms offering services. How did this situation affect physical production in general and the processing industry in the United States in particular?

First of all, it gave industrial corporations a chance to augment production volume without a proportional rise in their circulation costs, which made funds available for the modernization of equipment and for the transition to ecologically clean and energy-saving technology.

Second, the increased demand for manpower in non-physical production and the increased variety of services performed forced American corporations in the processing industry to modernize the production system on a labor-saving basis (although the expansion of employment in the service sphere itself reduced the unacceptable social costs to monopolies of this process). According to the estimates of Soviet economists, average annual indicators of the reduced demand for manpower in the processing industry displayed the following dynamics: over 500,000 people in the 1950's, more than 1.1 million in the 1960's, and around 1.3 million in the 1970's.¹⁸

Third, the role of the financial sector of the service sphere, with the aid of which the industrial companies mobilized huge sums in loan capital, became much more important. The loans and credits of industrial corporations from financial institutions were much greater in the phases of recovery and prosperity in the last decade than in the 1960's. The proportion accounted for by foreign sources in the crediting of non-financial corporations illustrates this process: It was 34 percent on the average in the 1960's, and it rose to 42 percent in the 1970's.¹⁹ The reliance on bank capital naturally increased the liabilities of industrial corporations, but it also allowed them to accumulate funds quickly for the reorganization of their technological and organizational structure. Creditors had a direct interest in the positive result of this reorganization: It held out the promise of higher profits and thereby secured loans.

Fourth, the heightened role of material services in the reproduction process had a perceptible effect on the development of the U.S. processing industry. In the 1970's, for example, federal and local government investments in construction and equipment used either directly in the infrastructure or in municipal services totaled almost 515 billion dollars.²⁰

In view of the fact that the demand for high-technology and energy-saving equipment rose considerably in the 1970's in branches of the American infrastructure (especially communications, transportation, public health, and education), its stimulating effect on the development of the processing industry is understandable.

An Inquiry into the "Deindustrialization" of America

At the beginning of the 1980's one of the most popular theories attempting to explain the changes in the socioeconomic structure was the concept of the "deindustrialization" of the United States. The concept of the deindustrialization of the American economy essentially consists in a set of simple ideas: The base industries are technically outdated and cannot secure the United States' industrial leadership in the world, the increasing significance of small firms (including venture enterprises) in the U.S. economy is demonstrating the inefficiency of large production units, and the low accumulation norm is inhibiting the retooling of old enterprises and thereby impeding the augmentation of the competitive potential of American goods. This suggests the need for the radical modernization of the production system, or perhaps, as many American economists believe, conversion to the manufacture of primarily high-technology goods in order to secure monopolist capital a stable competitive position in the domestic and world markets.

There is some logic in these statements, but does it correspond to the actual development of the American economy in the 1970's and early 1980's? There is no question that enterprises with a level of technical equipment and efficiency too low to meet society's needs existed during this period in various branches of physical production, but can the entire economy be judged by the state of the worst production units? Is it possible that none of the enterprises in the "old" branches met the highest world standards? For example, in metallurgy, the most frequently criticized branch of the American processing industry, the large and highly concentrated production units were much more efficient and competitive than Japanese plants during the period in question. For example, output per worker at Bethlehem Steel enterprises was 600 tons a year, whereas the average for all Japanese steel plants was 400 tons. The continuous casting technology was used on a broader scale in the plants of National Steel, one of the leading U.S. metallurgical companies, than in Japan, and Inland Steel used a system for the organization of the production and sale of its products which offered it complete protection from foreign competition.²¹ The largest American steel plant, belonging to Bethlehem Steel, was built in the middle of the 1960's, but production costs there are still the lowest in the world.²²

Besides this, American steel companies are more able than Japanese companies to reduce overhead costs when the demand for steel declines. According to the

calculations of Kidder Peabody's chief expert R. Neigman, American producers earned large profits even when the load of capacities was 75 percent in 1984, whereas Japanese companies have to maintain the load of capacities at a level surpassing 80 percent to secure an acceptable profit margin.²³

These examples prove that large enterprises with organizational and technical features meeting the highest world standards were operating in the leading "smokestack" branch in the United States in the 1970's. They probably also served as a model for the reorganization of the production system in American metallurgy.

This is also true of the majority of other traditional branches. There was no catastrophic decline in production efficiency here, as R. Lawrence points out. On the contrary, the level of efficiency in the food, textile, chemical, and glass industries, metalworking, and some other branches rose more quickly than in the FRG and Japan between 1973 and 1980.²⁴ After reducing the load of capacities dramatically in the crisis years of 1980-82, these branches then displayed the highest rate of development in the American economy. Furthermore, the rise in average annual rates of net accumulations in the American processing industry from 3.3 percent in 1960-73 to 4.5 percent in 1973-80 is completely inconsistent with the "deindustrial" interpretation of structural changes.²⁵ As President K. Phillips of the American Political Science Association remarked in his recently published book, "the thesis of deindustrialization, which was always dubious, lost all credibility in the face of statistical evidence."²⁶

The exaggeration of the costs of industrial reorganization is largely dictated by the interests of the American ruling class. It is probable that never before have the largest monopolies been so active in advocating the redistribution of national wealth in their favor. In view of the difficulties America encountered at the end of the 1970's, they needed strong propagandistic and "scientific" justification for the concentration of national resources in their hands.

Therefore, growth rates continued to rise in the United States in the 1970's, and the level of production efficiency also rose. Without the highly efficient use of resources in the reproduction process--both means of production and tools of labor--the establishment of the new technological structure would have cost monopolist capital much more, would have been a much slower process, and probably would not have stimulated imports of direct and portfolio investments from abroad.

Before the American corporations began replacing the equipment and installations whose life cycle was coming to an end at the turn of the decade, they had to accumulate the resources needed to cover the unavoidable expenditure of billions of dollars. The relatively quick attainment of this goal is virtually impossible at a time of declining production efficiency. Prolonging the process of the accumulation of resources for the restructuring of the economy for 15 or 20 years, on the other hand, would have led to losses and to new and difficult problems, and the resolution of these would probably have required even larger capital investments. Only the enhancement of production efficiency

with the right combination of old and new equipment and technologies allowed American capitalism to mobilize sufficient resources in a relatively short time for the establishment of a new technological structure in the country. It is being established under the conditions of the maximum use of all of the potential of flowline production by monopolist capital. In this way, the United States is now making the transition to automated technological systems, which will most probably introduce a number of qualitatively new aspects into the development of the productive forces and production relations of American capitalism.

FOOTNOTES

1. K. Marx and F. Engels, "Works," vol 23, pp 330, 498.
2. Ibid., p 330.
3. Examining the distinctive national features of changes in the contemporary capitalist economy, the authors of the collective work "NTP i strukturnyye sdvigi v ekonomike kapitalisticheskikh stran" [Scientific and Technical Progress and Structural Changes in the Economies of Capitalist Countries] (Moscow, 1985) specifically underscore the differences in types of reproduction. "In the United States," they stress, "this is a primarily intensive type of development, whereas in Japan, the FRG, and France it is a transition from the extensive to the intensive type" (p 44).
4. V.I. Lenin, "Poln. sobr. soch." [Complete Collected Works], vol 26, p 372.
5. These periods and the values of this coefficient for the United States were taken from: L.P. Nochevkina, "Intensifikatsiya proizvodstva i struktura ekonomiki v kapitalisticheskikh stranakh" [Production Intensification and the Economic Structure in Capitalist Countries], Moscow, 1982, p 122.
6. "Toward an Economy Without Deficit. A 1985 Year Report on the U.S. Economy," Wash., 1986, pp 3, 19.
7. R. Lawrence, "Can America Compete?" Wash., 1984, p 2.
8. A.V. Poletayev, "Pribyl amerikanskikh korporatsiy: osobennosti poslevoyennoy dinamiki" [Postwar Dynamics of American Corporate Profits], Moscow, 1985, p 101.
9. K. Marx and F. Engels, Op. cit., vol 23, p 325; vol 25, pt I, p 270.
10. Calculated according to data in: "Statistical Abstract of the United States 1982/83," Wash., 1982, pp 400, 538; "Economic Report of the President, 1985," pp 275, 334.
11. Calculated according to data in: "Economic Report of the President, 1986," Wash., 1986, p 376.

12. Calculated in constant 1982 prices according to data in: "Economic Report of the President, 1986," pp 265, 376.
13. Calculated according to data in: MONTHLY LABOR REVIEW, May 1985, p 5.
14. "Statistical Abstract of the United States 1982/83," p 539; FEDERAL RESERVE BULLETIN, January 1983, p 7.
15. Yu.A. Vasilchuk, "Technological and Social Implications of the Technological Revolution: Conflicts in Its Development and Class Confrontations," in the anthology "Sorevnovaniye dvukh sistem" [The Competition of the Two Systems], Moscow, 1979, p 70.
16. K. Marx and F. Engels, Op. cit., vol 24, p 193. This is how K. Marx described the inclusion in production of the additional quantity of means of production, manpower, and natural resources not augmenting labor productivity. In this case, accumulation takes an extensive form--"that is, the sphere of exploitation and domination by capital is expanded only in conjunction with an increase in capital itself and in the number of its subjects" (K. Marx and F. Engels, Op. cit., vol 23, p 631). This form of reproduction, however, presupposes an unchanging technical basis and is not intended to conserve total labor--live and embodied.
17. HARVARD BUSINESS REVIEW, September-October 1985, p 101.
18. "Tekhnologicheskkiye sdvigi, nayemnyy trud i rabocheye dvizheniye razvitykh kapitalisticheskikh stran" [Technological Advances, Hired Labor, and the Labor Movement in the Developed Capitalist Countries], edited by A.A. Galkin, Moscow, 1983, p 75.
19. Calculated according to data in: "Economic Report of the President, 1985," p 333.
20. Calculated in constant 1972 prices according to data in: "Our Nation's Infrastructure. Hearings Before the Joint Economic Committee. Congress of the United States, August 9, 31 and September 7, 1983," Wash., 1984, p 95.
21. "American Industry in International Competition. Government Policies and Corporate Strategy," edited by J. Zysman and L. Tyson, Ithaca and London, 1983, p 67.
22. G. Cloos, "Steel Fights Back," ECONOMIC PERSPECTIVES, March-April 1985, p 4.
23. FORBES, 26 March 1984, p 53.
24. R. Lawrence, Op. cit., p 25.
25. Ibid., p 19.
26. K. Phillips, "Staying on Top. Business Case for a National Industrial Strategy," N.Y., 1984, p 29.

COPYRIGHT: Izdatelstvo "Nauka", "SShA--ekonomika, politika, ideologiya", 1987

CONSERVATIVE INFLUENCE IN U.S. POLITICS

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 3, Mar 87
(signed to press 16 Feb 87) pp 26-33

[Article by A.M. Migranyan: "Conservative Stereotypes and Reality"]

[Text] World public opinion is being imbued more and more extensively and deeply with a belief in the need for a new of thinking in the nuclear age. As the Political Report of the CPSU Central Committee to the 27th Congress said, "the world today is too small and too fragile for wars and power politics. It cannot be saved and preserved unless we give up--resolutely and irrevocably--the way of thinking and acting that was based for centuries on the acceptability and permissibility of wars and armed conflicts."¹

Many politicians and statesmen in the West, however, especially in the United States, are still guided in their actions by old stereotypes. When M.S. Gorbachev spoke in Vladivostok on 28 July 1986, he called this an absurd and criminal position in view of the nuclear threat. "This is a clear reflection," he said, "of class narrowmindedness, primitive ideological automatism, and the increasing political influence of militarism."²

Change of Ideological Aims

A change in domestic or foreign policy often reflects deep-seated processes in economic and sociopolitical affairs and attests to changes in the balance of power among various segments of the ruling class professing different political and ideological views. The development of these processes can differ. When ideological and political processes are not synchronized, a specific domestic or foreign policy can continue to exist even when the ideological bases of this policy have already been undermined and when a new current gains the upper hand in the ideological sphere.

The dramatic polarization of sociopolitical forces as a result of a prolonged and severe economic crisis and the exacerbation of all of the contradictions of capitalism has been observed in the United States since the beginning of the 1970's. The ideological and political center of politics, which American presidents had usually used as the point of departure in the formulation of their programs, was almost completely eroded by the middle of the 1970's. By the time of Carter's arrival in the White House, conservative forces were

already gaining the upper hand in the country and were demanding radical changes in domestic and foreign policy. The "rhythm of democratic politics" was broken.³ In particular, this break was reflected in the fact that, as American political scientist R. Schier pointed out, "whereas for many years the Republicans had to move to the left (of center--A.M.) to improve their election chances, now the Democrats had to move to the right."⁴

Analyzing the changes in the ideological sphere in the 1970's and early 1980's Professor R. Reich agrees with the view that Carter's "moderate conservatism" paved the way for the "Reagan revolution." The secret of "Reagan's success," Reich writes, is not that he changed the nation's view of what the world should be. Everything he says now was voiced for many years by conservative ideologists and politicians, including Reagan himself, without arousing any particular enthusiasm in the listener. In the 1980's, however, he came up with some precisely worded solutions to acute economic, social, and foreign policy problems from a conservative position, and the American public was willing to accept these solutions because the Right had spent the 1970's preparing the public to accept the conservative alternative of social development.⁵

In an analysis of the 1984 election results and the changes in U.S. political thinking in the direction of conservatism, Harvard University Professor C. Mansfield noted that, in contrast to the Democrats, the Republicans had new ideas, and these became the prevailing ideas in America. G. Hart used the slogan of "new ideas" when he ran on the Democratic ticket, but his proposals on tax reform and on defense were actually variations on Republican demands. The election proved, in Mansfield's opinion, that the prevailing ideas in American politics at that time were the ideas set forth by the Republicans: the restriction of government regulation and the reduction of social programs, "strong defense," "Reaganomics," emphasizing accumulation and investment, the fueling of nationalism, etc.⁶

The many studies of the presidential election results almost unanimously note the Democrats' lack of new ideas. When G. Hart accused Mondale of representing the "depleted" ideas of the older generation of leaders, which took shape in the context of Roosevelt's New Deal, the Republicans were able to use the accusation in their own interest. The weakness of the Democrats' ideological aims helped to strengthen conservative tendencies in American politics, and these were supported by much of the voting public.⁷ It is indicative that this was the dominant theme of all the speeches at the January 1986 conference of the National Conservative Political Action Committee.

In this way, by the beginning of the 1980's there was a new "consensus" in U.S. political thinking--with a prevalence of conservative stereotypes due to the widespread acknowledgement of the ineffectiveness of several elements of postwar liberalism. Furthermore, for the first time in many decades various currents of American conservatism were more closely united than ever before.⁸ It was this broad conservative coalition that decided the outcome of the 1984 presidential election.

Serious differences of opinion between traditional conservatives, the supporters of classic liberalism (or libertarians), neoconservatives, and the

New Right still exist, but the elements uniting them are still stronger than those dividing them. Each of these currents focuses on one specific aspect of conservatism, and the combination creates an imposing conservative atmosphere in the country.

This ideological and political description of the United States will be incomplete unless we attempt a brief discussion of the deadlocks and weaknesses of the current "conservative wave," which could give liberals and leftist forces an opportunity to strengthen their influence on the ideological aims and actual policies of developed capitalist countries in the near future.

Although conservatism still dominates U.S. politics, it is beginning to lose its ideological potential. It is no secret that the success of the conservatives was not the result of a positive long-range program of their own, but of their criticism of various liberal "excesses." As renowned American leftist liberal political scientist A. Wolfe points out, the conservatives have been unable to set forth a single theory to serve as a long-term basis for conservative social and economic policies.⁹

Furthermore, not one conservative economic theory can explain the functioning of "Reaganomics" and the recession and recovery in the U.S. economy in recent years. Supporters of supply-side economics and monetarists have been unable to answer the question of how full employment can be achieved without the shock of inflation. When L. Thurow was interviewed by HARPER'S MAGAZINE, he made the witty remark that the Keynesians should put up a monument to Ronald Reagan for reinstating Keynes' economic theory. According to Thurow, there was a severe recession in the U.S. economy in 1981-82, and by the middle of 1985 these processes had been stopped by the stimulation of demand.¹⁰

A third consideration is that the antistatist rhetoric of the conservatives, their hostile attitudes toward government regulation, and their fight against "big government" initially appealed to broad segments of the population. President Reagan's first term in office proved, however, that the conservatives were even more guilty of the "mortal sins" they had accused the liberals of committing. Government spending climbed to unprecedented heights, and the federal budget deficit reached an astronomical figure. The traditional trump card the conservatives had used against the liberals--accusations of extravagance, which, in their opinion, precluded a balanced budget and, consequently, a healthier economy--was beaten.¹¹

The struggle against the "excesses of the welfare state," which, as the conservatives preached, violated the Protestant ethic, cultivated hedonism and parasitical attitudes, etc., helped them undermine trust in government institutions and the belief that government in general is an effective instrument in the resolution of society's social and economic problems. Several public opinion polls and sociological studies of recent years, however, indicate that large segments of the population still expect the government to defend their interests against the private sector.¹²

There is another indicator of the increasing fragility and unpopularity of conservative programs. By 1985 polls were already recording a dramatic rise

in the number of people opposing further cuts in social spending. The majority of respondents were again putting unemployment at the top of the list of social and economic problems.¹³ Nevertheless, conservative ideological aims still prevail in the United States.

The liberals are undergoing an agonizing process of adaptation to new conditions. They are trying to work out a new ideological and theoretical stance on domestic policy issues with a view to changes in the public mood.

Ideological Basis of Confrontation Policy

The struggle on the domestic front is extending to the sphere of international relations. In the second half of the 1970's the conservative current of bourgeois ideology began laying the ideological foundation for a political counteroffensive in international affairs. It was necessary to find ideological grounds for a "double standard" in the policy on "human rights," so that it would be aimed only against the socialist states and the revolutionary governments in emerging countries. The job was taken on by J. Kirkpatrick and K. Gershman. In several COMMENTARY articles and at a symposium on "Human Rights and American Foreign Policy" in 1981, they set forth their theory of leftwing and rightwing autocratic governments. All states objectionable to the United States were called leftist authoritarian states, where the population was allegedly deprived of all civil rights, and the United States could therefore impose sanctions on them. All of the dictatorships supported by the United States in Central and Latin America, Asia, and Africa were simultaneously described as rightwing autocratic states, where the population allegedly had some civil liberties. The logical conclusion was that assistance in the further "expansion" of these liberties was "morally" justified. Kirkpatrick summed up the differences between the two types of regimes: "Traditional autocracies suffer from social injustice, brutality, and poverty, whereas revolutionary autocracies create them."¹⁴

It was no coincidence that the Reagan Administration entrusted Gershman and Kirkpatrick with the implementation of these reactionary theories. Gershman was first appointed deputy U.S. representative to the United Nations (under J. Kirkpatrick) and he later entered a new field of activity: He became the head of the National Foundation for the Defense of Democracy, an organization engaged in the propaganda of American values and institutions in other countries.

Rightists demand an active interventionist policy. Their line of reasoning is the following: When a crisis breaks out, the West can either fight for its survival and expand the group of countries adhering to the principles of bourgeois democracy, or it can watch this democracy drown "in a sea of totalitarian dictatorships" by the end of the 20th century. It is in this apocalyptic form that the contemporary conservatives define the problem of relations between capitalism and socialism and between West and East.

This is the mood of all the articles by N. Podhoretz, the chief editor of COMMENTARY. By falsifying Soviet foreign policy and stimulating constant fear and hatred of the USSR, the ideologists of this current are trying to

consolidate the United States (and the West in general) for a crusade against the socialist countries and revolutionary movements. "By portraying the Soviet Union as a competing superpower with which we could conclude lasting peace agreements, instead of portraying it as a communist state hostile to us by its very nature and trying to spread its influence and its political culture to more and more parts of the world," N. Podhoretz wrote, "the Nixon, Ford, and Carter administrations stripped the Soviet-American conflict of its moral and ideological dimension, for the sake of which the government was justified in demanding sacrifices, and the people were willing to make them."¹⁵

This Manichaeian¹⁶ view of the world, expressed by many conservatives, had a significant effect on Reagan administration foreign policy. "The false logic of Manichaeism," wrote American political scientist K. Thompson, "lies at the basis of each crusade ideology and the long list of acts in our civilization beginning with the religious wars and the unspeakably brutal treatment of one nation by another." The Americans' childhood predisposition to a specific form of Manichaeism, according to Thompson, became deeply ingrained in the Reagan Administration, especially in its foreign policy, through the efforts of conservatives.¹⁷

A foreign policy with a Manichaeian basis is extremely dangerous because the country adhering to this view sees itself as the custodian of the values and ideas belonging to all mankind.¹⁸ This, in turn, leads to their imposition on other countries. The danger and groundlessness of this approach have been pointed out repeatedly by renowned American political scientist and diplomat G. Kennan.¹⁹

Denying the possibility of peaceful coexistence, conservative ideologists advocate the escalation of tension between the USSR and the United States and between East and West. The cornerstone of the new foreign policy concept of the West, according to Brzezinski, should be the popular conservative idea that the USSR is "unwilling" to play a constructive role in the maintenance of the world order based on cooperation. Deliberately ignoring the real aims of Soviet foreign policy, Brzezinski proposes several measures, capable, in his opinion, of restraining the "destructive influence" of the USSR. A closer look at these measures shows that they are recipes for further American expansion in various parts of the world. According to Brzezinski, the avoidance of the "collapse of the international political system will be possible only if the West can respond to the USSR military challenge." Supporting the Reagan Administration's efforts to rearm the United States, he advises it "to deal effectively with crises in strategically and politically important zones of the Middle East and Central America." Brzezinski goes on to say that "for some time the new world order could be constructed in such a way as to integrate the Third World countries, but without a constructive Soviet role."²⁰

In his new book, Z. Brzezinski advises the United States to escalate the arms race and ignore all Soviet arms control proposals. He tries to frighten the administration and all moderates by saying that if the United States agrees to arms control, it will have to make cuts in military programs, and this will supposedly ruin its chances for appropriate political responses to the Soviet challenge.²¹

In our day, the assumption that a lasting world order can be built without the participation of the USSR and other socialist countries is extremely unrealistic and dangerous. Statements by leaders of the CPSU and Soviet State in the past and the present have contained repeated reminders that attempts to deal with the Soviet Union from a position of strength are completely futile, and that the hope of military superiority is nothing more than an impossible dream. The USSR has taken real action to demonstrate its willingness to respect the existing world order, and it is fully capable of safeguarding its own security and the security of its allies. The Soviet Union has expressed its willingness for dialogue and for a move from confrontation to constructive cooperation in the knowledge that the price of today's confrontation is too high and that its possible consequences would be tragic--the total annihilation of all life on earth.

Rightwing ideologists are exploiting the fear of the "Soviet threat," a fear they created, to consolidate the developed capitalist countries and to expand the geographic boundaries of the capitalist system by means of a counter-offensive against forces for socialism and progress.²²

It seems to us that whereas the prevailing themes in the rhetoric of the right wing and the American administration in the first few years of Reagan's term in office were appeals for a crusade and for head-on confrontation with the USSR and demands for the "liberation" of the people of Eastern Europe and the Soviet Union, by the beginning of 1985 the "Reagan doctrine" had moved to the forefront and displayed some changes in emphasis: The center of gravity in global confrontation and competition with the USSR moved to the zone of the national liberation movements and developing countries, where rightists hope to gain more tangible benefits for the United States and the entire capitalist system.

Many political scientists have recently made recommendations in line with the conservatives' announced counteroffensive against forces for socialism and progress, suggesting ways of spreading the values and political structure of bourgeois democracy to other countries, and not only by means of propaganda. They are demanding that the United States use its economic and military strength for this purpose. For example, S. Huntington suggested that the American administration take the following measures in relations with the countries that he felt were on the road to bourgeois democracy: first of all, to give economic assistance to poor countries and promote the development of a "market economy" and a bourgeois class there; to use U.S. economic and military strength for greater influence in world affairs; to plan ways of assisting the elite in the countries in the "transition zone."²³

The recommendations of the Kissinger Commission, created by the President to map out a Latin American policy for the United States, included virtually all of the items on Huntington's list. Falsely accusing the USSR and Cuba of subversive activity in Central America, the commission report underscored Central America's importance to U.S. security and stressed the urgent need for the establishment of capitalism there by any means--economic or military.

Senator J. Helms was guided by similar ideas when he pointedly criticized the report during hearings on the conclusions of the commission, saying that it

did not pay enough attention to the use of "economic assistance" to develop the private sector.²⁴

Rightwing ideologists and politicians believe that Central America is the "transition zone" most prepared for the establishment of "democracy." They portray U.S. intervention in this region as the "support of democracy" and "defense of freedom."

The majority of neoconservatives and members of the New Right are demanding that the administration take resolute foreign policy actions to show the world community that the defeat in Vietnam and the collapse of the shah's regime in Iran were the result of foreign policy errors, while the "victory" in Grenada was the norm. In their opinion, this will assure the countries relying on the United States that the Americans will not abandon them at the crucial moment.²⁵

There is frequently a great discrepancy between declared aims and the actual possibility of achieving them. The line of confrontation in American-Soviet relations is extremely vulnerable as a long-range policy. This line requires a continuous arms buildup. The result is the uninterrupted militarization of all aspects of public life, and this, in turn, restricts the very democracy the conservative ideologists are verbally defending. The constant stimulation of militarist passions creates a chauvinistic frame of mind and an extremely negative atmosphere for the normal functioning of even the bourgeois democratic form of government. The cult of secrecy flourishes, and the process of making decisions on many important and delicate matters of domestic and foreign policy is taken out of the sphere of public influence and control.

This alarms the public and lays the foundation for a struggle against these tendencies, which could lead to the revival of McCarthyism.

The militarist line of the American conservatives is being criticized more and more by the United States' allies. At a meeting of the Trilateral Commission in Tokyo in 1985, K. Kaiser, a prominent expert on international affairs from West Germany, questioned the stance of today's rightists and the supporters of heightened East-West confrontation, particularly Z. Brzezinski. Expressing the opinion of moderate segments of the ruling class in the West, he said that the policy of encircling the USSR would probably be counterproductive. The acknowledgement of the USSR as a world power responsible for maintaining the world order would make the world safer. As for the recent attempts to undermine the Yalta agreements, to change the social order in the countries of Eastern Europe, and to pull them out of the socialist community, Kaiser said that these attempts would not produce the anticipated results.²⁶ They would only escalate international tension and undermine common security.

As M.S. Gorbachev remarked in his statement of 18 August 1986, "today it is impossible to safeguard one's own security without considering the security of other states and peoples. Real security must be equal and all-encompassing. Anyone who thinks otherwise is living in a world of illusion, in a world of self-deception."

Therefore, our analysis of conservative ideological aims in domestic and in foreign policy indicates that they are founded on the hope of global social revenge. This means that domestic policy in the country is strengthening the position of private capital and the military-industrial complex by deteriorating the living conditions and restricting the social rights and liberties of the laboring masses. In world affairs the policy of social revenge is aimed at suppressing national liberation movements in various parts of the world, undermining the unity of the world socialist system, and involving the USSR in a nuclear-space arms race with the aim of eroding its position as a world power and preventing the implementation of the 27th CPSU Congress' long-range programs for internal development.

The abovementioned weaknesses and deadlocks of conservative ideological aims and the increasing efforts of U.S. workers to preserve their socioeconomic gains, in combination with the USSR's consistent and firm policy of alleviating international tension, give us reason to assume, however, that the policy of social revenge will encounter mounting resistance both within the United States and in the international arena.

FOOTNOTES

1. "Materialy XXVII syezda Kommunisticheskoy partii Sovetskogo Soyuza" [Materials of the 27th CPSU Congress], Moscow, 1986, p 65.
2. "Reform is Overdue, and It Concerns Everyone and Everything. Collected Articles on M.S. Gorbachev's Trip to the Far East, 25-31 July 1986," Moscow, 1986, p 17.
3. American historian A. Schlesinger, Sr. formulated the theory of the "cyclical development of American political history" back in 1939. His son, A. Schlesinger, Jr., has repeatedly returned to his father's idea, coordinating it more precisely with changes in the political process. American political scientist D. Wrong called this concept the "rhythm of democratic politics," essentially meaning that liberal and conservative governments have alternated in the United States since the end of the last century. The liberals carry out socioeconomic reforms, and then the conservatives taking their place "conserve" the status quo; when the liberals return, they again shift the political axis to the left. According to the "rhythm of democratic politics," the United States moved to the left constantly from the beginning of the century until the 1980's (D. Wrong, "How Critical Is Our Condition?" DISSENT, Fall 1981, pp 414-415; A. Schlesinger, Jr., "The Politics of Hope," Boston, 1963, pp 63-64).
4. R. Schier, "Politics After Ronald Reagan," USA TODAY, March 1985, p 17.
5. R. Reich, "Toward a New Public Philosophy," THE ATLANTIC MONTHLY, May 1985, p 68; N. Glazer, "The Social Policy of the Reagan Administration," THE PUBLIC INTEREST, Spring 1984, No 75, pp 82-83.
6. C. Mansfield, "The American Election. Entitlements Versus Opportunity," GOVERNMENT AND OPPOSITION, Winter 1985, pp 5-6.

7. T. Mazmor, "The Lessons of the Mondale Defeat," THE POLITICAL QUARTERLY, April-June 1985, pp 157-158; E. Ladd, "On Mandates, Realignments and the 1984 Presidential Election," POLITICAL SCIENCE QUARTERLY, Spring 1985, p 4.
8. "Savoring Power. Conservatives Look Confidently to the Future," TIME, 10 February 1986, p 31; R. Nisbet, "The Conservative Renaissance in Retrospect," THE PUBLIC INTEREST, Fall 1985, No 81, p 137.
9. A. Wolfe, "The Failure of Success. Why the Neocons Are Losing Out," THE NATION, 28 September 1985, p 283.
10. L. Thurow, "When the Dollar Tumbles," HARPER'S MAGAZINE, July 1985, p 16.
11. E. Kennedy, "The Changing Relationship Between Politics and Public Policy," VITAL SPEECHES OF THE DAY, 15 March 1984, p 323.
12. D. Gergen, "Following the Leaders: How Ronald Reagan and Margaret Thatcher Have Changed Public Opinion," PUBLIC OPINION, June-July 1985, p 56.
13. Ibid., pp 19, 56. For a more detailed discussion of changes in public opinion on the main domestic, foreign, and military policy issues, see A.Yu. Melvil, "The 'Conservative Wave' Today and Tomorrow," SSHA: EPI, 1986, No 8.
14. "A Symposium: Human Rights and American Foreign Policy," COMMENTARY, November 1981; "U.S. Security and Latin America," COMMENTARY, January 1981; J. Kirkpatrick, "Dictatorships and Double Standards; Rationalism and Reason in Politics," N.Y., 1983.
15. N. Podhoretz, "The Future Danger," COMMENTARY, April 1981, p 39.
16. Manichaeism is a religion founded in the 3d century by Mani, who, according to legend, preached in Persia, Central Asia, and India. Manichaeism is based on the dualistic doctrine of the struggle between good and evil, between light and darkness, as primal and equal principles of existence.
17. K. Thompson, "The Ethical Dimensions of Diplomacy," THE REVIEW OF POLITICS, July 1984, pp 368-369.
18. M.S. Chetverikova, "Moralism in Foreign Policy," SSHA: EPI, 1985, No 8.
19. G. Kennan, "The Cloud of Danger. Current Realities of American Foreign Policy," Boston-Toronto, 1977, p 42. The main ideas Kennan expressed in this book lay at the basis of his article in FOREIGN AFFAIRS in which he again advises the U.S. administration to return to political realism (G. Kennan, "Morality and Foreign Policy," FOREIGN AFFAIRS, Winter 1985/86, pp 206-218).

20. Z. Brzezinski, "Tragic Dilemmas of Soviet Power. The Limits of New Type Empire," ENCOUNTER, December 1983, p 10.
21. Idem, "Game Plan: How To Conduct the U.S.-Soviet Contest," Boston, 1986.
22. The same Brzezinski made provocative statements in an article in the YALE REVIEW, suggesting ways of pulling Poland out of the world socialist system (Z. Brzezinski, "Poland: Reflections on Solidarity," YALE REVIEW, April 1985, vol 74, No 3, pp 346-352).
23. S. Huntington, "Will More Countries Become Democratic?" POLITICAL SCIENCE QUARTERLY, Summer 1984, p 194. For a discussion of past and present ideological justifications for the United States' special mission to spread the American way of life, see K.S. Gadzhiyev, "U.S. Imperious Ideology: Past and Present," KOMMUNIST, 1986, No 7; V.A. Kremenyuk and G.A. Trofimenko, "Foreign Policy Traditions," in the book "Sovremennaya vneshnyaya politika SShA" [Contemporary U.S. Foreign Policy], vol 1, Moscow, 1984; E.Ya. Batalov, I.Ye. Malashenko, and A.Yu. Melvil, "Ideologicheskaya strategiya SShA na mirovoy arene" [U.S. Ideological Strategy in World Affairs], Moscow, 1985.
24. "National Bipartisan Report on Central America. Hearings Before the Committee on Foreign Relations, U.S. Senate, February 7 and 8, 1984."
25. M. Ledeen, "How To Support the Democratic Revolution," COMMENTARY, March 1985, p 46; R. Bresler, "Shedding the Illusions of the 1960's; The Need for Political Reality," USA TODAY, May 1985, p 7; TIME, 10 February 1986, p 31.
26. K. Kaiser, "The Soviet Challenge," in "The Plenary Conference of the Trilateral Commission," Tokyo, April 1985, p 14.

COPYRIGHT: Izdatelstvo "Nauka", "SShA--ekonomika, politika, ideologiya", 1987

8588

CSO: 1803/07

HISTORY OF FOREIGN POLICY--TRUMAN TO REAGAN

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 3, Mar 87
(signed to press 16 Feb 87) pp 50-54

[Article by V.L. Chernov: "From the 'Truman Doctrine' to Reagan's
'Neoglobalism'"]

[Text] On 12 March 1947 President H. Truman of the United States addressed a joint session of Congress with a speech on 400 million dollars in military and economic aid to Greece and Turkey. Recalling this not long before his death, Truman told journalist M. Miller: "Now it is hard to remember, but I doubt if things in Europe had ever been worse, in the Middle Ages maybe, but not in modern times. People were starving and freezing.... Something had to be done. The English were broke: They were pulling out of Greece and Turkey and could not put up money to help the people on the continent. The United States had to do it, had to do it all, and the people and the Congress had to be persuaded that it was necessary."

We do not know if this is how the aged Truman actually remembered this event or if he wanted--as politicians often do--to whitewash his behavior, but what he really said 40 years ago was quite different. The "free peoples" are threatened not by hunger and disease, he asserted, but by "totalitarianism," which is striving to impose its way of life on the world. In his words, "the policy of the United States should consist in the support of free peoples resisting the attempts of armed minorities or outside forces to enslave them." The Soviet Union was not mentioned specifically, but no one had any doubt that the speech was directed against the USSR.

This was the birth of the first postwar American doctrine, which Truman's contemporaries interpreted as an appeal to extend the "Monroe Doctrine" to the entire world. In response to the situation in the Mediterranean, the United States announced a policy line of global confrontation with socialism, intervention in the internal affairs of other countries in any part of the world on the pretext of "defending the cause of liberty," and unrestrained military, economic, and political expansion. With the Truman Doctrine, the United States officially declared "cold war" on the Soviet Union. Its chief aim was the "containment of communism" and of "Soviet expansionism." The doctrine proposed that Soviet policy, which was portrayed in the most somber terms, be countered with a policy of "rigid containment," with the aim of repulsing something just short of a worldwide "communist conspiracy."

Not one of the confidential U.S. government documents of winter and spring 1947 expresses concern about the troubles of the people in Greece and Turkey. There is no shortage, however, of suggestions regarding the best ways of securing access to Mideast oil and driving the English out of the region. But this was not the main thing. Today it is known for certain that Greece and Turkey were viewed in American plans as instruments of the aggressive anti-Soviet policy. Greece warranted priority military and economic assistance, a document of the Joint Chiefs of Staff, JCS-1769/1, says, for instance, because it "is a border country in the current...ideological war between the Western powers and the Soviets." Turkey was mentioned by name in another document of that time, JCS-1725/1. It described the Middle East as "a base for airborne strategic operations" against the USSR, because it was "located in the closest operational proximity...to industrial complexes of vital importance to Soviet defense potential"; it was "a convenient bridgehead for the penetration of vitally important Soviet regions by land"; "in this region the United States and Great Britain will have an ally in Turkey, whose cooperation will be of tremendous strategic value." This was not just the point of view of the American generals, but, as respected American researchers corroborate, the position that largely determined the priorities of the program of military and economic aid in spring 1947.

Therefore, to take the "sphere of influence" of the English away from them, facilitate access to Mideast oil, lock the Soviet fleet in the Black Sea, and threaten the security of the USSR's southwestern borders, Truman asked Congress for money to assist two southern European regimes devoid of any democratic features. At that time, as we know, Greece was the scene of a civil war against a decayed and despotic dictatorship. There was not the slightest trace of "freedom" there, even in the bourgeois sense of the term.

The President actually extended the provisions of the "doctrine" to the entire world¹ by stipulating the "right" of the United States to interfere in the affairs of other countries on the same pretext.

Several American works on U.S. history in the second half of the 1940's mention James Forrestal as one of the chief advocates of the ideas included in the "Truman Doctrine." As we know, Forrestal was secretary of the Navy in Truman's first administration and was then appointed secretary of defense in September 1947. He suffered from an obsession with the "communist conspiracy," and this soon put him in the hospital (where he jumped out of a window in May 1949 when he took some passing fire engines for Russian tanks).

Of course, in discussions of foreign policy, especially the policy of a nation as large as the United States, it is wrong to absolutize the subjective views of individuals, even the most influential ones. It was not the Truman doctrine that led to American global expansion and defined the methods of its accomplishment, but the expansionist aims of the U.S. ruling class that gave birth to the Truman doctrine as an attempt to substantiate and justify American imperialism's policy line in the "cold war." Nevertheless, the guidelines set in the doctrine for this kind of expansion soon had a life of their own and turned out to be stronger than sensible opinions and common sense. Chasing the specter of the "Soviet threat," American expansion took

the path of resistance to the natural processes of national liberation and the struggle of peoples for social progress in the most diverse parts of the world--a historically futile path.

Truman's speech of 12 March 1947 had a profound effect on U.S. foreign policy. All of the characteristic elements of foreign policy strategy throughout most of the postwar period are clearly apparent in it. The main ideas of the doctrine still survive.

When the war in Korea broke out in 1950, a war which, in the words of renowned diplomat and historian G. Kennan, "was essentially a civil war," Truman showed the members of his cabinet a map of that country and said: "This is the Greece of the Far East. If we are tough enough now, we will not have to take any further steps." Portraying the events in Korea as the beginning of a "total communist invasion" directed from Moscow, the United States launched armed aggression involving colossal military strength, but the war ended in the same place where it began--on the 38th parallel. The United States was unable to beat the millions of North Korean soldiers and Korean volunteers, the armed people, and the anti-imperialist resistance forces.

As the anti-imperialist national liberation struggle gathered strength in the world arena and was joined by new patriotic forces in various countries and regions, the American leaders' view of the world through the prism of Truman doctrine precepts became increasingly nightmarish. Eisenhower was already seeing signs of the "Soviet threat" not only in Korea, but also in Vietnam, the Philippines, Laos, Cambodia, Burma, Iran, Trieste, Guatemala, and other places.

The adherence of U.S. ruling circles to the doctrine resulted in the excessive expansion of American obligations to support various reactionary and undemocratic regimes that were crumbling under the blows of forces for national liberation and the overexertion of U.S. imperialism in its attempts to reverse the objective course of sociopolitical changes in the world. This overexertion was already apparent in the middle of the 1950's, when people in Washington began worrying about the high cost of national foreign policy. To lower the cost, the idea of "drawing a line around the perimeter of the communist world and threatening to use nuclear weapons against anyone crossing the line" was proposed. This is how the strategy of "massive retaliation" was born and put the world on the verge of thermonuclear war. Other strategies were also elaborated in line with the Truman doctrine, but the doctrine itself was never revised for almost two decades. "From Korea to Berlin, to Cuba, and to Vietnam the Truman doctrine defined America's response to the communist world," Senator W. Fulbright, who headed the Senate Foreign Relations Committee for many years, wrote in 1972. "Tactics varied--from 'massive retaliation' to 'limited wars' and 'counterinsurgency'--but these were only variations on a formula based on assumptions that were rarely questioned to any serious extent."

It is therefore understandable that the colossal changes in the balance of world power revealed the growing discrepancy between American imperialism's real capabilities and its excessive ambitions, a discrepancy which reached the

critical point at the end of the 1960's. The aggression in Vietnam, conducted according to the canons of the Truman doctrine, exacerbated U.S. domestic and foreign policy problems and accelerated the development of a severe crisis in foreign policy. The actual defeat in the war in Southeast Asia, the realization of the loss of military-strategic superiority to the Soviet Union by U.S. ruling circles, the erosion of the United States' position in the capitalist system itself, the dramatic growth of the peace movement in the country, and the need to solve acute domestic economic and social problems without delay--these and other factors led to the substantial revision of postwar American foreign policy at the beginning of the 1970's and a definite departure from the tenets of the doctrine. At the very least, U.S. ruling circles were more aware at that time of the self-evident fact that there were other countries in the world in addition to the Soviet Union and the United States, that the people in these countries were determined to take charge of their own destiny, and that no single state, even the most powerful, was capable of countervailing their desire for national liberation and social changes. The habit of seeing the "hand of Moscow" behind all turmoil in the world condemns one to new "Vietnams."

These sensible attitudes took root in the American society. They are still widespread today. Most Americans and influential groups in the Congress now oppose U.S. involvement in conflicts abroad on the specious pretext of counteracting "Soviet expansionism." But the Reagan Administration, representing the national leadership and supported by extreme rightwing forces, is stubbornly dragging American foreign policy into the channel of the earlier precepts of the bankrupt Truman doctrine.

It is true that Reagan's foreign policy philosophy fits neatly into the framework of this doctrine. Reagan began his term in office with the statement that "the Soviet Union is behind all of the unrest in the world." Later, after dividing the world into noble "democracies" and "totalitarian states," the Reagan Administration announced a "crusade against communism" and finally pledged, in the doctrine of "neoglobalism," to support "freedom fighters"--that is, primarily the counterrevolutionary groups operating in Nicaragua, Angola, Mozambique, Afghanistan, and other countries moving toward social progress. The administration is not concealing its aim of "throwing back" communism, drawing new regions into the sphere of "American influence," changing the balance of power in imperialism's favor, and undermining the international influence of the Soviet Union and other socialist countries. It has even had time to provide an example of what people can expect when their way of life is objectionable to Washington--the example of trampled Grenada.

Of course, the U.S. leadership's approach to the pursuit of its expansionist policy differs from the Truman doctrine in some respects due to the colossal changes in world affairs and in American public opinion. Whereas priority was once assigned to the assistance of undemocratic regimes, the emphasis has now been shifted to the support of opposition groups engaged in subversive terrorist activity. The new balance of world power has motivated the administration to resort directly to flagrant intervention in the internal affairs of sovereign states, which is against all standards of international law.

Besides this, Washington has lost its ability to pursue this policy unimpeded, because public opinion even in the United States itself is against new wars. These obstacles are forcing the administration to break American laws. A secret operation involving the delivery of arms to Iran and the transfer of the proceeds from the arms sales to the Nicaraguan contras without the knowledge of Congress or the American public was exposed at the end of last year and aroused a storm of indignation in the United States. In his attempt to justify his actions, Reagan was unable to find a better excuse than the Soviet "threat." The President's speech in the Ethics and Public Policy Center in November 1986 was filled with such rabid anti-Sovietism that it suggested the "Forrester syndrome."

The Soviet Union has requested the American leadership to give up its primitive and defective foreign policy philosophy, to practice a new way of thinking in the nuclear age, and to begin conscientious and constructive negotiation for the purpose of finding solutions to the acute regional problems that are poisoning the atmosphere in the world and in East-West relations.

FOOTNOTES

1. In his remarks on Truman's speech, famous columnist Walter Lippmann wrote that it would have been "much better and less dangerous" for the United States to announce an "American Mideast policy" instead of a "global policy."

COPYRIGHT: Izdatelstvo "Nauka", "SShA--ekonomika, politika, ideologiya", 1987

8588

CSO: 1803/07

U.S. NARCOTICS PROBLEM

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 3, Mar 87
(signed to press 16 Feb 87) pp 54-58

[Article by B.P. Sitnikov: "Narcotics and Politics"]

[Text] The war on drug abuse has entered the American home. Angry residents of New York are painted red X's on the doors of the homes of cocaine dealers and are walking up and down the streets carrying horns and posters to drive them out of residential neighborhoods; children are turning in their drug-addict parents to the police; the President of the United States, along with the vice president and the White House staff, are undergoing drug testing-- reports like these have become a staple of American television news programs and newspaper editorials. "Like a drunk waking up from a 20-year binge with a massive hangover," TIME magazine remarked, "the nation is bitter, remorseful and full of resolution. The easy tolerance of the late 1960's, justified with statements about personal freedom, has turned to dread."

According to the latest public opinion polls, the fear of drug addiction has surpassed worries about economic problems and the threat of nuclear war and has become the "number one problem" in the United States. Any Washington official who sidesteps the discussion of the problem is taking a big political risk. In an extraordinary joint television appearance on 21 September 1986, the President and his wife declared war on drugs on the national level. Reagan announced his intention to make drugs socially unacceptable in the United States. "It is hard to say precisely why drugs are this year's public bane," TIME remarked, "just as it is hard to know why other threats that are ever present--from nuclear holocaust to world hunger to environmental disaster-- seem to obsess the national consciousness in cycles. Perhaps it is the sheer insidiousness of crack, the newly popular, highly potent form of cocaine that can in short order transform the casual pleasure seeker into an addict. Perhaps it is the perception that drugs have spread into the workplace.... In any case, this is hardly the nation's first drug crisis, nor will it be the last."

Scales of Social Disaster

The United States is experiencing the second severe drug crisis in its history. After the first national antidrug campaign of the 1920's, which led to laws

regulating the sale of opium and cocaine, an entire generation of Americans had virtually no contact with drugs. American sociologists associate the increase in marijuana use in the late 1960's with the spread of the hippie counterculture, when it was the symbol of "shared identity among people who had a common point of view, notably that their parents were stupid, that government was immoral, and that the war in Vietnam was wrong." The second coming of cocaine in America occurred in the middle of the 1970's. "The new morality of young America is success, the high-performance ethic," said University of Massachusetts Professor R. Whitehead. "Marijuana bred passivity. On alcohol you cannot perform well. You smell. People can tell when you have been drinking. But cocaine fits the new value system. It feeds it and confounds it."

Once again, just as in the 1890's, the spread of cocaine was facilitated by the mistaken belief in its healing properties. The official belief at one time was that cocaine was neither harmful nor addictive. For example, President Carter's adviser on drug abuse prevention, P. Barn, solemnly assured Americans of the lack of "evidence that cocaine use is a health hazard." The facts, however, refuted this. According to the data of the National Institute on Drug Abuse, the number of people hospitalized in connection with cocaine use increased more than 300 percent between 1981 and 1985, reaching 9,946, and the number of deaths rose from 169 (in 1980) to 613. The cause of death is usually cardiac arrest, respiratory failure, or cerebral hemorrhage.

Pharmacologists are now saying that the use of cocaine in even small quantities can quickly lead to addiction. A vicious circle is created in which the addict takes cocaine to alleviate depression but needs a larger dose each time because his brain becomes increasingly resistant to its stimulating effects. The process is so imperceptible that a person often becomes an addict without realizing it. According to the data of the Drug Enforcement Administration, up to 8 million of the 26 million Americans who have tried cocaine use it at least four times a month, and another 2 million are addicts.

The American press has reported that drugs are more dangerous now because they are more potent. For example, as a result of hybridization and the use of modern agricultural technology, marijuana now contains almost three times as much active substance as it did 10 years ago, the average content of pure opium in heroin has risen from 6 to 14 percent, and it can even be increased to 99 percent, and the purity of cocaine has risen from 20 to 80 percent.

The United States was engulfed by a new wave of drug addiction in the 1980's--the widespread use of the granulated form of cocaine known as "crack" (it makes a cracking sound when heated). According to many physicians, cocaine is the most addictive popular drug, and crack is its most addictive form. Unlike heroin users, who vomit and shake when they withdraw, crack addicts show few physical signs of dependency, at least at first. But they feel an overpowering craving for more, leading to paranoid schizophrenia. Because crack is a relatively new phenomenon (it was first imported from the Bahamas around 1983), some parts of the United States are still relatively unscathed. In New York, Los Angeles, and Miami, however, crack use is already out of control. "The fine white powder pours past the border patrol like sand through

a sieve. On busy street corners and in urban parks, pushers murmur the word 'crack' like some kind of evil incantation, bewitching susceptible teenagers and threatening society's sense of order and security," a reporter described the situation.

Americans use 60 percent of the illegal drugs produced in the world. It has been estimated that around 20 million people smoke marijuana regularly, another 4-8 million abuse cocaine, and 500,000 are addicted to heroin. In 1986 there were more than 12 tons of heroin, 65 tons of marijuana, and 150 tons of cocaine in the country.

The social implications of drug abuse are far more dangerous than the personal tragedy. When drugs moved out of the ghetto and began to be used by bus drivers, lawyers, and workers, innocent people were put at risk. There is also a direct connection between drug abuse and crime. "I believe the crime problem in America today is the drug problem," declared New York Police Commissioner B. Ward. A 1986 study indicated that 56 percent of the criminal suspects in New York and Washington were drug users.

The economic losses from lower labor productivity, increased absenteeism, and higher accident rates as a result of drug abuse are estimated by the government at around 33 billion dollars. In addition, drug use annually takes 100 billion dollars out of economic circulation (in just the proceeds from illegal drug sales). As U.S. NEWS AND WORLD REPORT commented, this sum exceeds the total sales of General Motors and American farm income combined.

Reagan's War on Drugs

These high socioeconomic costs made a drug abuse a political problem. Reagan was aware of the "uniting effect" of this problem. He had solemnly announced a broad-scale assault on drugs back in 1981. At that time it was regarded more as an outside enemy (this fit neatly into Reagan's doctrine of "America's survival"), and it was the common opinion that all it would take to stop illegal drug shipments at the border would be more money, people, and equipment. This was the original basis of the strategy of Reagan's "war on drugs."

Within the framework of a campaign focusing on five areas, the sum of 1.3 billion dollars was allocated annually to arrest the illegal drug trade by encouraging peasants in foreign countries to grow other crops instead of marijuana and plants containing opium and cocaine, and 300 million was allocated for antidrug publicity, treatment, and research. As the American press reported, however, peasants in Bolivia, for example, could earn up to 3,200 dollars a year from each acre of coca plantations--a fortune by the standards of that country. For this reason, they had little incentive to raise other crops within the framework of the U.S.-financed program offering them around 150 dollars a year. As a result, Bolivia could not keep its promise to the United States to eliminate 10,000 acres of coca (more than 10 percent of the total area of plantations) by the end of 1985.

The ineffectiveness of these measures forced Washington to take resolute action. In April 1986 Ronald Reagan signed a declaration stating that the

smuggling of illegal drugs was a threat to national security and that military force could be used to deter it. After this, in the middle of July, American troops were sent to Bolivia to assist the government of that country in raids on major drug suppliers with the aim of, as the press reported, "putting the middlemen in the drug trade out of business and making the raising of coca unprofitable, thereby encouraging peasants to raise other crops." Reports in local newspapers about the coming operation, however, gave many smugglers a chance to get out of the drug manufacturing centers. Nevertheless, Washington is determined to continue this campaign.

As the U.S. State Department announced in a report on international strategy in the control of illegal drugs, distributed on 24 October 1986, a program "for the effective and simultaneous elimination of drug manufacturing centers is being carried out gradually in the countries from which narcotic substances are being sent to the United States." Whereas these operations were being carried out in only two countries in 1981, in 1985 the program already covered 15 countries, including Colombia, Belize, Jamaica, Panama, Peru, Burma, Thailand, and others.

Since the war on drugs was announced, the Reagan Administration has almost doubled the allocations for it--from 853 million dollars in 1982 to 1.5 billion in 1986--but federal appropriations for drug abuse prevention and treatment during this period were actually reduced--from 200 million dollars to 126 million. Although the amount of cocaine confiscated by authorities has increased tenfold in the last 5 years, street sales of drugs have not been reduced. This situation has been pointedly criticized by Democrats and Republicans. President Carter's former drug adviser L. Dogoloff remarked that the government "has been interdicting the same 10 percent" of the total drug trade "since Harry Anslinger," who was appointed the first U.S. narcotics commissioner in 1930. According to former Senator Paula Hawkins (Florida), although it has been several years since the "war on drugs" was announced, the drug dealers "have more money, weapons, and people on their side than narcotics agents have."

To take the edge off the increasing criticism of the administration, Vice-President G. Bush announced a plan for stronger narcotics interdiction, called "Operation Alliance," in August 1986. In accordance with this plan, the customs forces along the Mexican border are to be strengthened by 350 new officers--that is, an increase of 30 percent--and the Immigration and Naturalization Service will get new equipment, such as vehicles with a 10-meter tower housing an infrared nightscope. Around 60 additional prosecutors will be sent south to relieve a shortage that has hindered trials of arrested smugglers. TIME had this to say about the administration's initiative: "Operation Alliance may increase the percentage, but the greatest optimists have no hope of ever intercepting even half the marijuana, heroin, and cocaine slipping into the United States."

Change of Emphasis

Just before the 1986 midterm elections, Reagan began stirring up anxiety over the drug problem again, mainly to rally voter support for Republican candidates.

Drugs were called the "enemy of the nation," but this time they were seen as the enemy within. This signaled a change of emphasis in official strategy-- from the ineffective struggle against the manufacture and distribution of drugs to a struggle against drug use. A statement by American psychologist W. James was quoted: "The most deadly enemies of nations are not external enemies, but those who reside within their borders."

The administration's new strategy envisages joint efforts with the private sector to reduce drug use in the workplace and intensify the struggle against drug sales. A massive drug-education campaign and a nationwide drive for "drug-free" schools and workplaces have also been announced. The administration has declared the need to "rid the United States of this scourge by mobilizing every segment of our society against drug abuse." In its opinion, private business and local government should lead the way in carrying out and financing the new campaign.

To set an example, the President himself submitted to drug testing in August 1986. He was followed by students, athletes, policemen, stockbrokers, soldiers, and applicants for jobs ranging from executive to mill hand, keeping laboratories working day and night. "With an enthusiasm," the press reported, "bordering on hysteria, officials at all levels of government and private business are seizing on drug testing as the only idea that offers real hope of containing the narcotics plague."

The idea is simple: Mass testing is a much more effective deterrent to drug use. The assumption is that if people know that they will have to pass a drug test to get or keep a good job, join a sports team, or stay in school, they will be less inclined to use drugs.

The American press, however, has mentioned another, perhaps more significant reason for the official enthusiasm for drug testing. "Judging by all indications, private business and government agencies have seized on drug testing to clean up the workplace," TIME reported. By September 1986, for example, about a third of the 500 largest companies were requiring some sort of drug testing for employees, and the number of these companies was expected to rise dramatically by the end of the year. Besides this, drug tests will be mandatory for over a million public employees in critical jobs, such as air traffic controllers, and drug users who are caught will be fined or fired.

Americans say that children under 10 in their country are the only group in which the nonuse of drugs, alcohol, and tobacco is the norm. The challenge is to keep them free of drugs as they grow up. According to estimates, 72 percent of the 45.3 million American students are being offered some kind of drug education, but sometimes it amounts to only a paragraph in a textbook, and the U.S. Department of Education's funding for drug education has been so tiny that "no one has kept track of it." The administration is now considering a 100-million-dollar program of drug education for children in elementary school and kindergarten.

On 27 October 1986 Ronald Reagan signed a bill approved by the Congress on additional allocations of 1.7 billion dollars for the prevention of drug abuse.

The purpose of the new law, in the President's words, is to raise a "drug-free generation." It envisages larger federal allocations for law enforcement, education, and treatment programs and stiffer penalties for drug-related crimes.

Some people in the United States have expressed the fear that the political frenzy over the acute social problem could cause people to "lose sight of the real scales of the current crisis." National Institute on Drug Abuse figures published in September 1986 testify that 563 people died from cocaine abuse in 1985, but in 1980 there were over 98,000 fatalities attributed to alcohol and 300,000 deaths attributed to tobacco. The health costs of drug abuse were estimated (in 1983) at around 60 billion dollars, but the medical bills for alcohol abuse came to 117 billion dollars. TIME cites a remark by an institute staffer: "There is no question that alcoholism in terms of social cost remains our No 1 problem. We cannot lose sight of that because of our emphasis on drugs."

COPYRIGHT: Izdatelstvo "Nauka", "SShA--ekonomika, politika, ideologiya", 1987

8588

CSO: 1803/07

ECONOMIC, SOCIAL ASPECTS OF DATA PROCESSING

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 3, Mar 87
(signed to press 16 Feb 87) pp 59-66

[Article by A.A. Kuteynikov and V.B. Supyan]

[Text] In the second half of the 1970's, and especially in the 1980's, the economies of industrially developed capitalist countries entered a new phase of technological reorganization, based on the extensive use of microelectronics. The reorganization proceeded at different speeds in different countries, intensifying the lack of uniformity in their development and exacerbating inter-imperialist conflicts.

Industrial competition between capitalist firms has been of unprecedented intensity in this phase of technological revolution, and the ones failing to keep up in the technological race have no hope of competing. Under these conditions, the importance of accurate and timely information about the latest scientific and technical achievements, about changes in market conditions, about the state of technological processes, and about changes in political conditions has increased immeasurably. "Information is power"--this motto of the American manager clearly indicates its importance to the capitalist firm.

Today the United States is far ahead of its rivals in terms of the scales and efficiency of data processing equipment.¹ Its influence in production and management, science and education, public health and recreation, in the workplace and in the home, is becoming increasingly perceptible.

Development of Data Processing Industry

The creation, processing, shipment, and storage of all types of production resources require the appropriate physical assets. Information is no exception to this rule.

Computers occupy the central place in the automation of informational operations, but their efficient use depends largely on the presence of other types of equipment, and the combination of all these is referred to by the general term "data processing equipment." Computer production is now regarded only as the central element of a huge and complex branch known as the data processing industry. In addition to the production of computers and software, it includes the design of equipment for the transmission of information

(communication equipment, electronic mail, etc.) and its reproduction in quantity (photostat equipment, printers for computers, etc.) and the manufacture of peripherals (display units and terminals). Besides this, it includes all of the services involved in the operational maintenance of computers and other data processing equipment.

In 1985 the sales volume of this industry in the United States totaled 141.7 billion dollars. Computers themselves accounted for only 23.9 billion. The rest came from sales of auxiliary and peripheral devices and equipment, technical maintenance and leasing services (77.1 billion dollars), and sales of software (40.7 billion dollars).² For the sake of comparison, the sales volume of the American automobile industry in the domestic market was 100 billion dollars.³

The complete functioning of data processing equipment often requires the use of telephones, television sets, videocassette recorders, communication satellites, etc. If these types of equipment, used as something like modules in integrated systems, are included in the calculations, the sales volume in the data processing industry is increased by tens of billions of dollars.

The industry can be divided into two distinct groups of firms. The first consists of from 8 to 10 corporations, headed by IBM, which are distinguished by a diversified structure and produce a variety of data processing goods and services. In addition to the giant corporations, each of which has an annual sales volume exceeding 2 billion dollars, there are hundreds of small and medium-sized firms in the industry specializing in a few types of equipment or services.

The rapid renewal of the product assortment considerably limits the ability of any one company, even the largest, to offer all of the types of equipment and services needed for the functioning of data processing systems. The need for comprehensive changes in all elements of these systems in line with the latest scientific and technical achievements leads to a unique system for the division of labor, within the framework of which the large corporations attach specialized producers to their production and sales structure.

The attachment can be accomplished directly--through shareholding, cooperative agreements, or delivery contracts--but it is usually indirect. In this case the market is the connecting link. Specialized producers must ensure the technological compatibility of their products with the computers and other equipment produced by the industry's leaders (especially IBM). In turn, it is sometimes more convenient for the giant corporations to stop producing certain types of auxiliary equipment or offering certain services and to farm them out to competing specialized firms. In this way, the leading corporations have a chance to concentrate resources in the manufacture of key types of equipment--that is, primarily the computers themselves.

Under the conditions of the fierce competition within the industry, the producers of data processing equipment are trying to strengthen their position primarily by means of research and development. The results of a survey of the 820 U.S. industrial firms with the highest R & D expenditures revealed

the absolute leadership of data processing equipment producers: They spent 8.7 billion dollars on R & D in 1984, or 19.2 percent of the total R & D expenditures of the surveyed companies (their share of sales was only 7.7 percent). The 15 American companies with the highest R & D expenditures included 4 firms specializing in the production of data processing equipment: IBM (the leader in this group), Digital Equipment, Hewlett Packard, and Xerox. Another 5 of the remaining 11 companies also produce data processing equipment (but do not specialize in it). The data processing industry is also the absolute leader in proportional indicators of R & D expenditures: 10 of the 15 firms with the highest R & D expenditures per worker produced computers, peripheral equipment, and database organization and management services.⁴

The need to constantly provide production with new R & D results requires the combination of economic efficiency with the rapid renewal of product variety and production technology. To some extent, this problem is surmounted by the heightened division of labor within the industry, in which the majority of producers specialize in a limited group of products or services.

The history of the gradual transformation of computer software into a separate subbranch is indicative in this respect. In the first decade of computer use, programs were developed by the producer and the user. Programming's rapidly increasing share of expenditures on the purchase and operation of computers and the diversification of user requirements led to the establishment of specialized firms developing programs to order in the late 1950's. The widespread use of computers in the United States, performing similar functions in various organizations--serving as data banks, calculating payrolls, keeping personnel records, etc.--led to standard software packages instead of individual programs for each computer. In contrast to contracted programming, these software packages are not a service, but a finished product, and they cost much less than similar programs made to order.

The proportion of off-the-shelf programs in the total value of software received from independent suppliers is constantly increasing. In 1984 it reached 63 percent, as compared to 52 percent in 1981. The sales volume of prepared programs in 1984 totaled 11.4 billion dollars. Furthermore, software packages for personal computers accounted for most of the increase. The market has been flooded with huge quantities of software for the most diverse operations. For example, a list of the software programs just for personal computers included 27,000 items in 1985. This creates considerable problems for the consumer, who has difficulty choosing the product he needs from among dozens and hundreds of seemingly identical items.⁵

In spite of the rapid development of the independent programming sphere, the heightened specialization of the firms in this branch, the qualitative improvement of software, and the variety of methods of delivering it to the user, software is still the greatest obstacle to the more extensive use of data processing equipment in the United States. The ability to surmount this obstacle will depend largely on achievements in the development of the latest computers with features of "artificial intelligence" and the programs for them.

The widespread use of data processing equipment led to the active establishment of an informational infrastructure in the last 6-8 years in the United States. The process essentially entails the integration of data processing equipment of various types (primarily computers) in information systems, each of which controls a specific group of objects, and the subsequent unification of these systems in a unique network. The nerve centers of this network are large all-purpose computers that are usually centralized computers.

The dimensions of the informational infrastructure are attested to by the fact that 71,000 large computers were already operating in the country in 1983 in government establishments and private corporations, and the number of personal computers exceeded 18 million in 1985.⁶ The number of national databases, providing clients with information in electronic form on a commercial basis, is rising rapidly. Whereas there were only 400 in 1979, there were already 2,800 in 1986.⁷

The rapid establishment of the information infrastructure was made possible to a considerable extent by the technical compatibility of the new data processing equipment with traditional forms of communication. For example, the main channel for the transmission of electronic information throughout the United States is the national telephone network, the quality of which had reached such a high level by the beginning of the 1980's that it could secure the mass-scale transmission of distortion-free electronic signals from one computer to another. In turn, computer technology aided telephone companies in converting the telephone network from copper cable to a fiber optics system, which improved the quality of transmitted electronic signals and increased the capacity of communication channels. A special communication technology is being developed for local information networks (intended, for example, to link all of the data processing equipment of executives of large corporations in a closed-circuit system) to exclude the possibility of outside hook-ups and thereby prevent leaks of secret information. This is expanding the operations of firms and organizations specializing in the resolution of problems in the design of optimal networks, interface hardware and software, and categories of data processing equipment. In 1985 their service volume totaled 10.5 billion dollars.⁸

The establishment of the infrastructure has given rise to several new problems. This sphere of economic activity requires changes in government regulation. For example, although computerized banking services make transactions with one's bank from any part of the United States technically possible, a 1927 law prohibiting banks from doing business outside their own state was in effect until the middle of the 1980's.

Another problem is "computer crime." The ease with which people gain access to many existing information networks, including those containing confidential data, is giving rise to new forms of industrial espionage, theft, and vandalism. By the middle of the 1980's the economic losses from these crimes were already estimated at 5 billion dollars a year. Organized crime has also displayed more and more interest in the new technical means of acquiring illegal income.⁹

Effect on Employment, Labor Skills, and Labor Organization

The widespread use of data processing equipment and the establishment of the information infrastructure are having an increasing impact on employment and on skilled manpower, but this impact has varied considerably in different economic sectors and professional groups. In the sphere of physical production, for example, data processing equipment usually influences the scales of employment not directly, but in connection with the prevailing production technology. At the same time, comprehensive automation and the use of flexible automated production systems and robots, with computers and microprocessors serving as the central element of control, are changing demand in many ways in the labor force as a whole and in various occupations.

The U.S. automotive industry, distinguished by the most extensive use of robots, is an indicative example. Now 10 robots can replace 17 workers at enterprises operating in two shifts and 27 workers at enterprises with three shifts. The United Automobile Workers Union estimates that the use of robots will reduce the demand for assembly line workers by 50 percent by 1990.¹⁰ The number of jobs lost to robots has already reached 40,000-60,000, and this has primarily affected assembly line workers, welders, longshoremen, and painters.¹¹

Data processing equipment has had a more visible impact on employment in jobs involving primarily intellectual labor. Personal computers, communications equipment, automated design systems, and other equipment of this type are being used more widely in the operations of managerial personnel, engineers, scientists, and office workers. Sales of equipment for the automation of office work in various spheres of the economy are expected to reach 16 billion dollars by 1990. This will be more than three times as high as the indicator at the end of the 1970's. The number of automated design systems is increasing by 35 percent a year. Sales of this equipment totaled 2.5 billion dollars in the middle of the 1980's, as compared to 10 million dollars in 1979.¹² This has caused the demand for manpower to decline dramatically in many white-collar professions. The Association of Industrial Engineers has predicted that by 1987 the volume of work can be maintained with a reduction of 25 percent in the number of programmers and designers.¹³ The use of data processing equipment is reducing the need for several categories of highly skilled office employees and low-level managerial personnel engaged in the collection, classification, and initial processing of economic data.

All of this will be accompanied by a rapid rise in the demand for specialists in new fields--systems analysts, computer engineers and technicians, etc. The National Science Foundation predicted a shortage of 115,000-140,000 computer specialists and 30,000 electronic engineers by 1987.¹⁴

The present situation in the U.S. economy testifies that the use of data processing equipment is abolishing more jobs in physical production than it creates. Besides this, a qualitative disparity between the demand for manpower and the supply is becoming a characteristic feature of the American labor market and is leading to the growth of so-called structural unemployment. Furthermore, the retraining of manpower has been instituted on such an inadequate scale that it is intensifying the disparities in the labor market.

Data processing equipment itself is being used more in the regulation of the labor market. Government job placement agencies are being equipped with computers, in which job information from employers is recorded and constantly updated. The unemployed can obtain information about job vacancies either from the appropriate local government and private organizations receiving this data or directly from the computer, which will provide them with this information within seconds. In the middle of the 1970's there were 300 such "job banks" in the United States, and their operations covered virtually all 50 states.

Highly perfected computerized hiring and placement systems also exist, but they are still in the experimental stage. The main difference between these and the "job banks" is that these systems contain information about job vacancies and jobseekers--in other words, they match applicants with jobs. The network of these systems had been expanded considerably by the middle of the 1980's. Their services were being used by 26 cities in 23 states, and 9 automated systems were serving whole states.

Obviously, the use of computerized placement services cannot eliminate the pronounced disparities in the labor market with much deeper roots. The main impact of computers in this sphere has been a slight increase in the territorial mobility of manpower.

People in many professions (particularly specialists and managers) have to meet higher skill requirements because the use of data processing equipment promotes the integration of functions previously performed by several people and allows for concentration on specific problems rather than routine matters.¹⁵ The use of computers in the steel industry has led to a substantial rise in the skills of engineering and managerial personnel and to their acquisition of knowledge in the sphere of electronics. The labor of open-hearth workers has changed: They must master computer skills and raise their general educational level.¹⁶ Many office workers are operating large computers, PC's, or terminals.

In general, however, in the majority of cases it is not so much a matter of higher or lower skills as the acquisition of new skills by many categories of workers. There is no question that a higher level of general education is required in most cases, because elements of intellectual labor become predominant in the work. At the same time, many elements of physical labor previously constituting the basis of skills and requiring a great deal of professional mastery and experience are becoming unnecessary.

The widespread use of data processing equipment is giving rise to some new trends in the organization of labor. The rapid development of communication systems and the spread of personal computers linked to a single computer center establish qualitatively new contacts between workers and change customary ideas about the organization of labor. There are already 100,000 people in the United States whose home is their workplace and whose personal computer is their tool of labor. Available forecasts put the number of these workers (engineers, designers, systems analysts, and office employees) at 10 million by 1990. The percentage could be quite high in some industries. A survey conducted in the insurance business, for example, indicated that operations could be

decentralized to a considerable extent by installing personal computers in the homes of agents and brokers.¹⁷ The still limited experience in this form of labor organization attests to its economic efficiency: Labor productivity rises 10-20 percent, overhead costs are lower, traffic is reduced, and workers save time and transportation costs.

Communication systems can effectively unite the efforts of people in different organizations for work on a single assignment. The development of the Ford company's new model, the Ford Escort, is an indicative example: 5,000 of the corporation's engineers all over the United States and specialists in its branches in the FRG, Spain, England, and France took part in designing it. Work contacts--that is, consultations and the discussion of individual parts and components and the overall design--were accomplished with the aid of communication equipment. All of the information was transmitted to Dearborn, near Detroit in Michigan, where the final decisions were made. The automobile was designed in record time.¹⁸ In general, the number of business conferences using television is increasing at a rate of 21 percent a year in the United States.

At the same time, it must be said that this organization of labor heightens the social separation of workers and weakens the influence of labor unions. In some professions (clerical workers and trade personnel), the wages of employees working in their own homes are often lower than those of their colleagues in the establishment. This is why labor unions often take a negative stance on PC-aided work in the home. The International Union of Service Employees, with a membership of 780,000, forbids its members to work at home. The AFL-CIO also passed a resolution against computer-aided work in the home at its convention in October 1983.¹⁹

Data Processing Equipment in Education and in the Home

Data processing equipment has become an established part of education in the United States. The number of microcomputers in schools rose from 31,000 in 1980 to 632,000 in 1984.²⁰ In 1986 there was 1 microcomputer for every 40 American schoolchildren, but in 1993 the ratio will be 1:4.²¹ In American VUZ's, there should be one computer for each student by the end of the 1980's.

American experts estimate that the use of computers reduces specialist training time by a third. Furthermore, data processing equipment changes the content as well as the methods of instruction. A knowledge of computer skills, systems analysis, and programming is becoming a basic requirement for engineers and other specialists. These courses are now included in training and retraining programs. For example, 6,000 engineers annually receive this kind of training in the General Electric corporation (in all, it employs 35,000 engineers). Polaroid workers and employees are offered a choice of 100 different courses, many of which provide computer training.

The PC's owned by American families are being used more extensively in education. Surveys indicate that 41 percent of the owners of PC's intend to use them primarily for educational purposes. Sales of educational software totaled 100 million dollars in 1983--around 10 percent of all software sales for home computers.²²

Personal computers with hook-ups to data banks, universities, and libraries offer particularly impressive opportunities. By 1983 only 7 percent of all the PC's in the United States had these technical capabilities. The figure is expected to rise, however, to 50 percent by 1988.

It goes without saying that only wealthy Americans can afford to buy computers to improve their own education or to teach their children. According to the data of the National Institute of Education, 60 percent of the people who buy PC's have an annual income exceeding 40,000 dollars.²³

In addition, there is the active use of television for educational purposes. This is a much more accessible technical aid. There has been an increase in the number and popularity of educational TV programs and videocassettes.

Data processing equipment is widely used in the home in the United States. The PC is increasingly likely to serve as the "family bookkeeper," to "keep track of" various financial transactions, and to be used for income tax records, airline reservations, etc. In particular, computers in the home can be used for financial transactions with 30 large financial institutions. Bank of America and Chemical Bank alone have more than 20,000 clients using these services.

The PC is also used to control all household appliances and to calculate the most economical schedules of electricity use. The scales of computer use in the management of household affairs, however, are still negligible: Fewer than 9 percent of American households have PC's, and these are obviously the wealthiest. Traditional, but improved, information equipment, on the other hand, is being used more widely in the home. For example, 13 percent of the households in Los Angeles have automatic telephone-answering machines.²⁴

The use of information equipment has changed leisure activity. Video games and pay-per-view TV programs are extremely popular. The average amount of television viewing time in the American family rose from 5.5 hours a day in 1966 to 7.5 hours at the end of 1983. Cable TV subscribers watch even more television--over 8.5 hours a day. This was made possible by substantial technical improvements. For example, whereas only 8 percent of American households had TV sets receiving nine or more channels 20 years ago, the figure is now 61 percent. Cable television, which is now available on a much wider scale, can offer a choice of more than 50 channels.²⁵

Videocassette recorders are entering the home on an ever broader scale. Their sales volume has already surpassed the most optimistic predictions. The number of installed VCR's rose from 1 million in 1979 to 9 million in 1983. In 1984 the sales volume increased by another 70 percent, and 16 percent of all American households already have VCR's. In 1986 the figure was expected to reach 30 percent, and in 1990 it should reach 50 percent.²⁶ Furthermore, numerous surveys indicate that Americans are much more likely to watch videocassettes than commercial television programs because the VCR is more capable of satisfying the tastes of different groups of viewers.

The increasing use of technically complex durable goods, including information equipment, reflects the demand for more highly educated and skilled manpower

in national production and for a more complex group of goods and services for its reproduction. The extensive use of information equipment in education, in the workplace, and even in games is having a significant economic impact. It is actually resulting in the improvement of manpower skills at the workers' own expense and is doing much to eliminate the problem of preparing workers to use this equipment in the workplace. When household information equipment is hooked up to the "outside world," its owners, representing consumers, assume several of the functions previously performed by purveyors of services. This was once the case when various forms of self-service were developed (in trade, laundry services, etc.), and now information equipment is extending this process to the sphere of financial, insurance, educational, and other services.

At the same time, structural unemployment is rising, the disparities between the demand for labor and its supply are becoming more pronounced, and the problem of mass retraining is becoming more acute. The more important role of the "household economy" in social reproduction is giving rise to new problems in the relations between labor and capital.

FOOTNOTES

1. In this article the term "data processing equipment" refers to general- and special-purpose computers and all types of auxiliary and peripheral equipment (display units, terminals, modems, electronic mail, etc.), as well as some traditional types of equipment that can be hooked up to it on the module principle and function as elements of unified information systems (television sets, communication satellites, etc.).
2. INDUSTRY WEEK, 6 January 1986, p 38.
3. "1986 U.S. Industrial Outlook," p 36-2.
4. BUSINESS WEEK, 8 July 1985, pp 68-84.
5. "1985 U.S. Industrial Outlook," p 28-6; BUSINESS WEEK, 18 March 1985, p 58.
6. TIME, 20 May 1985, p 31.
7. INDUSTRY WEEK, 3 March 1986, p 33.
8. BUSINESS WEEK, 7 July 1986, p 59.
9. For more about computer crime, see SSHA: EPI, 1985, No 7, pp 71-74.
10. "America's Economy: Problems and Prospects," Wash., 1983, p 150.
11. "Technology and Employment. Joint Hearings. 98th Congress, 2d Session," Wash., 1984, p 119.

12. Ibid., p 117.
13. Ibid., p 118.
14. SCIENCE RESOURCES HIGHLIGHTS, 23 February 1983, p 1.
15. E. Ginzberg, T. Noyelle, and T. Stanback, "Technology and Employment: Concepts and Clarifications," Boulder (Colo.), 1986, pp 1-25, 1-26.
16. "Technology and Employment. Joint Hearings," p 163.
17. TELECOMMUNICATIONS POLICY, March 1985, p 6.
18. "Technology and Employment. Joint Hearings," p 120.
19. TELECOMMUNICATIONS POLICY, March 1985, p 8.
20. "Statistical Abstract of the United States, 1986," p 144.
21. BUSINESS WEEK, 7 April 1986, p 48.
22. TELECOMMUNICATIONS POLICY, March 1985, p 12.
23. Ibid., pp 3-4, 13.
24. Ibid., p 10.
25. Ibid., pp 14-15.
26. Ibid., p 16.

COPYRIGHT: Izdatelstvo "Nauka", "SShA--ekonomika, politika, ideologiya", 1987

8588

CSO: 1803/07

ECONOMIC ADVANTAGES OF U.S. 'BRAIN DRAIN'

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 3, Mar 87
(signed to press 16 Feb 87) pp 89-97

[Article by Ye.A. Lebedeva: "The 'Brain Transfer' to the United States"; passages rendered in all capital letters are printed in boldface in source]

[Text] Migration by skilled personnel, including the flow of scientific personnel from some states to others, was a common process in the capitalist countries in the 1950's, but it became much more pronounced in the 1960's and later. The high percentage of scientists, engineers, technicians, and physicians among the immigrants was one of the reasons that this phenomenon was termed the "brain drain" long ago. There were many reasons for it. They include the lack of uniformity in economic and political development and the increasing tendency toward the internationalization of all spheres of public life; the lack of uniformity in the development of the technological revolution on the global level; changes in economic structures; the increased socialization of production units within certain countries and the spread of this socialization in the world economy; the birth of the transnational corporations and their increasing strength; the immigration policy of capitalist governments, etc.

The objective economic factors contributing to international migration by skilled personnel are closely connected with the political aspects of the matter. Political reaction and instability in various parts of the world motivated many specialists to emigrate. The colossal economic, scientific, and technical advantages the imperialist countries have gained as a result of the influx of skilled research personnel have been accompanied by the slower development of young states.

A special group of causes of the "brain drain" is directly connected with the peculiarities of the technological revolution and the speed and forms of its development in the capitalist countries. The "brain drain" is inseparable from the distinctive features of the economic mechanism of scientific and technical progress, its economic stimuli, the organization of scientific production processes, the use of scientific resources, systems of education, methods of incorporating scientific achievements in the latest technology, its dissemination on an international scale, etc. This is why the "brain drain" is called the opposite side of technology transfers. The connection

between the two was pointed out by M.S. Gorbachev when he was interviewed by TIME magazine. He stressed that the United States is primarily striving for access to technological improvements, and not only through the legal purchase of licenses and high technology goods or through illegal industrial espionage. "The United States also employs its own special methods. For example, the 'transfer of brains'--not only from Western Europe but also from developing countries. And consider the activities of transnational corporations, which appropriate the scientific and technical achievements of other countries through their overseas branches. Now an attempt is being made to use the so-called 'Star Wars' research program for the same purpose."¹ This statement underscores not only the connection between the "brain drain" and the transfer of technology, but also another important aspect of the process--the variety of economic forms it takes.

The motives for migration are so complex and so varied that it is difficult to analyze this phenomenon and impossible to define its exact dimensions, dynamics, and economic significance. These difficulties were mentioned in a study conducted as part of a project to study emigration policy and financed by a nonprofit organization, the 20th Century Fund. In particular, it mentions the "endless parade of studies" of the matter by various UN agencies. For example, more than 20 had been conducted just by UNCTAD specialists by 1984. The fact that more information is needed even after 20 years of study, the researchers write, testifies to the difficulty of defining and measuring the invisible commodity of intellectual performance.

Scales and Dynamics of Migration by Scientific Personnel

The colossal amounts of money spent on R & D in the United States (107 billion dollars in 1985 and, according to estimates, 117 billion in 1986), the many VUZ's (almost 3,000 in 1980), and the many research centers and institutes with modern equipment and facilities--government, university, and private--make up the general economic background contributing to the attraction of foreign specialists to this country. These data attest to the considerable scientific and technical potential created in the United States in the postwar period. The main factors in the growth of this potential are the huge quantities of the scientific and technical resources employed in this process and, to an increasing extent, the economic mechanism of the functioning of this potential and the corresponding organizational-administrative systems. These are also the main factors driving specialists out of their accustomed surroundings when systems become obsolete and cease to stimulate creativity, as in the case of the ADMINISTRATIVE-DEPARTMENTAL organization of R & D. Conversely, when new stimuli and levers of scientific and technical progress come into being and activate the human factor, they become a means of attracting foreign manpower. These factors are directly related to the scales and features of the "brain drain" and to the ebb and flow of specialist migration.

In addition to traditional incentives for migration (higher salaries, the existence of a developed network of research centers, modern scientific equipment, etc.), the SPECIAL-PROGRAM system for the organization of R & D, within the framework of which research projects are subsidized, has been an important factor in postwar migration to the United States. Grants can be awarded to

scientists independently of their salaries (in addition to or in place of wages) and can be spent on the attainment of research project objectives.

Large special-program funds for R & D have been set up by government agencies, nonprofit organizations, firms, and industrial associations. In the form of grants and contracts, these funds were used to finance the basic and applied research of foreign organizations and scientists. This stimulated specialist migration within the country, contributed to the development of interdisciplinary and multipurpose projects, and promoted the establishment of research teams. In U.S. VUZ's these teams were made up of leading scientists, graduate students, undergraduates, and technicians, aiding in the organic combination of instruction and research. The new special-program organization of R & D facilitated the use of overseas specialists and foreign scientists studying in the United States. They were often offered opportunities that did not exist in other countries, including the developed West European states.

The advantages of research in the system of the special-program organization of R & D include the possibility of working with teams of specialists instead of performing individual and isolated work. All of the members of these teams are working toward the same goal, and this alone creates a favorable atmosphere for highly productive work. There is also the possibility of serving not only as a researcher, but also as an expert consultant and administrator, and of combining these functions with teaching. In addition, the special-program organization of R & D offers broader opportunities for the implementation of scientific discoveries and the development of more highly perfected equipment and technology on this basis. These were the new and quite effective incentives that motivated scientists in many countries to migrate to the United States. The scales of scientist and engineer immigration are attested to by the data regularly collected and processed by the National Science Foundation (NSF).²

The significance of immigrant specialists is attested to by the fact that they already represented 4 percent of all U.S. scientific personnel on the average from 1952 to 1963, and in 1982 the figure was already 17 percent.

Number of Immigrant Scientists and Engineers in the United States, in Thousands

<u>1966</u>	<u>1969</u>	<u>1970</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>
7.2	10.3	13.3	7.4	7.9	8.4	10.9	12.2	10.6	9.5

Source: "Immigrant Scientists and Engineers: 1982-1984," Wash., 1985, p 5.

The quality and skills of immigrant specialists must be taken into account when the scales of the "brain transfer" are assessed. Their qualitative characteristics are superior by virtue of the very fact that the intellectual potential of the total labor force is realized most fully in the performance of scientists and engineers. Most of the immigrant scientists in the natural and exact sciences are in the forefront of the technological revolution; 80 percent of them are chemists, physicists, mathematicians, and biologists.

The sex and age structure of the immigrants also attests to the qualitative makeup of the "brain drain." Most of them are men (91 percent) in the age groups that are most productive from the standpoint of research. In 1984, 36 percent of all the immigrants were under the age of 30, 52.4 percent were from 30 to 44 years old, and only 12 percent were 45 or older.³ The quality of the intellectual labor force is also being enhanced by the tendency toward a higher percentage of scientists than of engineers among the immigrants: The figure was 31.8 percent (68.2 percent for engineers) in 1966, and it was already 35 percent in 1984 (with a corresponding decrease to 65 percent in the figure for engineers).⁴

The first period of mass immigration by scientists and engineers (the 1950's and 1960's) had the greatest impact on the developed capitalist countries in Western Europe. In subsequent years (the 1970's and 1980's), most of the highly skilled personnel came from developing countries, largely as a result of the 1965 immigration law facilitating the entry of specialists from Asian countries. Whereas almost 40 percent of the immigrants came from Western Europe and 28 percent came from Asia in 1966, in 1970 only 19 percent of the immigrants were Western Europeans and 56 percent were Asians.⁵

In 1984, 40 percent of the immigrants were from the Far East, 16 percent were from the Near and Middle East, 16 percent were from Western Europe, 9 percent were from North and Central America, 8 percent were from Eastern Europe, 5 percent were from Southern Europe, 5 percent were from Africa, and 1 percent came from other countries. The proportional number of scientists and engineers (immigrants) born in Asia rose from 28 percent in 1966 to almost 60 percent in 1984.⁶ According to UNCTAD specialists, the Third World countries had lost a total of 400,000-500,000 skilled personnel to the developed countries by 1984.

The dynamics of migration patterns are influenced by many factors in the country of origin and in the country attracting the emigrant. The abovementioned special-program methods of financing and organizing R & D, which were used most widely and in the most diverse forms in the United States, were of special importance.

The recipients of competitive research grants in the 1950's and 1960's were American scientists and foreigners, especially those who had applied for American citizenship. The theoretical research projects of VUZ scientists were free from the administrative and bureaucratic pressure of the establishments concerned because they were generously financed by outside funds. This was the most important incentive for mass emigration to the United States by specialists from countries where these incentives began to be developed much later. In the 1960's the country suffering most from the "brain drain" was England, which annually lost from 20 to 40 percent of its VUZ graduates with degrees in engineering and science.⁸ Greece lost 35 percent of its engineers, 27 percent of its scientists, and 25 percent of its physicians between 1961 and 1965. Colombia lost 27 percent of all its highly skilled specialists between 1964 and 1969.

In the 1970's the system of special-program financing began to be used actively in Western Europe, and this reduced the flow of scientists to the

United States perceptibly. The effects of this factor, however, turned out to be temporary. Project funds, sectorial project financing institutes, and promotion cooperatives making extensive use of information technology began to be established. The new developments in the special-program organization of R & D strengthened the economic stimuli attracting intellectual manpower from abroad in more diverse forms. Overseas scientific assignments, short-term collaboration by scientists from different countries on various research projects and programs, the organization of conferences, and the use of data banks began to play a much more important role.

The number of visas issued to foreign scientists rose 35 percent between 1978 and 1983; the number for scientists from the FRG rose 63 percent, and the number for Japanese scientists rose 46 percent. In 1983 Japanese scientists represented 29 percent of all the new arrivals.⁹

Western Europe's failure to keep up with the United States in the development of the mechanisms accelerating scientific and technical progress is still the main reason for the emigration of scientists. England is a particularly vivid example of this. The Conservative government has slashed allocations for R & D, there have been delays in the development of the system of grants and contracts for research projects, and there has been no change in the departmental management of science. The combination of all this has given the "brain drain" new momentum, and the Ministry of Education and Science has announced that its dimensions are jeopardizing the English economy. Most of the people emigrating are young talented specialists and experienced personnel from the most advanced fields of scientific and technical progress (biotechnology, electronics, information technology, etc.). The situation is the same in the FRG, Italy, and France.

The more highly developed system for the organization and management of R & D in the United States, allowing for the quicker incorporation of scientific achievements and development of the latest types of production, is being used primarily for the militarization of the economy. This is particularly apparent in the Reagan Administration's "Strategic Defense Initiative" (SDI) program, envisaging the emplacement of the latest types of weapons in space under the cover of talk about defense. The initial stages of the work on the program were unthinkable without colossal amounts of theoretical and applied research in the newest fields of knowledge and the further improvement of the organization and management of research processes. This need resulted in the development of new management theories in the Defense Department and the creation of research consortiums to unite the efforts of major universities and industrial firms in the work on various SDI projects. The government intends to spend 26 billion dollars on these projects in the next 5 years.

The intense interest in the use of the scientific and technical potential of other countries was clearly revealed when the U.S. secretary of defense addressed 18 capitalist states in March 1985 with the proposal that they take part in the work on the SDI program. Its director, J. Abrahamson, admitted that European and other countries are ahead of the United States in some fields of science, that they have valuable ideas, facilities, and research teams, and that their use would be of extreme importance in the quicker and cheaper resolution of SDI problems.

The technological breakthrough the United States intends to make under the cover of "Star Wars" could enhance its superiority to its allies, and this would exacerbate the economic and political conflicts between them. This was reflected in the European "Eureka" program, within the framework of which 72 collective projects have already been planned in such fields as optics, laser technology, computers, and microelectronics--that is, projects quite comparable to the SDI projects. Nevertheless, England, Italy, the FRG, and other countries have already agreed to work with the United States on the SDI program. The terms of signed memorandums put the European partners in an extremely unfavorable position, particularly with regard to the use of research findings, and are essentially another means of stealing their intellectual potential.

The operations of transnational corporations are intensifying the "brain drain" from developing countries. Their branches in the developing countries recruit the most highly skilled national personnel to work at their enterprises, and this is inhibiting the development of the independent sector of their economies. The shortage of skilled personnel in the local economy was exacerbated perceptibly when research laboratories were set up in the overseas branches. Whereas they initially concentrated on the adaptation of new products to local conditions, their range of activity was later expanded considerably. The TNC's gradually turned the laboratories of their overseas branches into scientific centers for research projects with consideration for the distinctive features of local specialist potential. They are responsible for the particular stages in the development of new products that involve the greatest risk. Mass production is generally organized in the United States, and it is more profitable to export new products to the developing countries. In this case, the "brain drain" takes on colossal dimensions without the emigration of specialists from their own countries.

One of the main channels of the "brain drain" is the acquisition of degrees in science and engineering by foreign students, who then remain in the country where they went to school. The number of foreign students in U.S. VUZ's was 146,000 in the 1972/73 academic year, but the figure rose to 339,000 in 1983/84. More than 60 percent of the foreign students are majoring in the fields of science and engineering that will increase their chance of getting a job in the country where they are going to school.

According to NSF data, around one-fourth of all the foreign students who have become scientists or engineers are living in the United States or have applied for permanent residence.

Many foreign students attend universities offering bachelor's and master's degrees, doctorates, and even postdoctoral studies. It is interesting that the percentage of American students receiving doctorates is decreasing in the United States and the percentage of foreign recipients of doctorates is rising. Whereas foreign students represented 12.2 percent of all those who were awarded doctorates in 1960, the figure was 20.1 percent in 1984. In 1983 American universities awarded doctorates to 3,900 foreigners, representing 23 percent of all the people receiving these degrees.

The percentage of foreign students earning degrees in engineering, physics, and mathematics is particularly high. In 1981 more than 50 percent of the doctorates in these fields were awarded to foreigners, and almost half of them remained in the United States to work.

Educational opportunities for foreign undergraduate and postgraduate students are created primarily in the spheres of science and technology where the demand for specialists is not being satisfied--that is, the state of the American market for intellectual labor is the deciding factor. Wherever employment prospects are most favorable--for example, in the natural sciences, in environmental and earth sciences, and in oceanography--foreigners with degrees make up a reserve intellectual labor force, and this aids in surmounting the shortage of American personnel in these fields and facilitates the adaptation of U.S. monopolist capital to the needs arising under the influence of the technological revolution. "Foreign students and postgraduates receiving doctorates are of special importance to national science and technology," American specialists write. "They are making an ever greater contribution to research during their stay in the United States."¹⁰

The situation in the field of computer technology is a vivid example of this. There was a dramatic rise in the demand for specialists in this field in the 1980's. Employment here increased at a rate of 19 percent a year from 1980 to 1983. The demand was satisfied to a considerable extent by foreigners. In 1983 more than 60 percent of the foreigners receiving doctorates in the computer sciences and more than 40 percent receiving doctorates in the engineering sciences in American universities found jobs in the United States.¹¹

Advantages of "Brain Transfer" to U.S. Economy

A precise quantitative assessment in monetary terms of the colossal and diverse advantages the United States accrues from the use of foreign scientific potential would be difficult because available data differ considerably. As a rule, the primary consideration is the amount of money the United States saves from the immigration of foreign specialists equivalent to the cost of their education. It has been estimated that the United States saves at least a billion dollars a year in this area. Back in the 1960's, however, Professor R. Titmus from the London School of Economics argued that the United States was saving at least 4 billion dollars a year in education costs, and that its expenditures on foreign aid were more than covered by this savings.¹²

According to other data, the amount the United States and Canada saved on the education of their own citizens from 1961 to 1972 as a result of specialist immigration totaled 46 billion dollars.¹³ In connection with this, an observation was made that the losses of the developing countries take the form of "subsidies to those needing them least by those least able to offer them."¹⁴

The United States also gains much from the very fact that many foreigners are studying in this country. This is primarily due to the specific organization of science in the United States, in accordance with which basic research is concentrated in VUZ's attended by foreign students, and not in special

academic institutes as in other countries. The president of the National Academy of Sciences said, for example, that this lowers the cost of theoretical research considerably, because it employs the free intellectual potential of students from the United States and from foreign states.

Nevertheless, the United States gains its greatest advantages from the "brain drain" in the employment of immigrant scientists. As mentioned above, they represent 17 percent of all the scientists and engineers working in the United States. They are employed primarily in VUZ's, nonprofit research institutes, and the laboratories of American firms.

A survey conducted by the National Science Foundation in 1985 revealed that half of the leading firms in the main branches of American industry employ specialists of foreign origin and that American industry as a whole "depends considerably on the supply of this labor." In the firms surveyed, 9 percent of the scientists and engineers were foreigners, and 11 percent of these were residing permanently in the United States. They are recruited most often for jobs in high technology branches (by chemical and pharmaceutical, electronics, and bioengineering firms). Foreign scientists and engineers have higher qualifications than American specialists. For example, in the total group of American scientists and engineers, 12 percent have a doctorate and 29 percent have a master's degree, but the respective figures for immigrants are 35 percent and 25 percent.¹⁵

Foreign scientists and engineers are widely employed in the basic and applied sciences (this is specifically attested to by the high percentage of foreigners among the members of the National Academy of Sciences and the National Academy of Engineering Sciences) and in the incorporation of scientific results in production.

This is promoted by the exceptionally vigorous efforts of American corporations to recruit outstanding specialists and scientists from abroad. Many of them have special consultant groups and even departments which keep a close watch on the results of research in universities and product development firms and on articles in journals from all over the world, analyze data banks, keep track of patent information, actively seek new technologies, and enlist the services of scientists and innovators from other countries to work on their development.

The potential of foreign scientists is attested to by many facts. Around a third of the articles published in leading American journals are written by foreigners.¹⁶ The percentage of foreign scientists among the holders of American patents is constantly rising. Whereas foreign applicants received 17 percent of the American patents issued in 1963, the figure was 31 percent in 1979, and in 1983 it had already reached 41 percent.

The methods and means American corporations use to acquire ideas, inventions and--what is most important--specialists are exceptionally diverse. In addition to traditional means, a relatively new economic instrument, venture capital, is playing an important role in recruiting foreign specialists.

Venture capital, which first made its appearance on a mass scale in the United States for the financing of the implementation of scientific discoveries by small development firms, rapidly extended its operations to foreign countries. These firms turned into centers of gravity for scientific discoveries and became a means of accelerating the development of innovations and their use in the interest of big monopolist capital. With the aid of investment venture firms, foreign scientists establish small research companies in the United States and in their own countries. In both cases, the results of their activity are largely appropriated by the American side in the form of new products and technologies.

One of the largest companies in the U.S. chemical industry, Monsanto, initiated the creation of a European venture capital fund (Advent Eurofund) to finance small firms in microelectronics, instrument building, monitoring equipment, robot engineering, medical equipment, and biotechnology. As a result, Monsanto owns extremely profitable shares in them.

The use of the results of the intellectual labor of immigrant specialists on a mass scale and in various forms has been of great significance in the restructuring of the American economy in connection with the technological revolution, and their contribution to this process cannot be measured in monetary terms.

The "brain transfer" has enhanced U.S. scientific potential and has simultaneously inflicted severe scientific and economic injuries on many other countries. Using the estimates of UNCTAD experts, Soviet authors calculated the total U.S. income from the use of the highly skilled specialists who emigrated to the United States between 1944 and 1977. They put the figure at 1.029 trillion dollars. This estimate, however, does not include many important direct and indirect benefits and advantages from the immigration of foreign scientists, engineers, and technicians. The actual gains far exceed the net economic savings because these advantages also have long-range socioeconomic implications. The contribution of immigrants to the scientific and technical development of the U.S. economy is enhancing U.S. industrial, trade, political, and military potential on the national and global levels.¹⁷

Therefore, economic factors, especially the forms of R & D funding and the related organizational-administrative systems of scientific production operations, are the most direct cause of the "brain drain." They determine the impact of the material, moral, psychological, and other stimuli attracting foreign specialists.

Forms of R & D organization determine the combination of the intellectual labor of scientists with the material conditions of their work, the method of using the physical resources of scientific activity, the nature of the interaction of research team members, and the possibility of displaying individual creativity--that is, all that is known as the "human factor." Finally, the organization of R & D is distinguished by specific methods of implementing scientific achievements and incorporating inventions in production. These are usually categorized as "professional factors" of research, which have a tremendous effect on the "brain transfer" but have a wholly

economic basis. The decisive and common tendency in the development of forms of R & D organization consists in the transition from obsolete administrative-departmental forms to special-program forms. All other conditions being equal, specialists will emigrate to the countries where their creative potential can be realized to the fullest extent. This is of exceptional importance in the planning of alternatives to the "brain transfer," which is undermining the economies of developing countries and enriching the capitalist states. These alternatives primarily include the recommendations of UNCTAD experts on the organization of programs for the mutually beneficial exchange of specialists among developing countries, the employment of qualified scientists residing permanently abroad in temporary assignments in their homeland, and the use of special-program methods in the implementation of plans for scientific and technical development in these countries.

FOOTNOTES

1. KOMMUNIST, 1985, No 13, p 21.
2. The NSF has been collecting these data since 1966, acquiring information from the Immigration and Naturalization Service (data for 1979-1981 are unavailable). The fundamentals of immigration policy are regulated by a 1952 law limiting the number of persons admitted for the purpose of establishing permanent residence to 290,000 a year, with a maximum of 20,000 from any one country. Scientists and engineers represented 2.6 percent of all immigrants from 1966 to 1975 (American scientists and engineers represented 2 percent of the total employed labor force in these years).
3. "Immigrant Scientists and Engineers: 1982-1984," Wash., 1985, p 10.
4. Ibid., p 7.
5. "Scientists and Engineers from Abroad: Trends of the Past Decade, 1966-1975," Wash., 1976, p 2.
6. "Immigrant Scientists and Engineers: 1982-1984," p 8.
7. THIRD WORLD QUARTERLY, January 1986, p 158.
8. Ibid., p 164.
9. "Science Indicators. The 1985 Report," Wash., 1985, p 22.
10. Ibid., p 19.
11. Ibid., pp 3, 19, 54.
12. INDUSTRIAL RESEARCH, March 1968, p 68.
13. K. Newland, "International Migration. The Search for Work," Wash., 1979, p 12.

14. THIRD WORLD QUARTERLY, January 1986, p 157.
15. "Science Resources Studies Highlights, February 28, 1986," Wash., 1986, p 3.
16. "Science Indicators," p 23.
17. A. N. Shlepakov and L.A. Smirnova, "SShA: 'Pokhishcheniye umov' v proshlom i nastoyashchem" [The United States: "Brain Theft" in the Past and Present], Moscow, 1983, p 166.

COPYRIGHT: Izdatelstvo "Nauka", "SShA--ekonomika, politika, ideologiya", 1987

8588

CSO: 1803/07

REVIEW OF U.S. BOOK ON PREVENTION OF NUCLEAR WAR

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 3, Mar 87
(signed to press 16 Feb 87) pp 107-110

[Review by A.V. Churmanteyev of book "Psychology and the Prevention of Nuclear War. A Book of Readings," edited by Ralph K. White, New York and London, New York University Press, 1986, XXVI + 591 pages]

[Text] The problems of the new way of thinking, appropriate for the nuclear age, are now being discussed more frequently by American scientists--historians, political scientists, and sociologists. They are now being joined by specialists in a relatively new field of knowledge--political psychology, which studies, in particular, the behavior of people living under the constant threat of nuclear catastrophe. S. Bialer, R. White, U. Bronfenbrenner, and other prominent American scientists are working in this field.

In this book the problem of preventing nuclear war is examined by people representing different fields of knowledge. The 36 authors of the anthology include psychologists (C. Osgood and E. Fromm), historians (A. George and R. Tucker), psychiatrists (J. Mack and G. Frank), and sociologists (D. Yankelovich and E. Boulding). But the compiler of the anthology, renowned political psychologist Ralph White, chose articles which elucidate precisely the psychological aspects of this problem. This choice was not based on a desire to assign priority to psychological factors over others (historical, political, etc.), but the desire to direct attention precisely to these factors by demonstrating that they have a significant effect on people's general outlook.

Analyzing the psychological state of the person aware of the existence of huge nuclear arsenals and constantly living under the Damoclean sword, R. Lifton and R. Falk describe the phenomenon known as mental torpor. In their opinion, this state of mind deforms the human psyche and blocks thoughts and feelings. The authors feel that the diagnosis of this state is extremely important as the first essential step in surmounting it (p 15).

D. Yankelovich and J. Doble note that American public opinion has recently undergone significant changes: Most Americans now believe that "nuclear stockpiling on both sides has made the previous political rules of the game dangerously obsolete" (p 39). The attitude toward the USSR has also changed.

The "peak of hostility" in 1980-81 was followed by perceptible positive changes. Now most American voters, according to Yankelovich and Doble, favor neither an overtly anti-Soviet policy nor a policy of detente: The prevailing attitude is of the pragmatic "live and let live" type. As for U.S. nuclear strategy, large segments of the American public feel that the current administration's present course could lead to nuclear war and is therefore unacceptable (p 54). The authors believe that these are important changes in public opinion.

Examining Soviet-American relations from the standpoint of the countries' mutual perception of one another, U. Bronfenbrenner employs the term "mirror image" (the symmetry of USSR and U.S. beliefs about one another), which he coined back in the 1960's and which is now widely used in American political science. He discusses psychological mechanisms, particularly the tendency of the human mind to divide all people and whole social groups (including nations) into "good" and "bad" ones and to ascribe corresponding "good" and "bad" motives to them for the actions they commit. By using this approach, the author virtually ignores the deliberate cultivation of the negative image of the USSR in the American mind. Bronfenbrenner only mentions the negative role of the American mass media in passing, preferring not to attempt a detailed analysis of the reasons for this state of affairs.

The role of perception in USSR-U.S. relations is also the subject of an article by R. White. Analyzing several Soviet foreign policy actions portrayed as aggressive by Western propaganda, he concludes that the USSR's motives were essentially defensive in all cases and that the actions themselves were consequently of an obligatory nature. White writes about the need to surmount the misinterpretation of policy on both sides. Feelings of mutual empathy must be developed, he writes, referring to a realistic UNDERSTANDING of the thoughts and feelings of other people, in contrast to SYMPATHY (author's emphasis--p 82). Mutual empathy, according to White, should become an important element of the new approach to international issues. This premise, which is supported by many other political psychologists, seems extremely important in light of prospects for the improvement of Soviet-American relations. It is true that in this work and others, White is inclined to exaggerate the importance of psychological factors in the creation and resolution of international conflicts.

Errors in perception connected with subconscious or only partially realized motives are analyzed in another article by White. He divides these errors into five categories: the perception of the adversary as a villain; the creation of a collective positive image for one's own group (or country); the illusion of greater support by other nations for one's own policy than the policy of the adversary; the overestimation of the adversary's military strength; the conviction that disputed territories belong to one's own country (p 283).

Some authors in the anthology must be given credit for striving to reassess traditional approaches to the resolution of international disputes and to find new and more appropriate points of view for the current situation. For example, R. Jervis reassesses two diverging theories of the development of

international conflicts that have been accepted by many Western historians and political scientists. One is the theory of "deterrence," implying that a resolute response to any aggressive act will deter the aggressor and extinguish the conflict, and the other is the so-called "spiral model," which presupposes that this kind of reaction will only intensify the aggressiveness of the first side and escalate the conflict. Jervis feels that the successful use of either theory in a specific situation requires the thorough analysis of the intentions of the conflicting sides and the ability to look at the world through the adversary's eyes (his views coincide to some extent with White's ideas, particularly the one regarding the need for empathy).

Jervis directs attention to some of the significant shortcomings in the views of social psychologists. He lists what he regards as the five main flaws: the concentration on effective (or emotional) factors to the detriment of cognitive factors; excessive trust in laboratory experiments; the underestimation of the real conflict of interests; the excessive psychologization of problems; the concentration on "inferior" cases, in which decisions are made either in the absence of complete information, or on matters of little importance, or by officials of average intellect (pp 274-277). Jervis himself, however, is inclined to underestimate several important objective factors influencing international politics. His work is eclectic to some extent, and this precludes a sufficiently balanced and consistent theory.

Soviet-American relations are analyzed in an article by M. Daitch. He believes that the USSR and the United States are involved in "a malignant (and spiraling) process of hostile interaction," resulting in a heightened sense of vulnerability and a lack of security on both sides, increased military spending, and a greater risk of nuclear cataclysm (pp 143-144). The author's basic premise, that the laws of social psychology are common to all people, leads objectively to the underestimation of real contradictions and the assignment of equal responsibility to both sides for the exacerbation of their relations.

It is interesting that the least psychologized and most realistic model of conflict resolution in the book is proposed by a psychologist--C. Osgood. In essence, this model, which he calls "gradual reciprocal initiatives to relax tension" (abbreviated as GRIT) and which he has been preaching for more than 20 years now, proposes that each of the conflicting sides take a number of unilateral positive actions, thereby inviting the other to reciprocate. On this basis, Osgood feels, it would be possible to lower the level of confrontation, create an atmosphere of mutual trust and, finally, develop a new type of international behavior corresponding to the nuclear age (p 197). Some of C. Osgood's ideas might be productive in the theoretical validation of unilateral measures as one sign of the new way of political thinking in the nuclear age.

Assigning absolute significance to psychological factors, G. Frank and E. Fromm discuss the psychoanalytical theory of narcissism. They define narcissism as a state of mind in which only personal feelings, thoughts, and needs are of subjective importance to an individual or a group (p 236). In the opinion of these authors, narcissism and its effects (the overestimation of one's own strengths and virtues, the inability to accept criticism, etc.) usually lead to aggressive behavior (p 237).