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ANTINUCLEAR MOVEMENT SHOWS PUBLIC'S DISTRUST OF ADMINISTRATION

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 6, Jun 82 (signed to press 17 May 82) pp 3-6

[Article by N. D. Turkatenko: "The U.S. Antinuclear Movement and Its Roots"]

[Text] Almost 200 members of the House of Representatives and Senate of the U.S. Congress supported the draft resolution of Senators E. Kennedy and M. Hatfield which called upon the Reagan Administration to begin talks with the USSR without delay in regard to the complete cessation of the nuclear arms race, beginning with a mutual moratorium on nuclear tests and the production and deployment of nuclear warheads and delivery vehicles, and the reduction of their number--all for the purpose of diminishing the danger of nuclear war.

The resolution has evoked the same response from state legislatures and the municipal governments of large and small American cities. Public opinion polls have indicated that more than 70 percent of adult Americans not only support the idea of stopping the arms race and imposing a moratorium on the production and deployment of more and more new types of nuclear weapons, but are also insisting that the administration take specific measures to attain this goal.

Resolute criticism of administration policy has recently been voiced even by members of the American ruling elite, who began their careers in government as confirmed advocates of unyielding confrontation with the USSR but then played a prominent role in the promotion of detente in the last 10-15 years, based on their considerable experience in international relations. Such prominent individuals as former U.S. Secretary of Defense R. McNamara, former U.S. Ambassador to the USSR G. Kennan, former presidential adviser in the Kennedy Administration M. Bundy and former Director of the Arms Control and Disarmament Agency G. Smith wrote an article this spring for the influential FOREIGN AFFAIRS magazine, in which they cogently criticized and refuted the fundamental concepts of U.S. strategic doctrine on the first nuclear strike. Former Vice President W. Mondale agreed with this criticism.

Of course, the majority of Americans, as well as the majority of people in other countries, sincerely hope that nuclear war can be prevented. This hope was strengthened by the development of world events in the first half of the 1970's, a time of intense and extremely productive Soviet-U.S. talks, leading to the conclusion of exceedingly important agreements, including the strategic arms limitation

treaty (SALT I). Washington prevented the ratification of the SALT II treaty, however, and then proceeded to reduce political and economic relations with the USSR to the absolute minimum, began to resort to "sanctions" and so forth.

The most important and most dangerous development, however, was Washington's decision to start a new round of the arms race. It resolved to become militarily superior to the USSR. In other words, it announced its intention to disrupt the existing balance--this essential condition for the success of any nuclear arms race limitation talks.

For some time, spokesmen for the present administration asserted, and seemingly with some justification, that its "tough line" was supported in the country. The massive propaganda campaign which was intended to fuel chauvinism and jingoism provided the government with some of the results it needed. But the "brain washers'" main goal was not attained, and this is attested to by the course of events in today's America. This main goal was the reinforcement of public trust in the power structure, which, as we know, was severely undermined after Vietnam and Watergate.

The futility of these attempts by U.S. ruling circles is attested to by the widespread disillusionment in the country: People have stopped listening to promises to curb inflation, eradicate or at least reduce unemployment and, in general, return America to the "age of prosperity."

Now, however, the time has obviously come for widespread disillusionment in the results of the administration's foreign policy line. America is flexing its military muscles. Washington is expanding American military presence far beyond U.S. boundaries and has returned to an unyielding policy of confrontation with the USSR and many other countries; new Vietnams are being prepared in Central America. What are the results of this policy to date? The results are dangerous even for the United States: Tension is being escalated in the world and the danger of nuclear war is greater.

Can the engineers of this kind of policy hope to win more trust from their own people? It would seem that the answer to this question is self-evident. It can be found in the previously mentioned congressmen's draft resolution, in numerous resolutions of state legislatures and municipal governments, in the statements of members of the ruling class who have grown wise from experience, and in the growth of the mass movement in the country, the members of which are demanding that specific measures be taken to safeguard real American security.

One of the postulates inserted in the U.S. Constitution by the "founding fathers" more than 200 years ago was the right of all citizens to pursue happiness. Today, if you ask any American man or woman what they consider to be the most basic values of life and how well life has treated them, they will certainly mention the need to strive for happiness and will speak of the futility of the hope of attaining it.

Of course, each person has a different idea of happiness. But can any intelligent person enjoy "personal happiness" when his society is dominated by an atmosphere of insecurity, when the fear of losing the ability to perform honest labor to earn

his and his family's daily bread is mounting rather than disappearing and, above all, when there is a growing fear of a thermonuclear Armageddon, the flames of which will consume not only the hope of happiness but also the life of each and every individual.

Whereas this was quite recently realized only by aware and informed individuals, now this realization seems to be entering the mass mind.

Today's nuclear stockpile, prominent American journalist J. Shell wrote in the popular and widely read NEW YORKER magazine, is equivalent to 20 billion tons of TNT, or 1.6 million times the explosive power of the bomb the United States dropped on Hiroshima. These bombs, the author goes on to say, were developed as "weapons" for "war," but their significance far transcends such concepts as war or any of its causes and consequences. These bombs appeared over the course of historical development, and now they threaten to put an end to history. They were created by man, and now they threaten to annihilate mankind. They have opened an abyss into which the entire world could disappear, and all of mankind's aims, actions and hopes would vanish.

The common man wonders about the proper response to this threat, Shell writes.

In the American society, the far from stable--or, so to speak, fermented--response of the masses to various developments and reversals in the political and moral climate is generally quite varied and ambiguous. At the start of a crisis, however, public opinion becomes a factor of perceptible strength in the United States. This is attested to by more than just the angry and effective--although delayed--reaction of millions of Americans to the criminal, insane war against the people of Indochina; it is also attested to by today's movement against the threat of nuclear war, fueled by the increasingly complete understanding of its possible causes and consequences.

The person who does not want to understand the past cannot understand the present or assess future prospects realistically. Even though this simple fact is obviously not being taken into account in Washington's corridors of power, this does not mean that it has ceased to be a fact. It has also never ceased to be a fact that America is not an entity existing in isolation from the rest of the world or even above it. It is bound to the rest of the world by indissoluble ties. There is even a common term for this--"interdependence"--although it is true that Washington interprets this to mean that the rest of the world is dependent on the United States.

Judging by all indications, these facts have been impressed upon the American mind in the most precise form: If the Pentagon with all of its "up-to-date" theories decides to assume the role of the Fates and cut another country's thread of life with the nuclear scissors, "America the beautiful" will also be burned up in the nuclear conflagration.

The causes for the latest stage in the loss of American public trust in the people who hold the reins of government in Washington and who make and carry out foreign policy have been analyzed by the Americans themselves. The members of the anti-nuclear movement in the United States, the WASHINGTON POST remarked, have a fear,

bordering on contempt or even disgust, of the establishment, which, in their opinion, lost the right long ago to pretend to be making the slightest efforts to control arms. Former Arms Control and Disarmament Agency Director P. Warnke said that the first and foremost cause, "which horrified the American public," was the administration's frank and irresponsible statements about the United States' willingness to deliver a "pre-emptive nuclear strike" (which would naturally and inevitably be followed by retaliation--N. T.), as well as the excessively high level of military spending (we must remember that the present administration intends to carry out military programs requiring allocations totaling around 2 trillion dollars in the next 5 years).

President Reagan himself presented an eloquent description of this projected sum. When he delivered his message on the state of the economy to Congress in 1981, he said that it had been calculated that a "stack" of thousand dollar bills worth 1 trillion dollars would be 67 miles (107 kilometers) high. And the projected sum is 2 trillion.... At the same time, people in Washington are constantly talking about the need to cut government spending in order to stimulate the economy, get rid of the budget deficit and reduce the national debt, which already exceeds 1 trillion dollars; the annual interest on this debt alone is around 100 billion dollars.

How are people in Washington responding to the increasing anxiety in American cities and towns? How do they hope to stop the decline of public trust in the policy of nuclear arms race escalation which is increasing the danger of a catastrophe? They are certainly aware of this anxiety, and even of the fear of the American public. When Secretary of State A. Haig spoke at Georgetown University in April, he assured his audience that the administration was "sensitive to the anxieties and worries" of the public in connection with the increasing danger of nuclear war. And then what did he do? The secretary of state then resorted to cliches about the "Soviet military threat." Senator H. Jackson, the well-known "hawk," has been "working on" the legislators who have also voiced anxieties and worries and, furthermore, are preoccupied with thoughts about the coming congressional election in November and are therefore striving to formulate their precise views on a matter which has "suddenly" become a major issue. The "senator from Boeing" stated that he is "also in favor of talks with the Russians" and did not even agree with the official statement that the USSR supposedly possesses a "definite reserve for superiority" to the United States in nuclear arms. Nevertheless, Jackson did not withdraw the resolution he had introduced in the Senate, in which he "also" advocated a moratorium on the production of nuclear weapons...but not until after the United States has completed its new military programs or the USSR has unilaterally reduced its weapons.

President Reagan himself dotted the "i": The United States cannot ignore the need for a stronger foreign policy, he said in April. Therefore, nothing has changed in Washington politics.

Nevertheless, the pressure of foreign and domestic political and foreign and domestic economic circumstances and the anxiety within the country, which could lead to the complete loss of public trust in government institutions, has already done much to reveal the futility of the policy that was suddenly adopted by Washington at the start of the current administration.

Of course, domestic U.S. problems are the Americans' own affair. But every other country in the world must react in some way to Washington's behavior in the world arena, which affects the interests of all people. After all, the term "American threat," which is now making its way into the pages of the progressive press and even the bourgeois press throughout the world, was not engendered in a vacuum.

As for Soviet-American relations, the friction in this area is not at all the fault of the Soviet Union. It has long been a well-known fact that the USSR has expressed, with its leader L. I. Brezhnev as its spokesman, and more than once or twice, its willingness to discuss urgent problems with the American leadership--of course, on the condition of equal consideration for the interests of both sides, mutual benefit and equivalent security. The Soviet Union's position has won widespread understanding and support throughout the world community. We should remember the interest aroused throughout the world by the reaffirmation, contained in L. I. Brezhnev's reply to a PRAVDA correspondent's question, of the USSR's willingness to hold a Soviet-American summit meeting, the kind of meeting "that would correspond to the great responsibility of our states for the state of affairs in the world and would justify the hopes placed in it."

Many sensible Americans are aware of the decisive importance of Soviet-American relations. This is the main issue, superseding all others, announced, for example, W. Fullbright, former chairman of the Senate Foreign Relations Committee and prominent historian and political scientist, and it is precisely this issue that will decide the fate of all mankind.

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U.S., SOVIET ATTITUDES TO THIRD WORLD CONTRASTED

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 6, Jun 82 (signed to press 17 May 82) pp 7-18

[Article by V. A. Kremen'yuk: "Soviet-American Relations and Some Problems of the Newly Liberated Countries"]

[Text] In the last decade imperialism was dealt perceptible blows by the national liberation movement. The colonial empire in Africa collapsed. The people of Zimbabwe won their independence after a fierce struggle. Several countries and territories in Central America, the Caribbean basin and the Indian and Pacific Oceans became independent. The Namibian people's struggle for independence is approaching a victorious conclusion. Opposition to racist practices in South Africa is growing stronger.

"In the 1970's." the 26th CPSU Congress noted, "the liquidation of the colonial empires was actually completed."¹

The newly liberated states are demanding more equal and just economic relations with the developed capitalist powers. They are unsatisfied with their subordinate position in the international capitalist market and with their dependent role in imperialist policy. They were responsible for the disintegration of the SEATO and CENTO blocs. The OAS is being subjected to harsh criticism.

The most dangerous development for imperialism is the transition to a new stage in the national liberation movement. Under the influence of socialist ideas, popular democratic revolutions are becoming a characteristic feature of the national liberation struggle. Revolutionary changes accompanied the liberation of South Vietnam, Kampuchea and Laos, as well as the Portuguese colonies in Africa; popular democratic revolutions took place in Afghanistan, Nicaragua, Ethiopia and South Yemen. Revolutionary advancements are accompanying changes in some other liberated states.

At the basis of this tendency lies the struggle of the newly liberated states, which, as was already noted at the 25th CPSU Congress, "are displaying increasing energy in confrontations with imperialism to defend their own political and economic rights in order to consolidate their independence and raise the level of the social, economic and cultural development of their people."²

Of course, the overall picture of today's developing world is quite diversified. Some of the developing states took the revolutionary democratic path after liberation. In others, capitalist relations were firmly established. Some of the young

states are conducting a truly independent policy. Others, where dependent regimes are in power, are following in the wake of imperialist policy. Nevertheless, the overall effect of the national liberation movement on major processes in international relations has been one in which the sphere dominated by capitalist relations is growing smaller, the mechanism of worldwide capitalist ties that took centuries to establish is starting to fall apart, and the general crisis of capitalism is growing more severe.

Revolutionary changes in some liberated states and their collective movement for the reorganization of economic relations with the developed capitalist powers are having a considerable effect on the international situation. The implications of this are indisputable. V. I. Lenin's prediction that, in future battles, "the movement of the majority of the world's population, originally aimed at national liberation, will turn against capitalism and imperialism and might play a much greater revolutionary role than we expect,"³ is coming true.

All of this is evoking fundamentally different responses from states representing different socioeconomic systems.

Two Approaches

The Soviet Union bases its relations with the liberated countries on the principles of respect for national independence, equality, non-intervention in internal affairs and mutually beneficial cooperation. "The ideological, political and social contents of Soviet policy and an understanding of the vital interests of people in the developing countries," wrote renowned Soviet expert K. N. Brutents, "serve as the basis for a realistic, effective and flexible approach to the entire varied group of these countries with a view to their distinctive features."⁴

For the Soviet State, relations with the previously dependent countries were of a strategic nature from the very beginning and, what is more, of a programmed ideological nature.

For the USSR, the common struggle of peoples against imperialism, the support of the movement for liberation and independence and solidarity with progressive forces are of fundamental importance. The relations of the Soviet Union and other socialist countries with the newly liberated states rest on the stable and progressive basis of common interests with a profoundly democratic content. On the political level, this takes the form of an insuperable tendency toward independence and the equality of peoples and nations. On the economic level, it is a recognition of the need to reorganize world economics according to the principles of equal international economic relations and mutually beneficial cooperation.

From the first years of its existence, the Soviet country resolutely supported people fighting for freedom and independence. This is attested to by its unselfish assistance of Turkey, Afghanistan, China and Iran. On the initiative of the USSR, after World War II the UN General Assembly adopted the Declaration on the Granting of Independence to Colonial Countries and Peoples (1960) and the Declaration on the Impermissibility of Interference in the Internal Affairs of States and on the Protection of their Independence and Sovereignty (1965). This considerably

facilitated the achievement of independence by the former colonies, established a legal basis for the struggle of people in countries that were still dependent and placed colonialism and neocolonialism outside the law.

The Soviet Union has always given considerable assistance to the young states in their economic, political and social consolidation. This is attested to by the well-known facts of Soviet economic aid to Asian, African and Latin American countries and its assistance in the training of national specialist personnel in the young states. The USSR has resolutely supported the young states' efforts to defend their sovereignty and national independence against imperialist aggression, hegemonism and reaction. The Soviet Union played a prominent role in the establishment of independent governments in the decolonized countries and thereby made a tremendous contributions to the consolidation of international peace and security, because genuine security and the stability of international relations would be unthinkable without the accelerated development of the young independent nations.

During this process, as Soviet leaders have pointed out more than once, the USSR has never sought any kind of economic or strategic advantages and has not encroached on anyone's legal interests. Its policy is dictated by the profound and principled internationalism of the communist ideology and a sincere wish to keep the peace and safeguard international security. "The CPSU will continue its consistent efforts to develop cooperation between the USSR and the liberated countries and to reinforce world socialism's alliance with the national liberation movement," General Secretary of the CPSU Central Committee and Chairman of the USSR Supreme Soviet Presidium L. I. Brezhnev said at the 26th Congress.⁵

The leading imperialist powers have taken a completely different approach to the national liberation movement. During the struggle for independence of the 1950's and 1960's, they unhesitatingly resorted to overt armed aggression. This is attested to by the wars started by France in Indochina and Algeria, by Great Britain in Malaya and Kenya, by Portugal in Angola and Mozambique, by Holland in Indonesia and many others. When the colonizers were being defeated, imperialism's leader, the United States, took it upon itself to help its allies among the colonial powers and give them considerable support. In the beginning of the 1950's, the United States began to form military-political blocs aimed against the national liberation movement and worked out a strategy of "aid," which became a medium for the active penetration of liberated countries and interference in their affairs. It resorted to overt armed aggression for the purpose of establishing a neocolonial order: It sent troops to Lebanon in 1958, invaded the Dominican Republic in 1965 and fought a war against the people of Indochina in 1965-1975. But this stage of imperialism's struggle against the national liberation movement also ended in failure. After suffering a defeat in Indochina, the United States had to withdraw its troops and declare its "limited involvement" in the affairs of the developing states.

In the 1970's, when the national liberation movement entered a new stage, during which the antidemocratic regimes in Ethiopia, Afghanistan, Iran, Nicaragua and some other countries were shattered and the liberated states presented the developed capitalist states with a number of legitimate demands, imperialism adopted

a new tactic--a much more diversified, multifaceted and politically and ideologically flexible one. It includes certain elements of coordination under the U.S. aegis and elements of the autonomous search by individual countries or groups of countries (for example, the EEC) for methods of safeguarding their positions. But the main thing is that the imperialist powers are still waging a persistent struggle against the liberated states and have no wish to make any concessions to them.

It was in the 1970's, however, that the high level of economic and financial dependence of the developed capitalist powers on the resources of the Asian, African and Latin American countries became more apparent than ever before. There is no need to cite the repeatedly published data on the resource requirements of the developing capitalist powers. The indicators are quite high, particularly in the spheres of power engineering, the manufacture of complex equipment requiring scarce raw materials (tungsten, cobalt, titanium and others), many other types of products and even foodstuffs (coffee, cacao, tropical fruit and spices).⁶ The developed capitalist powers do not depend simply on stable supplies of these resources, but have also had to give more thought to guaranteed access to these resources in the liberated states, including the conditions of mining, processing, trade and transportation.

From this standpoint, the struggle of the young states, whose underlying causes are the insuperable process by which their independence is being consolidated and the objective need to complete the process of decolonialization in the political and economic spheres, regardless of the developmental paths chosen by various countries, is having an indisputably strong effect on capitalism and is intensifying its structural crisis. "It could also be said that the problem of relations with the developing countries in general is now a central issue and could have an unprecedented effect on imperialism."⁷

The Goals of U.S. Policy

In the past year and a half, the Reagan Administration has demonstrated that the struggle against the national liberation movement and against positive changes in the newly liberated states is one of the chief priorities in its imperialist global strategy.

Disturbed by the increasing general instability of capitalism and its growing inability to cope with its own problems (this could have serious consequences in the competition with socialism and could be just as dangerous to the attempts to make the capitalist path of development appealing to the majority of liberated states), U.S. ruling circles are trying to denigrate the effect of the national liberation movement on the "stability" of capitalism and find ways of strengthening the world capitalist economy, including ways of limiting the effect of young states on the state of the Western economy.

The Asian, African and Latin American countries' demands for a New International Economic Order (NIEO), issued to the developed capitalist powers, have been interpreted in the United States as a "challenge" to their leading role in the capitalist world. America's allies among the large Western powers expect Washington to take energetic steps to protect their interests in the developing

countries, and the United States is trying to substantiate its "leadership" with more aggressive and militaristic behavior in the Indian Ocean and Persian Gulf zone and with active interference in the affairs of the African, Southeast Asian and Middle Eastern countries.

American ruling circles have also had an extremely unhealthy reaction to the apparent failure of their policy of supporting reactionary antidemocratic regimes in a number of developing states. This was clearly demonstrated during the revolutions in Iran and Nicaragua. Now the United States is trying to save the pro-American regime in El Salvador.

Events in the liberated states are having more noticeable repercussions within the United States. One of the serious consequences of these events in the sphere of domestic U.S. affairs is the closer identification of black Americans with the fighting peoples of Africa, of Spanish-Americans with the people of Latin America, of Arab-Americans with the struggle of people in their corresponding countries, etc.

All of these considerations have shaped the goals and methods of Washington policy in relations with the liberated states, in which it is relying primarily on the dissolution and subversion of the national liberation movement with the aid of dependent puppet governments and military repressive regimes and, whenever this is dictated by the "vital" interests of the American ruling class, on the direct use of military force. Coercion, violence and intimidation are prominent in Washington's behavior and are turning its foreign policy into one of the main sources of danger to the peace and security of peoples.

The American ruling class is confident that the Reagan Administration's foreign policy line will help in the attainment of these goals. It began its undertakings in the international arena with a dramatic escalation of the arms race, a display of active anti-Sovietism, an attempt to play the "China card" and efforts to strengthen the United States' leading position in relations with the developed capitalist powers. In relations with the developing states the new administration has concentrated on building up U.S. military potential by acquiring more nuclear and conventional weapons (including weapons for the Navy, Marines and special sub-units) and on strengthening ties with loyal allies in Africa, Latin America and Asia, especially Israel, South Africa, Chile and Pakistan. Administration advisers believe that the buildup of military power and the settlement of conflicts from a position of strength will reduce the significance of economic problems (or, perhaps, help to bury them altogether) and the young states' persistent demands for more equal relations with the developed capitalist powers.

Washington is vigorously employing the factor of anticommunism while it exerts stronger military pressure on the liberated states. This is reflected, first of all, in its intention to set up obstacles to the "communist offensive" in countries and regions where the popular liberation struggle is particularly strong (El Salvador and Namibia) and, secondly, in its plans for a "strategic consensus," based on anti-Soviet foundation, with the countries and in the regions where resources and capital of particular importance to the West are concentrated (southern Africa and the Persian Gulf). All of the administration's other undertakings in this sphere--foreign aid programs, weapon sales, the deployment of armed forces, diplomatic acts, etc.--are serving these purposes.

This line is dangerous for international affairs because it will deteriorate Soviet-American relations even more, aggravate relations between liberated countries and the capitalist world and give rise to new and potentially quite dangerous international crises. This is particularly true now that ruling circles in Israel, South Africa and Pakistan are becoming involved more deeply, with U.S. encouragement, in adventuristic, unpredictable actions which could complicate the situation in the planet's "hottest" spots. This is attested to by Israel's actions against Syria, Lebanon and Iraq, South Africa's aggression against Angola, the Pakistani Government's authorization of the use of Pakistan's territory to train counter-revolutionary gangs for raids against Afghanistan, and the measures taken by Islamabad and Pretoria to develop their own nuclear weapons.

American Assessments of Soviet Policy

The present Washington Administration has dragged the old and dilapidated "Soviet threat" scarecrow out into the light to serve as one of the main factors validating its political behavior. At a press conference on 30 January 1981, President Ronald Reagan, who had just taken office, accused the Soviet Union of "supporting international terrorism" (this is how he described the liberation movement) and said that his administration would assign priority to a struggle against it.

This approach is not new. It rests on the already established and firmly entrenched tradition in U.S. foreign policy science and practice to see only "Moscow intrigues" behind the entire national liberation movement of the people in the former colonial and dependent countries.

There are significant differences in U.S. assessments of the Soviet policy of supporting the national liberation movement and developing friendly ties with the Asian, African and Latin American states. But they have one feature in common: They ignore the principled premises of Soviet policy, recorded in the proceedings of CPSU congresses and the documents of the Soviet Government, calling them "propagandistic." On the contrary, the tendency is to search for some kind of "pragmatic" aims, which are supposedly the main goals of Soviet policy. This is quite eloquently attested to by a new collective work by American specialists, "The Soviet Union in the Third World: Successes and Failures." Its authors allege that there are "declared" and "undeclared" goals of Soviet foreign policy, and they further allege that the "undeclared" ones are the real goals.⁸

When the matter is put in this way, any allegations whatsoever can be made about the goals and interests of Soviet policy in relations with liberated states and it is even possible to blame the Soviet Union for the difficulties encountered by the West in relations with these states. Nevertheless, it is precisely this kind of assessment, in spite of its obvious inability to provide a serious explanation of the nature and causes of the struggle of peoples in the former colonial and dependent countries for freedom and independence (although the United States also went through this stage of development at one time), including explanations of the present situation in relations between developed capitalist powers and developing states, that now dominates foreign policy thinking and practices in Washington. It is this kind of assessment that is used as the basis for the development and formulation of theories and concepts to serve as a direct guide for U.S. foreign policy makers.

They were summarized by one of the authors of the abovementioned work "The Soviet Union in the Third World," researcher K. Dunn from the Strategic Research Institute of the U.S. Army's War College. In particular, he writes that U.S. policy with regard to Soviet actions in the liberated states is influenced greatly by the following views: Firstly, the view that any change in the liberated countries fits in with the USSR's "plans" and is contrary to Western interests; secondly, the view that the Soviet Union bears "most of the responsibility" for all of the events and changes that are not in the U.S. interest; thirdly, the view that the Soviet Union has no "legitimate" interest in the liberated countries which would justify its "intervention" in their affairs; fourthly, the view that when the Soviet Union "intervenes" in the affairs of the liberated states, it is trying to increase its own might and is pursuing its "grand design" for the economic and strategic suffocation of the West; and, fifthly and finally, the view that "force is the best response to Soviet policy."⁹

Here, Dunn presents a fairly complete description of the views of American ruling circles on Soviet policy with regard to the liberated states. If we analyze the main reasons for some of the political actions of the U.S. Government, from the "Truman Doctrine" in 1947 to the decisions of the present administration, we will find a prevalent desire to blame the liberation struggle on the "subversive activity" of the Soviet Union and, on this basis, to threaten it and the liberation movement with ostentatious "tests of strength" and military intervention. Some of the milestones in the development of this U.S. policy line were the creation of the SEATO and CENTO blocs in the first half of the 1950's, the "Eisenhower Doctrine" for the Middle East (1957), the war in Vietnam (1965-1975), the strategy of "Vietnamization" (announced in 1969), the 1977 decision to create "rapid deployment forces" and Washington's current campaign against "international terrorism."

American Approaches During the Period of Detente

American ruling circles held on to these views and even grew more attached to them during the period of detente in Soviet-American relations. Even in May 1972, just before President Nixon's first visit to Moscow, the Western press was "warning" the Soviet Union that Soviet-American relations could not remain "unaffected" by its support of the national liberation movement.¹⁰ Later the idea that the Soviet Union should respond to the United States' "consent" to base its relations with the USSR on the principles of detente by curtailing its support of the national liberation movement and by renouncing its anti-imperialist solidarity with the young states became a permanent element of the American understanding of USSR-U.S. relations.

Henry Kissinger's statement on the events in Angola in January 1976 (when he was secretary of state), for example, said that the assistance rendered by the Soviet Union and other socialist countries to the people of Angola in their fight for independence was a "deliberate and direct challenge to recent constructive tendencies in Soviet-American relations." The U.S. secretary of state announced that the USSR's behavior was "unacceptable" and threatened that it could have a "significant" impact on Soviet-American relations.¹¹

The significant growth of the influence in international relations of states which were just recently colonies or semicolonies, a process noted by the 25th CPSU Congress, created new difficulties for the United States and other Western countries in world politics in the 1970's.

There is no question that the changes in the international balance of power which established the prerequisites for the development of detente had a definite effect on relations between capitalist countries and liberated states and strengthened the position of the young countries in the international arena; for some time, the danger of overt imperialist aggression was reduced, the principles of peaceful coexistence acquired more prestige and international organizations played a more important role in the search for solutions to urgent global problems. International detente naturally had a beneficial effect on the young states, making them more self-sufficient and consolidating them in the areas of sovereignty and independent development.

This combination of positive processes in the world arena contradicted imperialist plans and caused some segments of American political circles that were against detente to blame detente for the intensification of conflicts between developed capitalist powers and developing states and blame the USSR and other socialist countries for their "failures" in relations with Asian, African and Latin American states. The propaganda campaign which was launched at that time and which played an important role in the evolution of U.S. foreign policy in the opposite direction from detente was based on the theories of Western political scientists who took every opportunity to misrepresent Soviet policy with regard to the national liberation movement.

Without taking the trouble to find out about the real causes of revolutions in previously dependent countries, the U.S. Administration acted according to the hackneyed myth about "the hand of Moscow" in these revolutions, preferring to invent the method of so-called "contingencies" and introduce it during a time of constructive development in Soviet-American relations. It tried to use Soviet-U.S. talks on arms limitation and international issues for totally groundless accusations, alleging that the Soviet Union was "seeking unilateral advantages," and for demands that the USSR "stop interfering" in the affairs of the liberated states. The U.S. Government used these pretexts to hold up the talks with the USSR on the conclusion of a treaty on the limitation of strategic offensive weapons (SALT II).

The Soviet Government has repeatedly introduced maximum clarity into these matters. When L. I. Brezhnev met with President Carter in Vienna in 1979, they discussed many problems, including the situation in the Middle East, southern Africa and Southeast Asia. James Carter justified U.S. policy by referring to the "vital importance" of the United States' interests and the interests of its allies in these regions. He also tried to explain the changes brought about by the people's desire for liberation and progress and by the interference of other powers. He was informed that this interpretation of Soviet policy was not objective. Once again, it was stressed that the Soviet Union wants all remaining traces of colonialism and racism to be completely obliterated and that it respects the right of all people to separate and independent development.¹²

Nevertheless, the U.S. Government has not given up its policy of "contingencies," which has faced it with an artificial dilemma: It must choose between forcing the Soviet Union to cease its principled support of the national liberation movement at any cost or opposing the achievements of detente, which benefit all countries, including the United States and its allies. After failing to attain its goals,

the Carter Administration eventually refused to ratify the SALT II treaty as a sanction against the Soviet Union's assistance of the people of Afghanistan during the crucial period at the end of 1979.

In the mid-1970's, Washington tried to use other methods along with the "contingency" policy to keep the Soviet Union from supporting the young states. In particular, on the recommendations of the Trilateral Commission, the Soviet Union, as a "rich northern power," was to be encouraged to take part in the capitalist world's undertakings in the liberated states.¹³ James Carter took this approach during the initial stage of his presidency. In his third report to Congress on policy in the developing countries, he demagogically called upon the USSR and the Eastern European countries to participate "on an equal basis" and "in concert" with the West in the resolution of problems in the developing states.¹⁴

Statements of this kind, which were made purely for propaganda purposes, had definite repercussions in some of the newly liberated states, where the ruling circles are now making equal demands on the capitalist and the socialist countries. The main result of the use of this method, however, was Washington's unfounded allegation that the Soviet Union had refused to take a "constructive part" in the resolution of problems in the liberated states, implying that it is only interested in "promoting its ideology." A similar position was taken by the Beijing leadership, which advanced the "theory of the three worlds," including the USSR among the "exploiters" of young states and portraying itself as their "defender."

In spite of the obvious differences and even the apparent contradictions in these U.S. policy methods, all of them are intended to disunite the USSR and the liberated states. The U.S. Government and its allies do not want the ties between the socialist and liberated countries, which are founded on many common interests, to become an increasingly important element of the system of international relations, promoting further advancements in this sphere in favor of the forces fighting for peace, democracy, national independence and progress. Washington's basic assumptions are, firstly, that the West might have to face the real danger of confrontation with a front of states advocating the reorganization of international relations on a democratic basis and, secondly, that coordinated activity in the international arena by socialist and developing countries would be "detrimental" to the developed capitalist powers, not only in global political matters in general, but also in matters concerning raw material export conditions.

The U.S. Departure from Detente and the Liberated States

It seems absolutely incorrect to explain, as some American politicians are inclined to do, the changes in Washington's attitude toward detente at the end of the 1970's as the United States' "legitimate response" to the restriction of its interests and the interests of its allies in the liberated countries. The changes were influenced by other factors: the pressure of the military-industrial complex, the desire to be superior to the Soviet Union, the wish to strengthen U.S. positions in the capitalist world by escalating international tension, the hope of playing the "China card" and many others. These factors were the main reason for the much more pronounced anti-Sovietism in U.S. foreign policy and for the United States' inclination to employ the discredited method of the anticommunist "crusade."

The reaction of U.S. ruling circles to events contrary to the imperialist interests in the liberated states, as well as the fundamentally incorrect, arbitrary and anti-Soviet interpretation of Soviet policy with regard to the national liberation movement by the American leadership, played an important role in the ideological substantiation of the turnabout in Washington foreign policy from detente to the resumption of cold war and confrontation with the Soviet Union. This has been acknowledged even in the United States.

The U.S. Administration was able to convince part of the American public that the USSR supposedly wants to "subjugate countries in the Third World and other regions to use them as chessmen in the struggle against the United States and other Western bloc countries,"¹⁵ experienced diplomat and renowned historian G. Kennan wrote.

American ruling circles made energetic attempts to use the growing strength of the revolutionary struggle in the liberated countries in the 1970's as an excuse for broader U.S. intervention in the affairs of the Asian, African and Latin American countries. This was clearly reflected in the Ford Administration's reaction to the events in Angola. The theory of the "crescent of instability," propounded by Z. Brzezinski, President Carter's national security adviser, introduced an even stronger anti-Soviet note into all of the talk about "Soviet intervention" in the liberated states.

The Reagan Administration took this theory as the basis for its own policy. It is being used as an excuse for the exertion of stronger military pressure on revolutionary democratic forces and, in particular, for the plans for invasions of Nicaragua, Libya and socialist Cuba. Washington is urging South Africa to take military actions against Angola, Israel to take them against Syria, and Pakistan to take them against Afghanistan.

In 1979 the American military machine began to be adjusted for military actions in the Indian Ocean, which has been described in Washington as a "zone of strategic defense" along with the Atlantic and Pacific Oceans. The Reagan Administration has gone even further, and its military doctrine already distinguishes between five "strategic zones": Western Europe, East Asia, the Near and Middle East, southern Africa, and the Caribbean and Central America.

Realizing that the present level of weapons would make a global nuclear missile conflict suicidal for the United States, the American Administration is trying to stage "tests of strength" in peripheral regions, just as it did in the 1960's. In connection with this, the developing countries have become more significant as potential theaters of combat, where the United States intends to smash revolutionary democratic forces and simultaneously threaten the Soviet Union if it should come to the aid of its friends.

Therefore, in addition to reviving the policy of confrontation with the Soviet Union in line with the wishes of the military-industrial complex and the most reactionary segment of the ruling class, the U.S. Administration hopes to simultaneously improve U.S. positions in the liberated states. It intends to isolate progressive forces and then defeat them, divide the liberated countries and convince them to solve their economic problems in ways benefiting imperialism,

establish control over regions with valuable resources and increase its allies' dependence on the American military "umbrella." All of this, according to Washington officials, will help to make the United States superior and will change the global balance of power in its favor.

The Need to Consider the Realities of World Politics

The realities of world politics, which no statesman can afford to forget, consist primarily in the Soviet Union's ability to prevent any changes that might endanger the security of the socialist community. "We have never wanted to be militarily superior to the other side," the accountability report of the CPSU Central Committee to the 26th CPSU Congress says. "This is not our policy. But we cannot allow the other side to establish this kind of superiority either."¹⁶

The ability of the liberated states to repulse imperialist aggression and defend their legal interests has also grown considerably. In spite of the efforts of the capitalist powers to disunite the Asian, African and Latin American countries, their collective diplomacy is still an important factor determining the balance of power between the capitalist "North" and the developing "South." According to R. Hansen, American expert on the developing countries, this collective diplomacy will remain "a fundamental challenge to effective U.S. foreign policymaking in the coming decade."¹⁷

Dissatisfaction with Washington's policy in the international arena and criticism of this policy are growing even within the United States. The most alarming aspect of this policy is its aggressive nature, its ability to push the world to the verge of universal catastrophe--particularly with its reckless intervention in the affairs of the liberated states. In a book about U.S. national security and Soviet-American relations, published in fall 1981, American historian W. Clemens calls the need for "the avoidance of conflict that might involve the superpowers or their allies in confrontation and grow into regional or even more extensive wars"¹⁸ one of today's central problems. Many Americans and Western Europeans with a realistic outlook agree with this view.

Many large American corporations operating in the liberated countries are also dissatisfied with Washington policy. These corporations are willing to support the administration's actions to reinforce reactionary regimes because they need some degree of political stability for their business activity. They also realize, however, that aggressive acts against sovereign Asian, African and Latin American countries could have catastrophic results and they object to head-on confrontations and to attempts to stage "tests of strength" in the liberated states. Commenting on Washington's unfriendly behavior toward people's Angola, the WASHINGTON POST remarked in August 1981: "Angola...serves as perhaps the most vivid example of the way in which the Reagan Administration's geopolitical strategy comes into direct conflict with the goals of the corporate heads who were Reagan's campaign supporters."

Washington's vain attempts to assume the role of world policeman are not only complicating international affairs in general but are subverting the economy of the capitalist world even more. Politically, this world is far from a unified entity. Washington's allies are seriously disturbed by its objectives in East-West relations and its actions in the liberated states.

Great Britain, France, the FRG and Canada had a reserved or even a critical response to the veto imposed by the American representative on the UN Security Council draft resolution condemning the South African aggression against Angola in August 1981. France and Mexico issued a joint statement on the recognition of Salvadoran opposition forces as a legitimate political force, which was tantamount to open condemnation of U.S. behavior. No other state but Great Britain consented to send observers to the "elections" organized by Washington in El Salvador. Washington also stood alone when Israel's aggressive actions and its annexation of Syria's Golan Heights were discussed in the United Nations. Saudi Arabia and Jordan refused to agree to a "strategic consensus" with the United States.

Washington's policy could lead to new serious conflicts between developing and capitalist countries.

One example is the conflict that flared up between Great Britain and Argentina in April 1982 over the Falkland (Malvinas) Islands.

People in the liberated states are fully aware that the military presence engineered by the United States on the pretext of struggle against the "Soviet threat" in such "strategic zones" as the Near and Middle East, the Caribbean, southern Africa and others is actually aimed against the countries in these regions.

Washington will never again be able to justify its own aggressive plans with the "need to oppose the Soviet threat" and "defend the developing countries." Those days are gone.

The Soviet Union, which supports the legitimate interests of the liberated states and wants to keep the peace, has proposed effective solutions to international problems, based on respect for the principles of international law and the UN Charter and in line with the spirit of detente and cooperation. "We have informed U.S. leaders in our contacts with them," L. I. Brezhnev announced, "and I will repeat this publicly, that we do not want confrontation with the United States and are not encroaching on America's legal interests. We want peace, cooperation and normal relations, based on mutual trust, between our countries."¹⁹

Only in this way, and not by means of clashes and confrontations, can problems--whether bilateral or multilateral--be overcome and mutually beneficial and equal cooperation be established.

FOOTNOTES

1. "Materialy XXVI s'yezda KPSS" [Materials of the 26th CPSU Congress], Moscow, 1981, p 4.
2. "Materialy XXV s'yezda KPSS" [Materials of the 25th CPSU Congress], Moscow, 1976, p 13.
3. V. I. Lenin, "Poln. sobr. soch." [Complete Collected Works], Vol 44, p 38.
4. PRAVDA, 2 February 1982.

5. "Materialy XXVI s'yezda KPSS," p 15
6. See, for example, "Syr'yevoy krizis sovremennogo kapitalizma (mirokhozyaystvennyye aspekty)" [Present-Day Capitalism's Raw Material Crisis (World Economic Aspects)], edited by M. M. Maksimova, Moscow, 1980.
7. K. N. Brutents, "Osvobodivshiesya strany v 70-ye gody" [The Liberated Countries in the 1970's], Moscow, 1979, p 7.
8. "The Soviet Union in the Third World: Successes and Failures," edited by R. Donaldson, Boulder (Colorado)-London, 1981.
9. Ibid., pp 409-437.
10. ECONOMIST, 13 May 1972, p 13.
11. "The Secretary of State. Implications of Angola for Future U.S. Foreign Policy, January 29, 1976," Washington, 1976, p 2.
12. PRAVDA, 18 June 1979.
13. Pretending to feel concern about detente, the authors of one of this commission's reports wrote: "The spirit of detente and global solidarity would be much stronger if the Soviet Union could be convinced to help the 'fourth world'" (R. Gardner, S. Okita and B. Udink, "A Turning Point in North-South Economic relations, the Triangle Papers, No 3," New York-Brussels-Tokyo, 1974, p 17).
14. "Development Issues. U.S. Actions Affecting the Development of Low-Income Countries," The Third Annual Report of the President Transmitted to the Congress, April 1978, pp 16-17.
15. G. Kennan, "Two Views of the Soviet Problem," THE NEW YORKER, 2 November 1981, p 54.
16. "Materialy XXVI s'yezda KPSS," p 22.
17. R. Hansen, "North-South Policy--What Is the Problem?" FOREIGN AFFAIRS, Summer 1980, p 1106.
18. W. Clemens, Jr., "National Security and U.S.-Soviet Relations," Occasional Paper 26, The Stanley Foundation, Muscatine (Iowa), 1981, p 22.
19. PRAVDA, 10 June 1981.

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POOR PROSPECTS OF REAGAN ECONOMIC POLICIES NOTED

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 6, Jun 82 (signed to press 17 May 82) pp 19-30

[Article by Yu. I. Bobrakov: "Administration Economic Policy and the 1982 Presidential Messages"]

[Text] In January and February 1982 President Reagan made the usual report to the Congress--the "State of the Nation," budget and economic messages. These three documents represent an attempt to summarize the results of the Republican Administration's economic policy during its first year in office, particularly the interim results of the first stage in carrying out the widely advertised program called "America's New Beginning," formulated and announced in February 1981--that is, immediately after the start of the Reagan Administration.¹ We should recall that this program was portrayed as a radical departure from past economic policy, as a way of pulling the nation out of the quagmire of stagflation and "finally putting it on the road to prosperity." The President's latest messages did not convey the same sense of eagerness and optimism with which he announced his economic program to the country. "The correction of past financial and monetary defects," Reagan said, seemingly in an attempt to vindicate himself, in his budget message, "came too late to prevent a temporary but undesirable and unhealthy recession in the economy."²

Ronald Reagan's 'New Deal'

"The very issuance of the 275-page 'Program for Economic Recovery,'" NEWSWEEK magazine remarked in March 1981, "proclaims the end of 50 years of hegemony by F. D. Roosevelt and J. M. Keynes in American political and economic thought and the beginning of a process which the President hopes will become a counterreformation." The magazine (like other mass media organs) noted that Reagan's program called upon America to follow him in the direction of a second "New Deal," "potentially as all-encompassing as Roosevelt's first new deal" but, in contrast to the first one, representing a "definite shift to the right in American history."³

We should recall that the program declared the need to "revive the business instinct and creative spirit of the nation" and "limit the economic role of government" in order to give America "a new beginning," which "will revive optimism and trust" and will pave the way to prosperity. In a particularly critical tone, Reagan described the role of the federal government and its policy of economic

regulation in the past as "burdensome": "The federal government with its tax policy, spending, regulatory and credit policy has sacrificed long-range economic growth and price stability for the sake of ephemeral short-range objectives...and the stagnation of economic growth is escalating inflation even more."⁴

Reagan's promise to limit government intervention in the economy was motivated by the profound dissatisfaction of the business community and broad segments of the population with the failure of administration economic policy in the 1970's and the related nostalgia of businessmen for "the good old days of free competition." In other words, the antistatist phrases that were employed successfully by the head of the executive branch reflected, to some degree, the public reaction to the severe crisis in the system of state-monopoly economic regulation and its theoretical foundation--Keynesian doctrine.

Keynesianism, which was born in the 1930's as a bourgeois economic reaction when the foundations of capitalism were shaken by the "great depression" postulated an active economic role for government as the stimulator and regulator of national reproduction, as a means of capitalism's "recovery" and the reinforcement of its foundations. "The expansion of government functions," Keynes asserted, "is virtually the only way of avoiding the complete destruction of existing economic forms and...a condition for the successful functioning of individual initiative." Keynes' theory, which was later supplemented by neo-Keynesian concepts, was elevated to the status of the government policy on economic stimulation in the 1960's. During the period of relatively good economic conditions in the 1960's, the use of Keynesian recipes for economic regulation produced some practical results and provided the government with certain political dividends. When contradictions and difficulties in the capitalist economy were sharply escalated and intensified in the 1970's, however, the effectiveness of this system of government economic regulation was dramatically diminished.

The crisis of this system, which also signified the bankruptcy of the theoretical bases of government regulation practices, motivated ruling circles to begin a vigorous search for new economic methods. For example, Presidents Ford and Carter believed that the situation could be corrected by stimulating capital investments, limiting government spending and liquidating the federal budget deficit. In the last stage of his term in the White House, Carter announced a special "program of economic revitalization," which he believed would heighten American economic effectiveness. In the hope of increasing sources of funds for capital investments in production, he asked Congress to pass laws to stimulate investments in the private sector and advocated a restrictive credit and monetary policy for the Federal Reserve System (FRS), believing that this policy would counteract inflation. His advisers suggested that the policy of regulating demand be integrated with a policy emphasizing the "stimulation of the production and supply of goods and services." The theoretical concept lying at the basis of this latter policy of supply-side economics⁵ was employed by Reagan's advisers in the compilation of his economic program.

The new Republican Administration had the support of Congress, where Republicans had strengthened their position in both houses. The determination with which the new President put forth his program, especially his firm promises to take all possible measures for the "complete and energetic" revitalization of the economy,

break the "cycle of negative expectations" and guarantee "a bright future for all citizens," helped his program gain widespread support in the nation. Not all Americans were immediately aware that "America's new beginning" was not as new as it might seem at first.

When Reagan submitted his program to the Congress in 1981, he had the following to say about its content: "The plan consists of four parts: 1) sizable cuts in federal spending; 2) the perceptible lowering of federal tax rates; 3) the reasonable reduction of the burden of federal regulation; 4) an independent FRS credit and money policy corresponding to these aims. These four intersupplementary policy directions make up an integrated and all-encompassing program."⁶

Not one of these four components is new in itself; they have been proposed or implemented by previous administrations. Even Reagan did not pretend that they were especially new to any degree. He simply stressed that the value of the program would ultimately depend not on its components, "however important they might be," but on the changes brought about in the overall economic situation by the implementation of the program as a whole. What was genuinely new and differed from past practices was the attempt to /use means of government regulation on a synchronized and extensive basis for the simultaneous stimulation of economic growth and reduction of inflation/ [in boldface]. Economic stimulation was to be accomplished by massive tax cuts, and the limitation of government spending (only civilian expenditures) and rigid credit and money policy were supposed to relieve inflationary pressure in the economy.

This basic contradiction, the program's aim of simultaneously stepping on the gas pedal" and "brake" in economic policy, immediately aroused the criticism of American economists and raised questions about the validity of the very concept lying at the program's basis. The most striking aspect of the program was its quantitative parameters, which looked like an obvious attempt to amaze and impress public opinion--both inside and outside the country--with the grand scales of its objectives.

Spending, Taxes and Depreciation Measures

The complete contents and significance of the Reagan Administration's economic program have already been covered in the press.⁷ In the context of this article, however, it would be expedient to point out some of its elements and the progress in its implementation.

The focal point of the program was the considerable reduction of the growth rate of federal spending, which was supposed to eliminate the "scissors" between federal budget revenues and expenditures and the chronic deficit within the next few years (since 1969 there has always been a budget deficit, rising from 2.9 billion dollars in 1970 to 54.5 billion in fiscal 1981) and sharply reduce inflation. According to initial estimates, there was already supposed to be a positive balance of 500 million dollars in the federal budget in fiscal 1984, 7 billion in 1985 and 30 billion in 1986.⁸

The President's budget savings plan, which was part of the "Program for Economic Recovery," was supposed to reduce spending primarily by means of radical cuts in social programs--and this is being done--many of which were categorized as

"excessive." These are programs in the spheres of education, public health, environmental protection, public services, occupational training, aid to the needy, children and the aged, financial aid to state and local governments, etc. The President maintained that the "choice of specific areas of expenditure reduction was a difficult task...requiring extensive consultations with business, labor unions, agricultural organizations, ethnic minority groups and state and local government agencies."⁹ However, the administration did not and could not obtain the consent of labor unions and other labor organizations and groups to the radical reduction of social expenditures. It is not surprising that its economic program evoked an extremely negative response from the very beginning from labor unions and other mass organizations, which justifiably regard it as a frontal attack on the vital interests of broad segments of the population.

Within the approved framework, Congress passed a law on changes in the federal budget structure, envisaging a savings of 130 billion dollars in fiscal years 1982-1984 in these and other federal programs.¹⁰

The Reagan program is intended to have a long-range effect on the economy and exert simultaneous, gradual and increasing influence on all of its main spheres, with particular emphasis on the stimulation of physical production and technological progress, the structural reorganization and renovation of the industrial production system on a modern technical basis and the gradual transition to the new reproductive structure meeting the requirements of the technological revolution.

For this purpose and in order to execute the administration program, Congress passed a law on taxes in August 1981, envisaging "the most significant cut in American history in corporate and personal income taxes"¹¹ (a total reduction of 25 percent over 3 years). The first stage (a 5-percent reduction) began on 1 October 1981, and this date is officially regarded in the United States as the beginning of the implementation of this program.

The measures to reduce and liquidate the federal budget deficit in combination with a consistent FRS line of limiting the growth of the total quantity of money in circulation were supposed to minimize inflationary pressure and radically improve the overall economic "climate," particularly in the investments sphere, and give a "green light" to the tax laws that were expressly intended to intensify the renewal of fixed capital and raise the rate of technological progress. The group of measures to reduce taxes and expand depreciation and investment privileges for business gave American corporations a chance to reduce depreciation terms considerably (according to the "10-5-3" formula--in other words, 10 years for production buildings and facilities, 5 for production equipment and 3 for means of transport).

On the whole, these measures could--and this is attested to by past experience, particularly the experience of the 1960's--accelerate the renewal of fixed capital and the reorganization of the American economic structure. But legislative acts to create more favorable conditions for investments are certainly not the same as the investments themselves, which depend on the decisions made by corporations with a view to their own interests, the possibility of maximizing profit norms and the state of the economy. The engineers of the "Program for Economic Recovery," following the recipes of "supply-side economics," assumed that tax cuts and

depreciation privileges would automatically, so to speak, turn into new capital investments in production, promoting the augmentation of the factor of supply in the "supply-demand" formula and thereby stimulating economic growth, heightening economic effectiveness and reducing inflation.

The obviously unwarranted optimism of the supporters of "supply-side economics" has been criticized by many American economists, who are skeptical about the stimulating potential of a program based on this kind of oversimplified concept. A typical remark expressing this view was made by FRS Board member L. Gramley in September 1980--that is, at the time when this concept was just advancing to the foreground in the Republicans' economic campaign platform. "What kind of real help can we expect from supply-side economics in the fight against inflation?" Gramley asked. "When I consider this matter, I cannot help but remember the enthusiasm with which the economists of my generation responded to the budget doctrine of 30 years ago.... We did everything possible to make this budget policy an effective means of reducing unemployment and the underutilization of production capacities and ensure that the economy functioned on a level approaching its full employment potential.... Looking back, I can say that our biggest mistake was our failure to recognize the strictly limited possibility of regulating demand in an economy as complex as the American one. We were striving for unattainable results. I think that the same danger lies in supply-side economics."¹²

It soon became obvious that these doubts were quite valid.

The First Results

When the Republican Administration put forth its program, it expected it to have a quick restorative and revitalizing effect on the economy. The first year of Reagan's term in office, however, was marked by the constant deterioration of the general state of the economy. By the end of 1981 it was suffering a severe decline, which continued into the first months of 1982. By spring of this year, unemployment had risen to 9 percent of the total labor force, a record level for the postwar period. The growth of unemployment was due not only to the recession but also, to some degree, to the administration's measures to reduce federal aid to state and local governments, as a result of which 30,000 state employees and 246,000 municipal employees lost their jobs. The cuts in federal aid were part of the President's line of "new federalism," which was officially supposed to augment the role of state and local governments in the conduct of economic policy but which actually served as a way of making them responsible for many of the expenses that had previously been covered by the federal government. This was the first reduction of aid since World War II and it was a large one--9.1 billion dollars (or 9.5 percent). This injured the financial status of state and local governments, whose tax revenues had already been reduced by the recession.¹³

Of course, the deterioration of economic conditions in 1981 and the developing recession were caused by cyclical factors. Nevertheless, it is completely obvious that all of this was stimulated to some degree by the implementation of the administration's economic program and its entire contradictory policy. In an attempt to draw the American economy out of the vicious circle of stagflation, it simultaneously pulled accelerated and decelerating levels, but only the decelerators

worked. For example, the FRS policy of limiting credit and money, conducted within the framework of the anti-inflation program, kept interest rates high, and this had a depressive effect on the economy, particularly its credit-intensive branches, such as the automotive industry and housing construction. "The administration," FORTUNE magazine commented, "seriously underestimated the economy's reaction to Reaganomics."¹⁴

It is true that the prime rate, or the rate commercial banks charge their preferred clients, was 16.5 percent at the end of the first quarter of 1982. Although this is 5 points lower than the record level of 21.5 percent at the end of 1980, it is still too high. As economics analysts have pointed out, only Mafia loan sharks would have dared to charge such rates in the past. The high rates are slowing down investment processes in the economy and complicating its emergence from the recession. Furthermore, the already definite prospect of continued huge federal budget deficits and the related unavoidable need for government to ask the private loan capital markets for assistance makes the possibility of a considerable drop in interest rates questionable.

The rate of inflation was slightly lower in 1981. According to official data, the consumer price index rose 10.4 percent that year, in comparison to 13.5 percent in 1980.¹⁵ This insignificant drop, however, was achieved at the cost of a recession, a higher rate of unemployment and a lower standard of living for American labor (according to Department of Labor statistics, the real income of Americans decreased by an average of 3.2 percent in 1981).¹⁶

The more than depressing economic results of the Republican Administration's first year in office led to more pointed criticism and gave rise to heated debates within the government. As usual, the deterioration of economic conditions led to friction between the administration and the FRS and, what is more, the former displayed a clear tendency to blame the latter for the negative economic situation. For example, the President made what seemed to be a quite unequivocal statement in an interview at the end of January 1982 about the reasons for the high interest rates that were depressing the economy: "Interest rates are primarily under the jurisdiction of the FRS, which is, as you know, an autonomous organization. During the past year the FRS failed to attain its own objectives several times, could not maintain the planned quantity of money in circulation and then augmented it too quickly, which gave rise to the fear of inflation in the money market and raised interest rates."

Reagan gave his administration credit for lowering the average annual growth rate of federal government spending from almost 14 percent in the last 3 fiscal years to "an estimated 7 percent" in the next 3 years. This is still a hypothetical reduction because Congress is just beginning to analyze the draft budget. The President said that the slight decrease in the rate of inflation and in the number of government regulations was the "most important result" of his economic policy. In essence, this exhausted the list of "achievements" and everything else could be referred to only in the future tense.

Acknowledging the serious deterioration of economic conditions in the country, Reagan again blamed previous administrations for this. In his economic report, the President said: "The harm inflicted on the national economy is the result of the nearsighted and imprudent policy that was conducted for many years."¹⁷

We should recall that when Reagan submitted his program to the Congress in February 1981, he described it as the only reliable way of solving economic problems. In his State of the Union message this year, the President had to move from the offensive to the defensive and warn that the economy would experience "difficult moments" in the months ahead, after which he again promised that his program would pull the economy out of the quagmire and put it back "on the road to prosperity and stable economic growth" in the second half of the year.

Administration Promises and Actual Prospects

What do the presidential documents say about U.S. economic prospects?

The most striking fact is that although the administration started by presenting its estimates for coming years to the public as programmed figures, it is now using more flexible, "projected" figures. Here is its economic forecast for 1982-1987:

<u>Indicators</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>
GNP						
In current prices, billions of dollars	3,160	3,524	3,883	4,258	4,651	5,068
Increase over previous year, %	8.1	11.5	10.2	9.7	9.2	9.0
Real GNP, in 1972 prices	1,513	1,591	1,670	1,750	1,827	1,905
Increase over previous year, %	0.2	5.2	5.0	4.7	4.4	4.3
Consumer price index						
Average annual level (1967--100)	292.1	309.5	323.8	339.2	354.8	370.8
Average annual increase, %	7.3	6.0	4.6	4.8	4.6	4.5
Unemployment: Average annual level, %	8.9	7.9	7.1	6.4	5.8	5.3

"Budget of the United States Government. Fiscal Year 1983," pp 2-5, 2-7.

This forecast differs quite noticeably from the original one in the text of the program submitted to Congress in February 1981. For example, the short-range forecast has undergone radical changes: Whereas the real GNP growth rate for 1982 was previously estimated at 4.2 percent, now, with allowances for the recession, it is only 0.2 percent. Similarly, the rate of unemployment was previously set at 7.2 percent, but now it is 8.9 percent. Higher rates of unemployment than those specified in the 1981 document are also predicted for all subsequent years. As for the average annual real GNP growth rates after 1982, the administration has forecasted slightly higher indicators than the previous ones: The respective figures are 5.2 and 5 percent for 1983, 5 percent and 5 percent for 1984, 4.7 and 4.5 percent in 1985, 4.4 and 4.2 percent in 1986 and 4.3 and 4.3 percent in 1987. As a result, the long-range rate of real GNP growth is slightly higher in the new forecast.

As the budget message pointed out, "taking a radical departure from the policy of recent years, which has contributed to the development of inflation, the administration...hopes to secure the kind of real economic growth (this is a reference to GNP growth--Yu. B.) that will surpass the postwar average.... The administration's initiatives, combined with an effective credit and money policy on the part

of the independent FRS, will serve as the basis for guaranteed higher rates of economic growth.... In view of the imbalances caused by policy errors in recent years, however, it would be senseless to expect an immediate return to the kind of higher growth rates witnessed in the past."¹⁸ The administration concluded that its predicted average annual rate of 4.7 percent "seems attainable," the scenario of high growth rates (5.9 percent) "is highly improvable" and the scenario of low rates (3.5 percent) "seems too optimistic in the context of the significant changes in credit, monetary and budget policy resulting from the measures taken by the administration, Congress and the FRS."¹⁹ Therefore, the average rate for 1982-1987 should 4.7 percent, in comparison to 3.5 percent in 1947-1981.

How valid are the President's expectations of such significant improvement? Government forecasters are evidently counting heavily on a fairly long phase of vigorous recovery and development after the end of the present recession, so that the Republicans will at least be able to consolidate their positions and win the presidential election of 1984. There is no question that this forecast depends on the degree to which measures to stimulate the economy evoke the desired exceptionally active investment reaction from business. This scenario, however, seems too optimistic.

In fact, actual investments in fixed capital in 1981, just as in 1980, remained below the 1979 level and, according to many American experts, a significant rise in investment growth rates in the near future is unlikely. Specialists from the Chase Manhattan Bank, for example, believe that "the growth of corporate monetary resources, stemming from the 1981 law reducing depreciation terms, cannot compensate fully for the effect of rising interest rates." It is entirely possible, these experts point out, that certain firms "might refuse to increase investments if investment opportunities in the production sphere do not promise them a fairly high profit norm."²⁰

Military Spending and the Budget

There are even more significant factors which cast suspicion on the administration's programmed objectives of economic "recovery" and considerably higher growth rates. Above all, there are the probable consequences of Washington's military program of unprecedented scale, which the administration is trying to conceal from the American public so as to present a rosy picture of economic prospects. The military program is not officially among the four components of the "new beginning," but it actually has priority over the Reagan Administration's entire economic strategy. This is attested to just by the following figures, cited in the budget report, which reflect a desire to make the United States militarily superior to the Soviet Union and to carry out Washington's global military-strategic plans [see table on following page].

These estimates attest clearly to the overall colossal growth of the federal budget (despite the declared goal of its "limited" growth) and, above all, /the quicker growth of its military components/ [in boldface], which will absorb more and more of the federal budget and the GNP. In real terms, military spending will increase by an average of 8.3 percent a year between 1981 and 1987, its proportional share of the federal budget will rise from 24.3 percent in fiscal 1981 to 29.2 percent in 1983 and 37.2 percent in 1987, and its share of the GNP will rise from 5.6 percent in fiscal 1981 to 7.8 percent in 1987.²¹

Reagan Administration Budget Program, in Billions of Dollars, Fiscal Years

<u>Categories</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>
Budget appropriations	765.5	801.9	858.0	943.5	1014.1	1078.2
"National defense" appropriations	218.9	263.0	291.0	338.0	374.9	408.4
Budget expenditures	725.3	757.6	805.9	868.5	927.0	978.9
"National defense" expenditures	187.5	221.1	253.0	292.1	331.7	364.2

"Budget...", pp 3-33, 3-34.

"Policy in the area of defense," the budget document states, "provides for preparedness to deliver a retaliatory strike and, if necessary, the successful conduct of conventional or nuclear warfare."²² The escalation of appropriations for strategic forces is clearly indicated by projected budget figures: They will rise from 12.7 billion dollars in fiscal 1981 to 16.2 billion in 1982, 23.1 billion in 1983, 30.3 billion in 1984 and 33.2 billion in 1985.²³ Therefore, appropriations for strategic forces are expected to almost triple (in current prices) within 4 years. Furthermore, appropriations for all-purpose forces will rise from 68.8 billion dollars to 139 billion between 1981 and 1985--that is, they will more than double--and appropriations for military research and development will rise from 14.2 billion to 26.3 billion (not counting research and development projects connected with weapon systems that are already being produced).

In his budget message, the President asserted that his limitation of expenditure growth has put "national budget policy firmly on a new, healthy and steady course." The abrupt escalation of military spending, however, which was also his idea, will not only be the chief cause of the unprecedented growth of budget deficit but, according to all calculations, will also lead to the failure of the administration's economic policy and its line of "economic recovery."

In the same document, Reagan contradicts himself by acknowledging what became apparent to every one else many months earlier: "Our original plan envisaged a balanced budget in 1984. But this is already an unattainable goal."²⁴ Nevertheless, when the President listed main factors contributing to the growth of budget deficit, he did not mention rapidly growing military expenditures, measured in hundreds of billions of dollars, but the economic recession, which had reduced federal budget revenues by 31 billion dollars and increased expenditures by 8 billion in 1982, and the growth of interest payments on the swollen national debt to 83 billion dollars. He did not mention that the federal government's colossal debt²⁵ also stems from budget deficits, which are engendered primarily by military spending. In spite of the pitiful state of all government financial affairs, Reagan essentially proposed the acceptance of a long series of new budget deficits in unprecedented quantities, which is attested to by the following data on the federal budget (in billions of dollars, fiscal years)[see table on following page].

What is more, actual budget deficits might be much higher than those predicted by the administration. According to the majority of forecasts by American economists, for example, the federal budget deficit will exceed 100 billion dollars annually in the next 3 fiscal years, and according to some forecasts (Morgan Guaranty,

Bankers Trust, Merrill Lynch and others), the deficit in fiscal 1984 could rise to 130-160 billion dollars.²⁶ In addition, in the opinion of many economic experts, the growth of budget deficits will send the already high interest rates even higher, and this could inhibit economic recovery.

<u>Categories</u>	1981				
	(Actual)	1982*	1983*	1984*	1985*
Income	599.3	626.8	666.1	723.0	796.6
Expenditures	657.2	725.3	757.3	805.9	868.5
Balance	- 57.9	- 98.6	- 91.5	- 82.9	- 71.9

* Estimated.

"Budget...", p M5.

It is not surprising that the President's messages evoked considerable opposition in the Congress. The projected increase in military expenditures will bring about a significant redistribution of national resources in favor of military production, for which increased government contracts will serve as an additional growth accelerator. This, in turn, will give inflationary processes new momentum.

To put it mildly, the present situation is clouding the administration's hopes for the favorable development of U.S. economic conditions. According to the forecasts of many prominent American economists, even if the economy begins to emerge from the recession at some time during the second quarter of 1982, the real GNP growth rate for the entire year is unlikely to be noticeably higher than the 1981 rate. The phase of recovery could be considerably neutralized by increasing budget deficits or a stricter FRS credit and money policy--and both alternatives are quite possible. Many American economists believe that this might not only stop the recovery process but also plunge the economy into a new recession.

Under these conditions, several proposals have already been made in Congress, aimed at somehow slowing down the growth of budget deficits and furnishing the economy with additional stimuli. One proposal, in particular, suggests the earlier enactment of the second 10-percent tax cut, planned for the middle of 1983, and the cancellation of the plan for income tax adjustments, which were supposed to begin in 1985 and insure taxpayers against their automatic rise to higher tax brackets as a result of inflation. Several proposals have also been made on cuts in the administration's projected military appropriations. Judging by reports in the American press, the administration might consent to some compromises, but not in military budget items. Considering all of these factors, the budget will probably encounter significant difficulties during its passage through Congress and the President's program probably will not escape Congress' scissors.

The President will make his next report to the Congress in the beginning of 1983--that is, after the November congressional elections, the outcome of which will depend largely on the state of the economy. The later the emergence from recession begins, the more difficult the political situation will be for the Republicans. "Under the seemingly calm surface of official optimism," the WASHINGTON POST

remarked, "there is a growing realization in the White House that time is gaining on the Reagan Administration. There is no panic as yet, but high-placed White House officials have admitted in private conversations that the administration and the Republican Party will seriously undermine their political position in 1982 if the economy does not undergo an energetic recovery within the next 3 or 4 months."

Even during the initial stage of its implementation, therefore, Reagan's program has contributed to further complications in the state of the economy. Its interim results have increased doubts and direct opposition in business and political circles and in the laboring public. People in the United States now realize clearly that "Reaganomics" is not "the light at the end of the tunnel," beyond which economic stabilization lies. The knot of economic difficulties and problems is tightening.

As a result, the administration and the Republican Party as a whole must face an extremely difficult fight against their political rival, the Democratic Party.

The Reagan Administration's economic policy and all related programs represent a massive attempt by American capitalism to untie the intricate knot of national economic problems. The contradictions inherent in this policy attest to the severity of the economic problems and to the intensity of the crisis that is now being experienced by the entire system of U.S. state-monopoly economic regulation.

FOOTNOTES

1. For more about this program, see No 5 for 1981 (pp 46-51), No 9 (pp 118-127) and No 10 (pp 115-125)--Editor's note.
2. "Budget of the United States Government. Fiscal Year 1983," Washington, 1982, p M11.
3. NEWSWEEK, 2 March 1981, p 18.
4. "America's New Beginning: A Program for Economic Recovery. February 18, 1981," p 4.
5. For a more detailed discussion see the article by V. M. Shamberg, "The Republican Administration's Economic Theories," in No 5 for 1982--Editor's note.
6. "America's New Beginning...", p 2.
7. See, for example, Nos 5, 9 and 10 for 1981 and the article by Yu. Chizhov, "Where Is Reagan's Program Leading the American Economy" (MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA, No 2, 1982)--Editor's note.
8. "America's New Beginning," p 12.
9. Ibid., p 11.

10. "Major Themes and Additional Budget Details. Fiscal Year 1983," Washington, 1982, p 11.
11. Ibid.
12. "Supply-Side Economics: Its Role in Curing Inflation. Remarks by Lyle E. Gramley..., September 11, 1980," pp 2-3.
13. An article about Ronald Reagan's "New Federalism" will be printed in a coming issue--Editor's note.
14. FORTUNE, 22 February 1982, p 51.
15. "Economic Report of the President Transmitted to the Congress, February 1982," Washington, 1982, p 9.
16. U.S. NEWS AND WORLD REPORT, 25 January 1982, p 22.
17. "Economic Report of the President..., February 1982," p 4.
18. "Budget...", pp 2-12.
19. Ibid.
20. CHASE INTERNATIONAL FINANCE, 1 March 1982, p 4.
21. "Budget...", p 3-4; "Economic Report of the President..., February 1982," p 85.
22. "Budget...", pp 5-9.
23. Ibid.
24. "Budget...", p M12.
25. According to the official American estimate, it will total 1,258,400,000,000 dollars in fiscal 1983, in comparison to 914,300,000,000 in 1980 ("Economic Report of the President...", p 317).
26. THE WALL STREET JOURNAL, 10 February 1982, p 18.

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SUPREME COURT'S ROLE IN U.S. POLITICS EXAMINED

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 6, Jun 82 (signed to press 17 May 82) pp 31-41

[Article by V. A. Vlasikhin and V. A. Savel'yev: "The Supreme Court and Politics"]

[Text] The latest session of the U.S. Supreme Court, which began at the end of last year, was of particular interest to the American public. This interest was aroused by several circumstances.

First of all, the latest session was supposed to make decisions of considerable importance to sociopolitical life in the nation. After all, the Supreme Court makes decisions that affect not only the parties directly involved in the disputes it settles, but might then affect the vested interests of large segments of the American public for many years. In the words of journalists B. Woodward and S. Armstrong, "its decisions affect the rights and freedom of every citizen--the poor, the rich, blacks, Indians, pregnant women, persons accused of crime, people on death row, newspaper publishers, pornographers, environmentalists, businessmen, baseball players, prisoners and presidents."¹ And, of course, they affect many other groups not mentioned in this ironic list.

During the latest session, which lasted the usual 9 months, the Supreme Court had to settle fundamental cases connected with discrimination in labor relations and the educational system; redefine the constitutionality of the death penalty (on the basis of several specific cases), establish the validity of the judicial use of evidence acquired by the police illegally and issue a statement on the legality of the existing system of campaign financing. We should recall that the decisions of the highest judicial body in the United States set precedents--legal standards which must be observed by all courts and law-enforcement agencies in the country.

It is probable that the 1981/82 session was also of particular interest because it was the first time a woman would be sitting on the Supreme Court, which has been a traditionally all-male enclave throughout U.S. history. We will return to this matter later, but here we should mention that women have rarely been appointed to any judicial body in the entire history of the American judicial system (the "democratic nature" of which is boasted about so much by the apologists of American bourgeois justice). It is not surprising that the appearance of a woman on the "high bench" of the U.S. Supreme Court had loud reverberations. The press responded to the revival of public interest in the Supreme Court by devoting

considerable space to the history of this institution, the process by which candidates are chosen, the functioning of the court and so forth.

Finally, this session provided commentators with material because it marked the beginning of the second decade of the Supreme Court's activity under the chairmanship of Warren Burger.

The combination of all these factors engendered many articles in the American press, which summed up the results of the past decade and analyzed the Supreme Court decisions of the 1970's that characterized the political features of the court and have influenced processes occurring in American society today.

Although various opinions were expressed, the American journalists agreed on one matter: With each session the Supreme Court broadens the sphere of its influence in national life and this is precisely why its activities and the workings of the entire judicial machine are still a central concern of political forces. The Republican campaign platform, for example, openly declared the Reagan Administration's intention to appoint only judges "who respect and reflect the ideals of the American people and whose judicial philosophy is distinguished by the deepest respect for the rights of law-abiding citizens."³ These vague and seemingly admirable phrases actually signify only that the administration feels that the single correct judicial policy today is one which embodies the conservative creed: the enforcement of "law and order" by harsh methods and the protection of the ideals and foundations of Americanism from the destructive influence of liberals of all types.

We should mention in passing that this was the first time in the entire history of U.S. presidential elections that the platform of one of the two leading bourgeois parties so frankly stated the intention to form an "independent" judicial branch according to standards acceptable to the administration. In addition, the Republican platform proved that bourgeois politicians in today's America are more likely to consider the possibilities inherent in the judicial branch in general and the Supreme Court in particular when they plan their strategy and tactics.

But what are these possibilities? And why should a judicial institution which is intended, in principle, to settle only narrow "points of law" be of greater interest to politicians with each year?

"We are the Supreme Court and we can do what we want,"⁴ Warren Burger once said when he was arguing with one of his colleagues about the interpretation of a state law.

Burger's statement might seem too bold and exaggerated. Nevertheless, he was not completely wrong: The highest judicial body in the United States has much more power than corresponding bodies in other capitalist countries. The fairly broad influence of this court in the political life of society stems from the peculiarities of the American power structure.

In principle, the Supreme Court is the highest federal court of appeals.

The real power of the court, however, derives from the fact that in addition to being the court of last resort, it performs the function of constitutional review--that is, judicial supervision of the correspondence of legislative and administrative acts to the U.S. Constitution. This actually means that any law passed by the U.S. Congress or a state legislature, any action or any document of an executive agency at any level can be overturned by the Supreme Court.

It is significant, however, that the Supreme Court does not oversee the legislative and executive branches in general, but only when specific cases are submitted to it for a ruling. As Professor B. S. Nikiforov wrote, this court "decides not only the fate of a case on the basis of law, but in certain cases also the fate of the law--it decides whether it is constitutional--on the basis of the specific case."⁵

It is interesting that the workings and framework of the judicial body's supervision of executive and legislative branch activity was not envisaged in the U.S. Constitution: The power of the judicial branch to determine the "decisive and final" interpretation of the Constitution was first declared in 1803 and was painstakingly substantiated by the Supreme Court itself.⁶ By assuming the "exclusive privilege" to interpret the Constitution and, on this basis, to declare legislative and executive acts invalid, the Supreme Court laid the foundation on which its power and influence rest to this day.⁷

When the Supreme Court interprets the Constitution, it invests its fairly broad and general statements with specific meaning, but this meaning changes constantly under the influence of socioeconomic factors, the balance of political power, the general strategic aims of the state and the foreign political situation.

During different periods of American history, the policy of the Supreme Court as an institution of the bourgeois government has acquired different nuances.

After the Civil War of 1861-1865, it made decisions which paralyzed some of Congress' attempts to secure the rights of the freed slaves by legislative means. In 1883, for example, the "great" as American historians refer to it, "Civil Rights Act of 1875," prohibiting discrimination "on the basis of race or color" in public places and in recreational and entertainment facilities, was declared unconstitutional. The Supreme Court ruled that this law contradicted the 14th Amendment because this amendment declared guarantees of legality (within the framework of "due process of law" and "equal protection of the laws") on the part of state government bodies, but supposedly does not prohibit discrimination on the part of private individuals.⁸

The Supreme Court's class positions as a protector of the capitalist system were clearly revealed in the ruling on the Lochner case in 1905. The court overturned a New York State law stipulating the maximum working day in bakeries on the grounds that this kind of law "unconstitutionally" limits the right to "buy and sell labor, which is part of the freedom protected by this amendment," and restricts the "freedom of the employer and laborer to agree on hiring conditions."⁹ The democratic--at least potentially--demand for legality within the framework of "due process of law" acquired a sinister meaning in the Supreme Court's interpretation: The freedom to exploit hired labor was declared "duly legal" and constitutional. This decision marked the beginning of the "Lochner era" in Supreme Court

history: From that time until the middle of the 1930's the court overturned around 200 different acts aimed at government regulation of economic relations because they allegedly restricted the constitutionally secured "freedom" of employers.¹⁰ During the first years of President F. Roosevelt's "New Deal," the Supreme Court actually blocked the administration's bourgeois liberal economic reforms by declaring its legislative measures to overcome the severe crisis in the American economy unconstitutional.

The position taken by the judicial branch with regard to constitutional matters has always reflected the balance of political forces (in the society in general and the ruling class in particular), has served as an indicator of societal changes and has simultaneously made its own changes in the development of social and political processes within the framework of the capitalist system. In the 1960's, for example, the Supreme Court, under Chief Justice Earl Warren, employed its judicial potential to promote some democratization of U.S. domestic policy: It strengthened the legal protection of minority groups, canceled some of the restrictions that had been imposed on communist party activities during the cold war and the wild outburst of McCarthyism and instructed courts and police departments to observe the legal rights of suspects and the constitutional bases of law enforcement.

Nevertheless, the activities of the "Warren court" fully met the standards of bourgeois liberal constitutionalism and fully revealed its limited and inconsistent character. After establishing, for example, the doctrine of fundamental human rights "implied" in the Constitution, the Supreme Court refrained from including socioeconomic rights (to labor, social security, medical assistance and housing) and did not use its constitutional power to protect the most elementary rights of citizens from the poorest strata, whose vital interests need more protection than the interests of others. Strictly speaking, the policy of the Supreme Court embodied the "classic" bourgeois concept of human rights, leavened with belligerent bourgeois individualism and distinguished by a conscious disregard for material guarantees of these freedoms and the maintenance of the abovementioned socioeconomic rights of citizens.

Another peculiarity of the Warren court's liberal policy was its tendency to transfer its judicial review of matters affecting human rights from politically touchy spheres to areas causing less of a threat to bourgeois interests. For example, the formally logical interpretation of the freedom of religion led to the extension of constitutional protection to Ku Klux Klan demonstrations;¹¹ the impressive arsenal of legal instruments accumulated in freedom of speech lawsuits was mobilized for scholastic exercises to determine the limits of "indecent" in pornographic publications; finally, the politically crucial aspects of the right of privacy were transferred to the area of disagreements over the constitutionality of...the use of contraceptives.¹²

At the same time, in a number of criminal cases connected with the interpretation of the Constitution, the Supreme Court established requirements protecting the legal rights of individuals against arbitrary practices by the police and prosecuting organs. However, have these new but quite elementary (from the standpoint of universal principles of justice) requirements actually hampered the police, as the advocates of a "tough" line in the fight against crime maintain?

The Supreme Court, for example, secured the suspect's right to refuse to testify and to use the services of a defense attorney and obligated the police to inform the suspect of these rights. When former Attorney General R. Clark commented on this decision and stressed that "many important individual rights are not secured by legal restrictions" in the United States, he wrote that "in some jurisdictions these requirements are generally ignored, and these constitute the majority; in others they are not observed in all cases; and in still others they are fulfilled incorrectly."¹³

The "liberal activism" of the Warren court--even in spite of all its inconsistency--was fiercely attacked by rightists, who accused the court of "catering to criminals." Under the Nixon Administration new justices were appointed, and these appointments were supposed to heighten the Supreme Court's ideological "vigilance" and revive the doctrine of the "strict," conservative interpretation of the Constitution. "This, however, was not being done with the aim of reviving the old, bourgeois democratic view of legality," Soviet researcher K. F. Gutsenko remarked. "This doctrine now had a completely different role to play."¹⁴

Our detailed analysis of this role and assessment of the activities of the present members of the Supreme Court, activities based on the doctrine of the "strict" interpretation of constitutional precepts, must be preceded by the reminder that, no matter whose interests the function of judicial review is supposed to serve, it is always an instrument of the strategic policy of a specific class and a weapon for the defense of its general political and economic interests.

American history provides numerous examples of the way in which the judicial branch, particularly the Supreme Court, has played the chief role in the resolution of conflicts whose public significance stemmed from their crucial political nature (and not their legal ramifications) and has sometimes had a tremendous effect on the course of political events. Racial integration in the schools, equal voting rights for blacks and whites, the "legality" of the war in Indochina, the constitutionality of the death penalty, the publication of classified government documents, the accessibility of higher education, the conditions and procedures of election campaigns and the legality of presidential actions¹⁵--these and many other politically and socially crucial issues have been considered by the Supreme Court in recent years and have taken on new aspects through the prism of its rulings. The U.S. courts can also make decisions on disputes connected with urgent international problems. In October 1980, for example, a federal court in New York ruled that the administration's "freeze" on 8 billion dollars of Iranian capital deposited in American banks was legal.

During discussions of the Supreme Court influential role in the U.S. machinery of state, most American legal experts, political scientists and politicians will point out the paradoxical nature of a situation in which the activities of elected--and at least nominally accountable to the electorate--institutions of authority (Congress, the President and his staff, governors, legislative assemblies and local government agencies in the states) are overseen by a body which operates on the basis of obviously undemocratic principles. The Supreme Court consists of only nine individuals, chosen from the elite of the legal community and appointed to the court virtually for life;¹⁶ the justices are not accountable to anyone, cannot be recalled and do not have to be re-elected. Decisions are made by a

simple majority vote (this means that major points of law might be decided by five justices, with a majority of only one vote), and the decisionmaking process, in contrast, for example, to the legislative process, is concealed from the public by a veil of secrecy: Even the justices' aides cannot enter the conference room when the justices are meeting there. Sessions of the court are held in an atmosphere of ostentatious solemnity, archaic rituals are observed and no one is allowed to photograph the justices or bring television cameras into the room.

Who are these nine people entrusted by the government with supreme constitutional review?

The present members of the Supreme Court are W. Burger, the "chief justice of the United States," and eight "associate justices"--W. Brennan, B. White, T. Marshall, H. Blackmun, L. Powell, W. Rehnquist, P. Stevens and S. O'Connor.

The Constitution does not specify any requirements for members of the Supreme Court (for example, age, citizenship or residency), in contrast to the requirements stipulated for the president or for legislators. However, the members of the Supreme Court are always bound closely to the American political elite. President F. Roosevelt made an indicative admission of this fact in a letter to one of his supporters: The legal community from which members of the Supreme Court are recruited "never, under any circumstances, proposes a 'man of the people.' Nominees are always members of large law firms."¹⁷ And naturally, they express the dominant political ideology of their class and time.

It must be said that a Supreme Court justice is a prominent figure in the upper echelon of the U.S. power structure. This is due to the special role the Supreme Court plays in societal life and to the relative infrequency of court appointments. Suffice it to say, for example, that there have been 40 presidents in U.S. history, but only 15 chief justices.

Appointments to the Supreme Court take place every 22 months on the average. President Eisenhower appointed four justices, one was appointed by Kennedy, four by Johnson, four by Nixon, one by Ford and one by Reagan.

A definite stereotype of the Supreme Court justice has taken shape in the last decade. Prior to their appointment, most of them either held top-level positions in the Department of Justice, were federal judges or had a private practice in one of the large law firms serving the corporations. All of them are connected with influential political figures (presidents, presidential candidates, Supreme Court justices, senators and so forth) by professional bonds, friendship, school ties or career contacts. Some have assisted Supreme Court justices. Although the biographies of the Supreme Court justices sometimes contain colorful details (B. White, for example, was a professional American football "star"), they are more often distinguished by amazing similarities: rich privileged families, expensive prestigious universities (Harvard, Yale, Stanford), work in major law offices, courts and prosecutor's offices....

The personal status of the Supreme Court justice is quite solid: He is appointed for life and generally remains a member of the court until he dies or loses his ability to work; he can theoretically be removed from his position by Congress

through the impeachment procedure if he commits a crime or a serious breach of ethics, but this procedure has never been instituted against a Supreme Court justice in all of U.S. history.

The length of time the justice sits on the court, which usually totals 20-30 years, understandably heightens his personal prestige and the relative independence with which he performs his functions. The financial status of the Supreme Court justice is also quite good (his salary exceeds 60,000 dollars a year and can only rise). All of this leads to a situation in which he, a member of the "most elite institution of American Government," as American political scientists call the Supreme Court,¹⁸ can display relative independence in his work.

The executive branch is fully aware of the potential strength and actual capabilities of the judicial branch to influence the state of affairs in the nation and correct administration policy, and it does everything within its power to influence the court in the spirit of the current administration's policy. In view of the fact that the exertion of overt pressure on courts could have extremely negative judicial and political consequences, however, the executive branch employs legal means of programming court policy. One of these means is the President's constitutional power to nominate and, "with the advice and consent of the Senate," appoint members of the U.S. Supreme Court and lower federal courts. Of course, each nomination is the product of a selfish political choice by the administration, a result of its desire to introduce desirable elements into judicial policy by appointing "its own" man.

The executive branch's political selfishness in the appointment of judges has two important aspects--tactical and strategic.

The first demonstrates the administration's hope of securing support for its current policy. The President and his advisers expect the judges he appoints to adhere to a specific line which will allow the party in power to conduct its policy without any fear of interference by the judicial branch.

This is why President F. Roosevelt was trying to do when he put forth his Supreme Court "staffing plan." Incensed by the obstructionist policy of the court, Roosevelt decided to restructure it and began in secret to work out this plan, which envisaged a rise from 9 to 15 seats on the "high bench." The additional positions were naturally supposed to be filled by the President's appointees and supporters. The plan died in Congress: The legislators did not want to change the traditional quantitative structure. But Roosevelt had good luck in another area: From 1937 on, he filled nine vacancies on the Supreme Court when one after another was created by the retirement or death of a justice.

Richard Nixon was also guided by the tactical considerations of party policy when he chose candidates for federal court positions. His administration, which attached tremendous significance to the judicial support of its tough line of strong "law and order," took advantage of the vacancies created at that time by appointing supporters of the conservative ideology to the Supreme Court.¹⁹

The Department of Justice under the Reagan Administration issued an official notice that candidates for federal benches would be chosen only from among the persons nominated by Republican senators.²⁰ It is a well-known fact that when

presidents appoint judges they seek advice only "from the narrow segment with its own strong interest in the functioning of the judiciary."²¹ This "segment" consists mainly of the U.S. attorney general, senators, the judges themselves and the American Bar Association, which unites the elite of the legal community.

The second, so to speak, strategic aspect of this choice consists in the fact that it must influence judicial policy for a long time, far exceeding the current administration's term in office. Consequently, new members of the Supreme Court must be entrusted with the fate of this court in the years ahead.

Presidents are not always pleased with their choice. The most eloquent example was the appointment of E. Warren, former governor of California, as the chief justice of the Supreme Court, which President Eisenhower later called his "biggest damned-fool mistake."²² What happened was that, at the Republican Party convention in 1952, E. Warren delivered the deciding votes which made D. Eisenhower the Republican presidential nominee and, for this reason, after Eisenhower won the election he repaid Warren by appointing him chief justice. However, the President did not expect a person who was fairly conservative in the past to become the leader of one of the most reformist courts in all of U.S. history and to even be known as a liberal in the right wing.

Whether the head of the executive branch thinks in tactical terms or is concerned about the longer-range effect on the system of federal justice, certain political considerations lie at the basis of each appointment.

Last year, for example, President Reagan appointed Sandra Day O'Connor to the Supreme Court to replace the retired P. Stewart. This was the first time in U.S. history that a woman took a spot on the "high bench." O'Connor's biography completely meets the criteria of this privileged office,²³ but her personal ideology is not quite what one would expect from a person appointed by the extremely conservative Ronald Reagan. In 1974, for example, she proposed a referendum on the equal rights amendment in her state; incidentally, this proposal was buried somewhere in the committees of the Arizona legislature. That same year, along with eight Arizona State senators, S. O'Connor opposed a bill banning abortions in state hospitals. These incidents provided sufficient grounds for ultra-rightwing organizations (like the "Moral Majority") to call her a liberal and object to her appointment.

When President Reagan was choosing a new Supreme Court justice, however, he was guided by broader political considerations than, for example, the desire to please the Right.

First of all, the democratic public had long wanted a woman to be appointed to the Supreme Court, and the women's rights movement of recent years had turned this appointment into an absolute demand. In this sense, Stewart's voluntary resignation was lucky for Ronald Reagan because it gave him a chance to make the appropriate gesture to please the women's movement and to also cite this action as proof of his "objectivity" and included among his political assets. Furthermore, if Reagan had chosen an individual with frankly conservative views, this could have led to undesirable accusations of overt attempts to hitch the Supreme Court to

the conservative engine; therefore, Reagan also displayed political farsightedness in this respect.

On the other hand, hearings in the Senate Committee on the Judiciary indicated that O'Connor takes a "moderate-conservative" stand on the majority of legal issues; according to some reports, she is an "iron lady" who judges cases on the basis of a "strict" and restrictive interpretation of the Constitution.²⁴ This is fully consistent with the conservative views of Chief Justice W. Burger and with Reagan's own views on the role of the judicial branch and the scales of constitutional review. Besides this, O'Connor's appointment will not disrupt the balance of forces within the Supreme Court, which has been in conservatism's favor since the Nixon era.

An analysis of the Supreme Court's activities in the last decade shows that the court filled with Nixon appointees did not undertake any abrupt revisions of the Warren court's decisions with regard to the legal guarantees of the system of justice (in recent years this sphere has been an arena of confrontation between democratic and reactionary forces). The reversal was gradual and not always noticeable: "The Supreme Court's direction of legal developments is now undergoing changes in style and in its fundamental features," the WASHINGTON POST remarked. "The change is slower and less explosive than the dramatic changes taking place in the White House and Senate, but it is nonetheless dramatic."²⁵

What has happened is that U.S. ruling circles have had to stop persecuting political dissidents on the basis of the discredited laws that were found to be scandalously inconsistent with constitutional political freedoms and started to employ ordinary criminal laws, portraying political activists as "common criminals." The principles formulated in the 1960's by the Warren court with regard to the criminal prosecution procedure have naturally interfered with the attempts to update punitive policy. In the 1970's the Supreme Court gradually divested these principles of most of their meaning and restricted their application. Michigan State University Professor Y. Kamisar said in this connection: "When you read the Burger court's decisions in the area of criminal law, you have the feeling that you are watching an old movie backwards."²⁶

For example, the Supreme Court allowed prosecutors to discredit an accused person by submitting evidence in court that has been obtained by the police illegally and sharply limited the opportunities of individuals whose legal rights have been violated by state authorities to take their cases to federal courts. The Supreme Court also denied the accused person's right to have defense counsel present at some investigative proceedings, gave the police more authority to conduct searches without warrants--at the police-instigated "consent" of the suspect, restricted opportunities for the actual implementation of the principle of presumed innocence and limited the right of low-income accused persons to free legal counsel.

With references to the need to maintain the "normal" conditions of police investigations and court proceedings, the Supreme Court established the right of the police to freely conduct searches of editorial offices for possible evidence, and the court can compel editors and reporters to reveal confidential sources of information or to divulge the specifics of the editing process (the intentions of authors,

the discussions of rough drafts, etc.). The American press quite justifiably regards these orders as restrictions on freedom of speech and the press, camouflaged by concern about the effectiveness of the police and court system in the fight against crime. A committee of journalists defending the freedom of the press stated that the Supreme Court had thereby denied the editorial process constitutional protection and had put the thoughts and opinions of journalists under coercive judicial control.²⁷

In reference to the activities of the "Burger court" as a whole, the abovementioned Woodward and Armstrong had the following to say about the legal "merits" of its decisions: "Judges make pragmatic rather than principled decisions, they shade the facts, twist the law and warp logic to reconcile the unreconcilable. This is not at all what we expect from the Supreme Court, this is the reality."²⁸

The court's "pragmatic" decisions were applauded, however, by the police and prosecutors, who saw them as a basis for stronger and broader punitive capabilities. It is possible that Nixon's appointees could lend a conservative tone to Supreme Court decisions for many more years. Richard Nixon's name would have gone down in the history of American law and justice even if he had never done anything else than appoint four conservatives to the Supreme Court, thereby turning the highest court in the nation into a mechanism capable of "serving the needs of the policy being conducted today and the policy planned for tomorrow by specific circles of the American bourgeoisie."²⁹ Whereas in the beginning of the 1970's the first decisions of the Burger court signaled a conservative reorientation of its line under the influence of changes in national conditions, now it is obvious that this reorientation of the judiciary contributed a great deal to the obvious rightward shift in national politics. The future trend also seems clear: The ambiguity and vagueness with which the conservative essence of the Burger court's decisions is sometimes camouflaged can easily become, in the event of any kind of political conflict in the nation, more rigid and restrictive "explanations," with which rightwing forces will arm themselves in their attack on the democratic rights and freedoms of the American people.

The government of ancient Athens had an institution called the areopagus. This was one of the highest government bodies, invested with supreme judicial authority and extensive political powers: The limited membership of the areopagus could reverse the decisions of the popular assembly and call officials to account; its members were not replaced and were not accountable to anyone else. The Athenian aristocracy viewed it as a basis of support. The U.S. Supreme Court is something like this ancient institution: the same fairly broad opportunities to influence politics, the same small and permanent membership, the same veil of secrecy covering the decisionmaking process, the same practice of selecting judges from the privileged strata and the same absence of a higher authority. "We have given the right of the final decision to nine judges who are appointed for life and who are not accountable to any voters.... This is the great paradox of the American system,"³⁰ wrote famous journalist E. Lewis in the foreword to a book about the Supreme Court.

No matter how much bourgeois critics complain about this "paradox" of their democracy, they all share unshakeable feelings of respect for the Supreme Court as a government institution. American philosopher M. Cohen said the following about

the American attitude toward members of the Supreme Court and other judicial bodies: "A judge does not have this kind of colossal power and prestige in any other country.... It is a tradition to criticize the actions of all officials, including the president, and it is considered to be an act of supreme political intelligence and virtue to speak with contempt about the work of our legislators; but any disrespect for a judge is regarded as a clear lack of patriotism."³¹ It is interesting that in the present atmosphere of the general crisis of public faith in political institutions, Americans' feelings about the Supreme Court, as public opinion polls testify, are less negative than their feelings about the presidency, Congress or the two leading U.S. parties.³²

These feelings are the unavoidable product of the intense ideological brainwashing of the public to cultivate the myth about the "supra-class nature" and political "objectivity" of the bourgeois court. The bourgeoisie needs this myth to strengthen the prestige of the judicial branch, and ruling circles have a direct class interest in the preservation of this myth. The U.S. Supreme Court is one of the supporting pillars of the American political elite (regardless of such variables as the personal characteristics of its members or the ideological implications of its decisions) and an extremely important political institution which ensures the overall stability of the bourgeois system of justice and reliably guards the legal foundations of capitalism with all of the means that are accessible and suitable under specific political conditions.

FOOTNOTES

1. B. Woodward and S. Armstrong, "The Brethren. Inside the Supreme Court," New York, 1979, p 1.
2. U.S. NEWS AND WORLD REPORT, 12 October 1981, p 44.
3. CONGRESSIONAL RECORD, 26 September 1980, p S13636.
4. B. Woodward and S. Armstrong, Op. cit., p 61.
5. B. S. Nikiforov, "The U.S. Supreme Court: From Earl Warren to Warren Burger," SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, No 6, 1971, p 44.
6. In the decision on Marbury v. Madison, 5 U.S. (1 Cranch), 137 (1803).
7. By the end of the 1970's the Supreme Court had repealed (completely or partially) more than 100 congressional laws, 900 provisions of state laws and constitutions and 100 municipal ordinances ("The Constitution of the United States of America. Analysis and Interpretation," 1978 Supplement, Washington, 1979, pp S275, S291, S293). It is interesting that the institution of judicial review remained a purely American phenomenon for almost a century and a half and was only adopted (in a more regimented form) by the FRG, Italy, Japan and some other capitalist countries after World War II.
8. "Civil Rights Cases," 109 U.S. 3 (1883).

9. *Lochner v. N.Y.*, 198 U.S. 45 (1905).
10. G. Gunther, "Cases and Materials on Constitutional Law," Mineola (New York), 1975, p 565.
11. *Brandenburg v. Ohio*, 395 U.S. 444 (1969).
12. *Griswold v. Connecticut*, 381 U.S. 479 (1965).
13. R. Clark, "Crime in America," translated from the English, Moscow, 1975, pp 179, 180.
14. K. F. Gutsenko, "Ugolovnaya yustitsiya SShA" [Criminal Justice in the United States], Moscow, 1979, p 86.
15. The political potential of the court was quite clearly demonstrated in the constitutional crisis over the Watergate affair: After considering the legal arguments regarding the permissibility of using tape recordings of the President's conversations as evidence, the Supreme Court made a decision whose ultimate political result was President Nixon's resignation.
16. President Roosevelt once called this court a gathering of "nine old men" who, by blocking his reforms, "had gone too far in the defense of private property against the wishes of the voters" (K. Deutsch, "Politics and Government," Boston, 1970, p 252).
17. Papers of F. Frankfurter, Library of Congress, Manuscript Division, Container 213, File 003961; Container 256, File 004322.
18. See, for example, T. Dye and H. Zeigler, "Irony of Democracy," Monterey (California), 1981, p 399.
19. These are the "moderate" conservatives L. Powell and H. Blackmun and two others with clearly conservative views--W. Burger and W. Rehnquist.
20. "Judicial Selection Procedures," Memorandum, Office of the Attorney General, Washington, 2 March 1981.
21. R. Scigliano, "The Supreme Court and the Presidency," New York, 1971, p 89.
22. THE NEW YORK TIMES MAGAZINE, 7 September 1969, p 31.
23. Sandra O'Connor is 51 years old. She comes from a rich family with millions in capital. She graduated with honors from the law school of prestigious Stanford University and then spent a few years in a lucrative practice, served as a legal counsel in the Army and worked in the civil service--she assisted the attorney general of the State of Arizona in 1965-1968, was elected to the Arizona Senate in 1969 and was then re-elected to this body, where she became the majority leader and the first woman in the country to hold this kind of position in 1973-1974; O'Connor exchanged her seat in the

state senate for the bench of a state judge, and in 1979 the governor appointed her to the Arizona Court of Appeals.

24. CONGRESSIONAL QUARTERLY WEEKLY REPORT, 11 July 1981, pp 1234-1235.
25. THE WASHINGTON POST, 1 March 1981.
26. THE NEW YORK TIMES MAGAZINE, 11 November 1979, p 27.
27. See, for example, THE NEWS MEDIA AND THE LAW, May-June 1979, p 2.
28. B. Woodward and S. Armstrong, Op. cit., p 442.
29. B. S. Nikiforov, "New Appointments to the U.S. Supreme Court," SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, No 5, 1972, p 64.
30. A. Bickel, "The Supreme Court and the Idea of Progress," New Haven (Connecticut), 1978, p vii.
31. M. Cohen, "The American Mind," translated from the English, Moscow, 1958, p 173.
32. J. Dennis, "Public Support for American National Political Institutions," International Political Science Association, Washington, 1979, Fig 2 (App).

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JOINT CHIEFS OF STAFF IN U.S. MILITARY-POLITICAL SYSTEM

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 6, Jun 82 (signed to press 17 May 82) pp 42-48

[Article by G. V. Trukhanovskiy]

[Text] This is a posthumously published work by a young and talented scholar, Grigoriy Vladimirovich Trukhanovskiy, scientific associate of the Institute of U.S. and Canadian Studies, who lived only 28 years.

The Joint Chiefs of Staff (JCS) occupy a prominent place in the system of U.S. government military agencies. The JCS advise the President and the Defense Department on professional military matters. Besides this, they are responsible for operational-strategic planning, including the preparation of strategic plans and the general supervision of the armed forces, the creation of combined commands and the compilation of plans for interaction by branches of the armed services.

The JCS not only play an extremely significant role in U.S. military policymaking but also have considerable influence--direct and indirect--in foreign policymaking, representing militarism's chief mouthpiece.

What is the structure of the JCS, what is their connection with other government agencies and by what means and through which channels do they influence military and foreign policy?

Some History

The predecessor of today's JCS was a committee called the Combined Chiefs of the U.S. Armed Forces, formed in the first months after the United States entered World War II (at the beginning of 1942) as the chief military body under the supreme command of President F. Roosevelt. It was part of the American-British Combined Chiefs of Staff and it existed until 1945.

The National Security Act of 1947 envisaged the restoration of the JCS and defined its purpose (military defense direct headquarters). The committee was made up of the chiefs of staff of three branches of the armed services--the Army, Navy and Air Force. In the beginning there was no chairman of the JCS. It was assumed that his functions would be performed by the secretary of defense. In accordance with

law, JCS members were appointed by the President with the consent of the Senate for a 2-year term. The President had the right to extend the powers of each chief of staff for another term.¹ The JCS later underwent several reorganizations (the most significant were in 1949, 1953, 1958 and 1967), aimed primarily at weakening the ties which kept each chief of staff concerned primarily with the interests of the branch he represented. There was a simultaneous reinforcement of the functions of the JCS as the President's main advisory body. The institution of the office of JCS chairman in 1949 was of particular significance in this respect. This made the JCS leadership more centralized. The chairman was relieved of all other duties; he became something like a connecting link between the chiefs of staff and the civilian secretary of defense.²

The defense secretaries of each American administration have tried to gain stronger control over the JCS, requesting the chiefs of staff to cooperate more closely with the Department of Defense and to coordinate their recommendations and budget requests with the strategic aims of the U.S. political leadership. The attempts made by the civilian heads of the Pentagon to establish complete control over the JCS have generally aroused objections from militarists in the U.S. Congress,³ who view them as a warning that the role of this body could be reduced and it would be unable to express the interests of the military-industrial complex effectively enough. The military-industrial complex' spokesmen have tried to counter reorganization measures aimed at making the JCS an obedient tool of the administration with their own "innovations," so that members of the JCS will continue to defend the interests of the military elite. One was the legislative stipulation of their right to give testimony in the U.S. Congress, which later became an important channel of influence for the military-industrial complex.

There are now five members of the JCS: the chairman, the chiefs of staff of the Army, Air Force and Navy (called the chief of naval operations in the United States) and the commandant of the Marine Corps. The position of JCS chairman is the highest military office in the United States and has been occupied by representatives of three different branches of the armed services; no representative of the Marine Corps has ever headed the JCS as yet.

By law, the President has the power to decide which branch of the armed forces the next chairman will represent. In military circles it has often been suggested that it would be best to appoint a chairman from a different branch each time. This was the practice under President Eisenhower, but J. Kennedy and L. Johnson preferred to appoint only generals of the Army to serve in this position. President Nixon returned to the practice of alternating between branches of the armed forces, and this trend continued until President Carter chose as Air Force General G. Brown's successor another representative of the Air Force, General D. Jones, who retained this position after the change of administrations in 1981. The second 2 years of Jones' chairmanship of the JCS will be up on 30 June 1982. His successor has already been announced in Washington: 59-year-old General J. Vessey of the Army, who is now the deputy chief of army staff. Correspondents have noted that this will be the first time in the entire history of the JCS that the chairman will be (if the Senate approves the nomination) the deputy chief instead of the chief.

There is good reason why military circles are particularly concerned about the specific branch of the armed forces whose representative will head the JCS. The

chairman holds conferences with the heads of the three main branches and the Marine Corps, where their views are coordinated for submission to the President. The JCS chairman is the President's military adviser on the main issues of the day. Experience has shown that the chairman uses his capabilities and influence to acquire larger appropriations for the particular branch of the armed forces whose staff he headed prior to his appointment.

In addition, it must be said that the members of the JCS, who are also the chiefs of staff of the branches of the armed forces--and, in this capacity, they are subordinate to their own secretaries--and the personnel of JCS departments representing various branches "do not forget" the interests of their "own" branch either. They come from these branches to serve temporarily on the JCS and they must return there after the end of their 3-year term.

The members of the JCS perform the functions assigned by law to the JCS: First, they serve the President, National Security Council and Congress as their main advisers on military matters; second, they perform staff functions in the chain of operative command from the President, acting as the commander-in-chief, and the secretary of defense to the combined and special commands, work out strategic plans, take care of the strategic management of the armed forces, including the supervision of operations conducted by the heads of combined and special commands, compile mobilization and rear support plans, examine and approve the plans and programs of the branches of the armed forces and the combined and special commands, inform the defense secretary of their ideas about military needs and strategic objectives, which should be used as a guide in budget planning, and their ideas about military aid to foreign states and research programs, ensure military representation of the United States in international organizations and military blocs and pacts and work out the principles of combined operations and the combat and operational training of troops.

The working organ of the JCS is the Joint Staff. The law stipulates equal representation of branches of the armed services in this organ, and the Marine Corps has been assigned 20 percent of the Navy's quota. The personnel of the Joint Staff cannot exceed 400 officers, who are sent here from their branches for a term of no more than 3 years. The staff is headed by a chief, appointed by the JCS chairman with the consent of the other JCS members and the defense secretary; it consists of four agencies: intelligence (J-2), staffed by researchers from the Department of Defense Intelligence Agency; operational (J-3); rear services (J-4); and planning and policy (J-5).

The JCS personnel also perform administrative, analytical, managerial and purely political functions which are not part of the duties of the Joint Staff. These functions are performed by divisions, directorates and special groups, which were created to surmount the limit of 400 officers set by Congress for the staff. The Joint Staff and these divisions, directorates and groups constitute the so-called staff organization of the JCS.

At the beginning of 1982, more than 1,300 people were employed in the JCS organization, whose composition and structure are periodically changed. The organization includes the group representing the JCS at strategic arms limitation talks and the talks on mutual armed forces and arms reduction in Central Europe, the group

representing the JCS at the Conference on the Law of the Sea, an administrative directorate, a JCS secretariat, an automation agency and a research, analysis and games agency. Besides this, three of the ten Department of Defense agencies are under the jurisdiction of the secretary through the Joint Chiefs of Staff: the Defense Communications, Nuclear and Mapping agencies.

The work conducted by the JCS organization is supplemented by the work of the staffs of the three branches of the armed forces. Each branch has its own staff of 2,200. In addition to managing its own branch of the armed forces, each staff works closely with the JCS. It takes instructions from the JCS and prepares documents employed by the secretary in his weekly report to the JCS.

Channels of Influence in Policymaking

The JCS not only play an extremely important role in making and carrying out the military policy of American imperialism, but actually take an active part in determining some of the major guidelines of U.S. foreign policy, reflecting the interests of the military-industrial complex on the highest level of government.

After a change of administrations the chiefs of staff inform the new administration of the state of major military affairs in detail. These contacts with the head of the executive branch and commander-in-chief are not limited. Both the chairman of the JCS and the members have direct access to the President at any time.

The JCS can inform the President of their views on various military matters and aspects of military policy through the secretary of defense. The secretary is in frequent contact with the chiefs of staff and keeps an eye on their actions. Since 1959 the secretary has traditionally attended one of the three JCS meetings held each week. Besides this, the JCS send many documents on various matters to the secretary of defense and his staff.⁴

The chiefs of staff are directly involved in foreign policymaking through the NSC as well, because the JCS chairman is one of the National Security Council's advisers. They also participate actively in the work of NSC operational bodies and various committees and subcommittees.

The JCS are also in close contact with the U.S. Congress. This contact usually takes the form of hearings in the Senate and House committees on the armed services and appropriations, where most of the legislative branch's work in the area of military policy and military organization is concentrated. Besides this, the chairman of the JCS and the chiefs of staff usually have various types of personal contacts with senators and congressmen, to whom they deliver confidential and often tendentious information about military matters. This aids in the formation of a congressional viewpoint that is in the interest of the U.S. military elite.

The press is one important channel through which top-level military ranks influence the government and public opinion. Members of the JCS frequently write articles for the press on current issues in U.S. military and foreign policy. In addition to its officially published materials, the Pentagon also uses certain channels to provide the press with documents whose publication could influence public opinion (so-called "leaks"). Finally, even though the JCS have no right to criticize

presidential policy publicly, the retired generals and admirals connected with them often make criticizing comments to the press about administration behavior in the sphere of military policy and military organization.

Interrelations with the Civilian Leadership of the Defense Department and the White House

The JCS have had many conflicts with the civilian leadership of the Defense Department and the head of the executive branch over specific aspects of foreign and military policy. To some degree, the results of the conflicts are reflected in U.S. policy in these areas.

For example, relations between the JCS and the secretary of defense in the Kennedy and Johnson administrations, R. McNamara, were particularly strained. McNamara instituted a new system of budget planning and distribution which gave the political leadership additional leverage. Top-level military ranks objected as much as they could to the increasing influence of civilian personnel in the Pentagon's daily affairs. But their objections to the decisions of the secretary of defense (and the President backing him up) on basic matters of military policy and military organization were much more important.

The different approaches of the JCS and the civilian leadership of the Defense Department to the buildup of U.S. strategic nuclear potential were quite apparent in the 1960's. For example, the JCS insisted on the deployment of more than 3,900 new ICBM's by 1967; McNamara's closest advisers, on the other hand, unofficially set a ceiling of 1,000 Minuteman ICBM's, and even this was a gigantic leap. The civilian leadership of the Defense Department based its actions on instructions from the White House, which, despite its desire for strategic superiority to the USSR, had to also consider many other priorities and distribute budget funds accordingly. As a result, after heated debates in which the side of the JCS was taken by a group of senators closely associated with the military elite and military monopolies, the civilian leadership of the Defense Department won the upper hand. But the military establishment found ways of compensating to a considerable degree for the refusal to deploy more ICBM's by escalating the arms race in the qualitative respect, particularly by means of the more intensive development of independently targetable warheads for ICBM's.

Usually, however, the approaches of the JCS and the Pentagon civilian leadership have coincided. For example, there were almost no disagreements between NSC members and advisers when the U.S. aggression in Vietnam was escalated: Both military and civilian officials had the same views on the nature and scales of the use of military force against the South Vietnam National Liberation Front and the DRV.⁵

Relations between the JCS and the nation's highest political leaders were somewhat different under the Nixon Administration than they had been under Kennedy and Johnson. For example, when M. Laird, the Nixon Administration's secretary of defense, was a member of the House Appropriations Committee, he repeatedly criticized McNamara's institution of stronger civilian control over Pentagon activity. When he became secretary, Laird did much to restore the authority the JCS had lost under the two Democratic administrations.

When the American position on SALT I was being worked out, the White House encountered strong opposition from the JCS several times. The chiefs of staff demanded new military programs in exchange for their "support" (actually, their neutrality) of the 1972 SALT I agreements. In spring 1972, for example, the JCS demanded that the administration start "an energetic program for the improvement and modernization" of American strategic forces and "intensive research and development programs."⁶ Nixon and Laird satisfied the military establishment's requests.

Later, taking advantage of President Nixon's serious loss of influence as a result of developments in the Watergate affair, the military elite took the offensive in the area of strategic arms limitation. For example, before Nixon visited Moscow in summer 1974, the chiefs of staff and Defense Secretary J. Schlesinger put forth certain proposals regarding SALT which would, according to Nixon, have virtually broken off the talks if the American side had suggested them. The President rejected them and went to Moscow without a clear position on this matter.⁷

Interrelations between top military officials and the civilian leadership of the Defense Department were complicated again under the Carter Administration. This time the conflict did not break out over fundamental aspects of military policy but over the degree of control each side had over planning and decision-making. Defense Secretary H. Brown, a McNamara disciple, made a great effort to heighten the influence of the civilian link of the Defense Department in the process of making military policy decisions. For this purpose, he conducted several reorganizations and, in particular, created the office of deputy secretary of defense for policy matters and assigned more authority to the agency responsible for program analysis and evaluation (formerly the systems analysis agency). "By creating this new office," the NEW YORK TIMES reported, "Brown has obviously seized the military initiative in planning and programming and has put this work under civilian control."⁸

One significant change in the military planning mechanism was the modification of the budget compilation cycle. In accordance with a directive issued by H. Brown in September 1977, the compilation time for the JCS budget was reduced by lengthening the period of draft budget consideration by the Defense Department and the President. This reform gave the National Security Council and Office of Management and Budget an opportunity to take a more active part in the military planning process, which led, according to the military upper echelon, to several decisions made against JCS recommendations.⁹

Although the adjustments made by the Carter Administration in the military-political strategy worked out by the previous administration did not change the character of this strategy at all and did not affect the basic guidelines of military organization, they did result in the redistribution of budget funds among the three branches of the armed forces and thereby affected the interests of some segments of the military elite directly. The decisions made on the recommendations of Pentagon civilian analysts included the cancellation of the B-1 strategic bomber program, the revision of naval programs approved by President Ford and the decision (later countermanded under JCS pressure) to gradually withdraw American ground troops from South Korea.

In an attempt to clear the air in the interrelations between the civilian and military heads of the Defense Department, President Carter decided in 1978 to make

changes in JCS personnel. General D. Jones, chief of Air Force Staff, was appointed head of the JCS. Commenting on this appointment, the American press said that the highest military office in the country had been entrusted to a general who had invariably taken the administration's side in all matters of military policy that had led to conflicts between civilian and military Pentagon leaders. To a certain extent, this appointment helped the Carter Administration neutralize the JCS position during the hearings on the SALT II treaty in the Senate Foreign Relations Committee in summer 1979. Nevertheless, pointed criticism of the treaty's provisions was voiced by many retired members of the JCS in these hearings. For example, the statement by former JCS Chairman T. Moorer and former Chief of Naval Operations E. Zumwalt implied the complete "inconsistency of the SALT II treaty's provisions with U.S. national security interests." The treaty was also attacked in the testimony of General E. Rowny, former JCS representative at the SALT II negotiations.¹⁰ The Reagan Administration continued to encourage the rightward shift in U.S. foreign policy that had taken place during the last 2 years of Carter's term. The new administration placed emphasis on the comprehensive buildup of military strength and on the even quicker growth of military spending. Reagan's 5-year military program, for example, envisages almost 200 billion more in military appropriations than Carter's plan for the same period.

Secretary of Defense C. Weinberger has published a number of directives which give the military leadership much more extensive power to make decisions on military programs and military policy. He has enjoyed the resolute support of D. Jones, who has also planned several reorganization measures. In particular, he proposed an increase in the JCS chairman's staff in order to diminish the rivalry between representatives of different military departments.

Therefore, during the entire postwar period the joint chiefs of staff have had a significant effect on U.S. military policymaking and on the foreign policy of American imperialism. The main purpose of JCS activity has always been the protection of the interests of the professional military elite and of the industrialists who are closely connected with the military establishment and are growing rich on the arms race. It is precisely the Joint Chiefs of Staff who ensure the continuity of U.S. military-political strategy during a change of administrations. In some cases the JCS position has conflicted with the aims of the top U.S. political leaders, who must take the limitations imposed by economic, domestic sociopolitical and international factors into account in military and foreign policy.

As for the Reagan Administration, which has embarked on the massive buildup of U.S. military potential and the subversion of the SALT process, its position is converging more and more with that of the JCS.

FOOTNOTES

1. For more detail, see G. P. Mel'nikov, "The Joint Chiefs of Staff," SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, No 1, 1970.
2. L. Korb, "The Fall and Rise of the Pentagon: American Defense Policies in the 1970's," Westport (Conn.), 1979, pp 117-124.

3. Former President Eisenhower noted that an influential congressman, K. Vinson, who was chairman of the House Committee on the Armed Services in 1949, was a particularly vehement opponent of any moves in this direction (D. Eisenhower, "Waging Peace. 1956-1961," Garden City (N.Y.), 1965, pp 244-253).
4. L. Korb, "The Joint Chiefs of Staff. The First Twenty-Five Years," Bloomington (Ind.), 1976, pp 8-12.
5. See L. Gelb and R. Betts, "The Irony of Vietnam: The System Worked," Wash., 1979, p 277.
6. "Strategic Arms Limitations Agreements," Hearings Before the Committee on Foreign Relations, U.S. Senate, May 26, Wash., 1972, pp 70-71.
7. "The Memoirs of Richard Nixon," N.Y., 1978, p 815.
8. THE NEW YORK TIMES, 21 January 1978.
9. J. Canan, "Carter Moves in on Pentagon Budgeting," BUSINESS WEEK, 21 November 1977, p 55.
10. See "The SALT II Treaty," Report of the Committee on Foreign Relations, U.S. Senate, Wash., 1979, pp 146-154.

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U.S. POLICY IN CENTRAL AMERICA CRITICIZED

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 6 Jun 82 (signed to press 17 May 82) pp 73-77

[Article by P. G. Litavrin]

[Text] Tension continues to mount in the Caribbean and in Central America. The reason is Washington's increasingly aggressive treatment of its southern neighbors.

From the very beginning the Republican Administration has conducted a rigid, aggressive policy in this region. All of the discussions of "the development of democracy" and "human rights" are over. The military repressive regimes in El Salvador, Guatemala and Honduras have begun to receive tremendous amounts of military and economic assistance, and dozens of military advisers have been sent to El Salvador. Direct military threats have been addressed to Nicaragua, and CIA agents and saboteurs are being sent there on a broad scale. The spiteful anti-Cuban campaign has been intensified.

Experience has shown, however, that Central American problems cannot be resolved on Washington's terms by means of force and oversimplified formulas. "The United States is stuck in a situation which...is starting to resemble the situation in Vietnam, a no-win situation," TIME magazine remarked in a discussion of the results of the Reagan Administration's policy since January 1981.

In spring 1982 the Reagan Administration quickly allocated additional military aid to the Salvadoran junta to compensate for the loss of 55 million dollars' worth of combat equipment and planned to send it 100 million dollars in emergency economic aid. American ruling circles are considering the possibility of increasing El Salvador's dollar injections to 300 million dollars in fiscal 1983. At the same time, the number of American secret agents in Central America has doubled and more intense subversive activity is being conducted against Nicaragua--for which purpose the sum of 19 million dollars was allocated in the current fiscal year--and against Cuba. Thousands of Somoza's followers who left Nicaragua and mercenaries from other Latin American countries are being trained in Florida and within the territory of Honduras and Guatemala under the supervision of American specialists. Around 1,500 officers and sergeants of the Salvadoran armed forces are being trained directly in American military training camps. The most massive NATO naval maneuvers of recent years began in the Caribbean in March.

In El Salvador, the efforts of the United States and the military junta to smash the revolutionary liberation movement are failing. The movement is still developing and the struggle against junta troops is growing. Instead of representing the political success anticipated by the new U.S. Administration, El Salvador has turned into a political burden and a blind alley. In the United States, there is mounting skepticism about the administration's ability to "stabilize" this country and the growing fear that El Salvador will turn into "another Vietnam" for the United States. Congress passed a resolution in fall 1981, limiting the administration's ability to involve American armed forces in events in El Salvador; the scandal over the participation of American advisers in the hostilities demonstrated the U.S. public's negative response to the prospects of the country's involvement in an armed conflict.

The Reagan Administration has not obtained the necessary results in connection with El Salvador in the international arena either. The "white paper" on the alleged shipments of weapons to El Salvador from the USSR and Cuba was received with skepticism in the world. The aggressive U.S. line in Central America disturbs Washington's allies, especially France, the FRG and Japan. Furthermore, the recognition of the Salvadoran opposition as a "representative political force" by France and Mexico in August 1981 dealt a perceptible blow to Washington's position and had widespread international repercussions. These same countries have been increasingly insistent in proposing a dialogue between Washington on one side and Nicaragua and Cuba on the other. In February 1982 President J. Lopez Portillo of Mexico put forth a broad-scale plan for Central American regulation, offering his own services as a mediator.

Disagreements have arisen in Latin America and the rest of the world over the exact nature of the crisis in the region. Now that the growing tension in Central America is alarming the world public more and more, Washington has resorted to maneuvers in its Central American policy. Speaking in OAS headquarters on 24 February 1982, President Reagan put forth a plan for "broad economic assistance in the modernization" of the states of this region. In accordance with this plan, the United States announced the allocation of 350 million dollars in economic aid, primarily to the private sector in the Central American countries, the reduction of duties on their exports to the United States and the intention to develop trade with these countries and assist them in the scientific and technical sphere. Reagan's plan also envisages much broader activity by the Peace Corps in this subregion. As the President said, "861 volunteers are already there, and we will recruit new ones." The American plan for "modernization" has been supported by Canada, Venezuela and Mexico.

Reagan's plan, which was advertised as a "mini-Marshall Plan," represents an attempt to give some consideration to the demands of the Caribbean and Central American countries, particularly their demands for duty-free access to the U.S. market and for broader economic, scientific and technical assistance. The plan is also extremely limited and discriminatory, however. It cannot become a truly significant program in terms of scales or value. According to the majority of Latin American specialists, immediate U.S. economic aid to these countries should amount to a minimum of 4-5 billion dollars.

Commenting on the Reagan Administration's intention to support primarily dictatorships, Mexican President L. Portillo said that, in his opinion, the United States should solve problems in the region not by helping repressive regimes but, above all, by stimulating the economic development of the Central American and Caribbean countries and assigning priority to trade relations with these countries.

The cancellation of duties on goods from these countries is also an extremely limited measure (it does not apply to textiles and clothing). As Jamaican former Prime Minister M. Manley pointed out, it will apply to only 13 percent of Caribbean exports; the remaining 87 percent of the goods for which Ronald Reagan announced the "cancellation of duties" already had free access to the U.S. market.

Finally, this plan is obviously discriminatory because it excludes Cuba, Nicaragua and Grenada, since they do not have a private sector. Furthermore, in the case of the two latter states, the plan envisages the possibility of their inclusion if changes are made in their domestic policy.

Therefore, the administration has put forth a set of military, political and economic measures that are obviously intended to quell the revolutionary liberation movement in the region and strengthen the undemocratic regimes on which the administration relies.

At the same time, the U.S. Government announced that it would give "serious consideration" to the Mexican mediation plan. According to reports in the American press, however, U.S. officials were not particularly enthusiastic about the Mexican initiative and consented to consider the plan only under congressional and public pressure. Secretary of State Haig's meeting in the middle of March with Mexican Secretary of Foreign Relations J. Castaneda proved that Washington does not intend to give up its adventuristic policy in Central America and is not making an effort to set up any kind of serious talks with Nicaragua or with the political opposition in El Salvador. Furthermore, the facts testify that although the Reagan Administration has put forth plans for so-called economic aid to the Central American and Caribbean countries and has formally consented to the negotiation of the crisis in Central America, it certainly has not given up its plan to build up U.S. military presence in this region. In particular, the Pentagon is considering the use of naval forces and Marines to "protect U.S. interests" in Central America and the Caribbean. Washington has allocated 21 million dollars for the modernization and enlargement of its military bases in Colombia and Honduras without even consulting these countries. It is foisting a plan for the creation of regional "rapid deployment forces" on the Caribbean countries.

In addition to putting forth the program of aid to El Salvador and other dictatorships in the region, Washington suggested the organization of "elections" in Guatemala and El Salvador for the purpose of establishing the "legality" of these regimes, improving their internal and international positions and putting leftist forces outside the law by portraying them as "terrorists" who do not want to participate in the democratic process. The "elections" were also expected to influence the mood of part of the population, which is tired of violence, to win middle strata, part of the peasantry and the petty and middle bourgeoisie over to the government's side, split up the Salvadoran opposition, separate

moderate forces from the Revolutionary Democratic Front and partisans and contribute to their isolation.

Progressive forces in these countries refused to take part in the election farce. The absence of elementary freedoms and the atmosphere of terror turned the "elections" into a travesty of democracy. The actual worth of these "elections" was demonstrated by subsequent events. In Guatemala the "election campaign" turned into a war between the "candidates" and their supporters, and the "legal" president did not last for more than 2 weeks before he was overthrown by another military junta. In El Salvador the shotgun "elections" resulted in a fierce power struggle between rightwing groups.

It is indicative that the idea of these "elections" evoked a cool response even from the United States' European allies and that only Great Britain responded to the invitation to send observers to them.

The United States is now preparing for military actions of larger scales against partisans and leftist forces, enlisting the services of foreign troops to help "the legal government of El Salvador." What is more, the United States is not relying primarily on troops from Honduras or other puppet regimes of this kind, whose intervention could bring about an international conflict in Central America and the internal debilitation of these regimes, which must deal with their own problems, but on mercenaries and armed forces from such countries as Chile. The Latin American press has persistently stressed the possibility of the direct support of the junta by U.S. troops.

The spearhead of the Reagan Administration's aggressive policy has recently been aimed at Nicaragua. The hostile U.S. campaign against this country was intensified in the beginning of 1982, largely in connection with the failure of Washington's attempts to force the Sandinist leadership to accept U.S. terms for the normalization of relations between the two countries (talks were conducted for this purpose by Assistant Secretary of State for Inter-American Affairs T. Enders). The United States has made extensive efforts for the political and economic destabilization of Nicaragua. For this purpose, Washington is trying to put together broad-scale opposition in this country; in other words, it is organizing and supervising the activities of counterrevolutionary forces, including the creation of a "government in exile." Particular emphasis has been placed on the destabilization of the Nicaraguan economy and the denial of its request for international loans and credits. Finally, to create an atmosphere of tension, gangs of Somoza's followers are being sent into the country, diversionary acts against industrial facilities, bombings and political assassinations are being organized. The possibility of overt aggression has not been excluded either. According to the testimony of E. Perez Marcano, secretary general of the Venezuelan Movement of the Revolutionary Left and parliamentary deputy, his organization has reliable information about preparations for a military invasion that might be launched from the territory of Honduras or directly from Miami. Nicaraguan Ambassador to the United States F. Navarro has said that large U.S. military forces are being transferred to Costa Rica, Nicaragua's neighbor. In particular, he said, a detachment from the 293d Infantry Brigade, equipped with 24 helicopters, is already there.

The hostility of the United States, diversionary actions and the threat of American military intervention forced the Nicaraguan Government to declare a state of emergency in the country and address an appeal to the UN Security Council. The members of the Security Council expressed their concern about the extremely tense situation and called upon all countries to refrain from any kind of interference in the affairs of the Central American and Caribbean countries. A corresponding resolution, however, was vetoed by the American Government.

The United States once resorted to the same kind of tactics in Chile. It is not surprising that several American correspondents who have reported on the Reagan Administration's hostile campaign against Nicaragua and have mentioned that the President has authorized the CIA to conduct operations for the purpose of undermining the positions of the Nicaraguan Government, have described them as a "new link in the long chain of violence in the United States' treatment of its southern neighbors."

On the international level, the United States is trying to start conflicts between Nicaragua and its neighbors--Honduras and Costa Rica. With a view to Nicaragua's cordial relations with several Western European countries and with the Socialist International, the American leadership is striving to intensify the campaign of slander against Nicaragua, calling this country an "agent" of Cuba and the USSR and an "exporter of revolution."

At the beginning of this year, Washington again addressed strong threats to Havana. Throughout 1981 the Reagan Administration based its anti-Cuban policy on the accusation that the revolutionary liberation movement in Central America was supposedly "inspired by Havana and Moscow." Now that the groundlessness of this thesis has become apparent even to many Americans, U.S. propaganda is inventing new myths. For example, it is being said that the USSR and Cuba have more of an incentive to broaden the crisis in Central America than anyone else, because the Soviet Union allegedly needs to create "maximum difficulties for the Reagan Administration by involving it more closely in Central American affairs" and thereby, with the aid of "another Vietnam," returning the United States to the path of detente.

By fueling the war hysteria over the situation in Central America, Washington is getting mixed up in problems of its own making. It is still relying on bloody undemocratic regimes and does not want to give any consideration to the actual state of affairs in Central America or to the wishes of the people of this region.

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OPPOSITION TO REINSTATEMENT OF DRAFT EXAMINED

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 6, Jun 82 (signed to press 17 May 82) pp 77-78

[Article by T. V. Kuznetsova: "The Issue of the Military Draft and Public Opinion"]

[Text] The deadline set by the Reagan Administration for the registration of draft-age Americans was 28 February 1982.

Even before the law on registration went into effect,¹ antiwar organizations announced that they would fight against it. The Committee Against Registration and the Draft, representing a coalition of groups opposing compulsory military service, announced that it would organize protest demonstrations at the Republican and Democratic Party conventions and throughout the country. Young people demonstrated in American cities. In Washington, for example, 30,000 protesters demonstrated. Demonstrations were also held in New York and in other cities; in Cambridge (Massachusetts), for example, draft-age youth completely blocked the entrances to the Post Office to prevent others from registering. But this was only the beginning....

Public opinion polls testify that most young Americans have negative feelings about compulsory military service.² Antiwar feelings became particularly strong after the war in Vietnam; they are known to be the reason for Washington's transfer to volunteer armed forces. According to Roper data for 1974, 76 percent preferred a volunteer army to an army made up of draftees. In 1977, 79 percent of all respondents in the 16-24 age group gave a negative reply to the Gallup Institute's question "Do you believe that we should reinstate the draft?" and only 15 percent replied in the affirmative. In 1979, 70 percent were against the draft and 25 percent were in favor of it. In 1980 the number of young people with negative feelings about the draft had decreased somewhat under the influence of frenzied militaristic propaganda, but they still constituted the majority--57 percent--and the strongest opposition was found in the 13-18 age group, where 62 percent (as against 38 percent) did not support the draft. In 1981 the data of a summer Gallup poll indicated that the percentage of young people with negative feelings about the draft had risen again, to 67 percent, and that only 27 percent supported the draft.

Ronald Reagan took the dissatisfaction of young people into consideration during his campaign and obviously played up to youth by criticizing Carter's decision on registration in his campaign speeches, calling it a "meaningless gesture" and even

promising to abolish the act on registration. Soon after his inauguration, President Reagan reaffirmed his views on this matter at a press conference on 29 January 1981.

While the President continued to make verbal expressions of doubt about the expedience of the draft, the authorities continued to register young people and did not exclude the possibility that around 200,000 people would be chosen for compulsory service in the armed forces. In June 1981 President Reagan appointed a commission, headed by Secretary of Defense C. Weinberger, to study the issue of armed forces personnel for the purpose of determining whether the draft should be reinstated.

Up to that time, the current administration's position had not been precisely defined and recorded in legislation, and the act on the compulsory registration of draft-age youth was still in effect. Nevertheless, the number of persons registering in 1981 was much lower than the number in 1980, when more than 90 percent of the young men had registered. After Ronald Reagan took office, less than 70 percent of the 18-year-olds registered, which was even much slower than the 1973 and 1974 figures, although antiwar feelings were much more intense at that time.

At the beginning of 1982 President Reagan announced, contrary to his campaign promises, that he had decided to continue the registration of youth for possible military service. His decision was based on the recommendations of the President's commission on human resources and the Joint Chiefs of Staff.

The White House announcement led to a new wave of protest by organizations opposed to involuntary military service. The National Committee Against Registration and the Draft, which unites more than 60 local and national antiwar organizations, announced that a mass refusal to register would prove that young Americans realize that this procedure is part of Washington's preparations for large-scale military adventures abroad. The organizations opposing the draft declared the start of a permanent mass campaign, during the course of which rallies and demonstrations will be organized in every part of the country.

Contrary to the administration's expectations, neither its decision nor the reminders of authorities nor the threat of prosecuting had any effect on young Americans. According to the latest data, one out of every four young Americans has not registered at the prescribed time. The Department of Justice is faced with the task of prosecuting more than half a million young men. The Selective Service System has sent out more than a million cards to draft-age young men, reminding them of the need to register. Posters conveying the same message have been put up on college campuses, in athletic organizations and in places where young people congregate.

None of these measures, however, are having the desired impact. More and more draft-age Americans would rather take the risk of being prosecuted than serve in the armed forces, because, as past and present events testify, the Pentagon plans to use these forces not for the defense of the United States but for aggression against other countries and peoples.

FOOTNOTES

1. The Act on Registration went into effect in the United States on 21 July 1980. The registration requirement applies to young men born in a certain year. They must register within 30 days after their birthday. To do this, they fill out a special form in their local Post Office. In contrast to the system employed during the war in Vietnam, the people who register do not receive draft cards (the ones burned by young Americans as a sign of protest against the war). The refusal to register is punishable by a fine of up to 10,000 dollars or a prison term up to 5 years.
2. See E. G. Gigor'yev, "Recruiting Problems in the U.S. Armed Forces," SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, No 6, 1981, pp 64-71--Editor's note.

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IMPORTANCE OF GOVERNMENT CREDIT TO EXPORT TRADE STRESSED

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 6, Jun 82 (signed to press 17 May 82) pp 79-86

[Article by S. Yu. Savin: "Eximbank Today: Its Role and Objectives in the Competitive Struggle"]

[Text] Several changes have recently been made in the activities of the Export-Import Bank of the United States (the considerable growth of American export financing volume; changes in the nature and conditions of credits and guarantees; the reordering of credit priorities, and others). We should recall that Eximbank was founded in 1934 for the government financing of U.S. exports. It operates in accordance with a 1945 law which gave it the status of an independent government agency and which, with a few changes and additions, is still in effect. According to this law, the purpose of Eximbank is assistance in the financing of U.S. commodity exchange with other countries. In fact, however, financing extends only to exports of American goods and services.¹

This survey will describe the system for the government financing of U.S. exports to countries in the capitalist world and the competitive struggle between them. The author does not intend to analyze aspects of trade with the socialist states, but will simply point out that Eximbank is used widely as an instrument of political pressure in U.S. relations with these states. For example, as early as the end of 1974, when the opponents of detente became more active in the United States, Congress adopted the Jackson-Vanik amendment to the 1945 Act on Eximbank, in accordance with which the extension of new export credits to the USSR by this bank was made conditional upon various stipulations and requirements, representing nothing other than an attempt to interfere in the internal affairs of the USSR. An obviously discriminatory limit was set on these credits, in the amount of no more than 300 million dollars for 4 years. Under these conditions, the USSR naturally preferred to get along without them. Since that time, Eximbank's participation in crediting trade with the USSR has virtually ceased. By discriminating against the USSR in this area, anti-Soviet circles in the United States are hurting primarily their own country. According to the estimates of American experts, U.S. firms lost Soviet orders worth several billion dollars as a result of discriminatory laws.

A clearer understanding of Eximbank's present activities and the content and purpose of recent changes requires discussion of the overall situation in which they took place.

The development of inter-imperialist conflicts is now distinguished by more intense rivalry among government credit institutions of the United States, Japan, Canada and the Western European countries. The urgency of this matter is attested to merely by the fact that it has been discussed several times at the annual meetings of the heads of state and government of the seven largest capitalist countries, particularly the conference of the "big seven" in Ottawa in 1981.

V. I. Lenin noted that the tendency to use international credit to intensify exports is characteristic of imperialism.² In the last 10-15 years, credit in capitalism's international economic relations has become one of the decisive factors in the struggle for sales markets along with other elements of competitive potential, such as the quality and novelty of goods, prices, delivery dates, etc.

This is connected primarily with the rapid growth of international trade in machines and equipment and their rising prices. The proportion accounted for by these goods in world capitalist exports rose from 20 to 30 percent just between 1960 and 1980 and it is still rising. The financial resources of any client are now far below the necessary amount needed, for example, for the purchase of modern power engineering assemblies or aviation equipment: Their prices run to tens of millions of dollars. International credit solves the problem of providing the foreign importer with these resources.

Furthermore, private capital regards the extension of credit in large sums without government participation as an unprofitable and risky practice. The general trend toward the extension of international credit for longer terms restricts the possibility of financing exports only with the resources of private banking capital. Besides this, the overall instability of the capitalist economy and the constant economic, currency and political upheavals have made the sphere of international credit particularly vulnerable to all types of risks. All of this has necessitated government intervention in international credit relations.

Under these conditions, the bourgeois state has tried to create a more favorable investment climate for its private companies by serving either as a direct creditor along with banking capital or as a guarantor of export credits.³ Furthermore, since the second half of the 1960's there has been a tendency toward government intervention not only for this purpose, but also for the direct control of the price of credit.

In the first postwar years the United States was the only country extending government credit to stimulate national exports and giving economic support to other capitalist countries that had been debilitated by the war. The main recipients of American credit were the Western European countries and Japan. The basic Eximbank operation was the issuance of long-term direct credits--that is, credits extended by the bank directly to the importer of American goods, who would later repay (in dollars) the American supplier, and the supplier would pay the bank. This kind of credit was used to finance up to 50 percent of all American exports of machinery and equipment.

The restoration and reinforcement of Western European economic potential and the gradual abatement of "dollar hunger" led to a situation in which Eximbank began to insure and guarantee the repayment of credits for export goods in addition to

extending direct credit. The need arose to expand the bank's activity and increase export financing volumes in connection with the increasing size of the credit sphere and the group of recipient countries.

Suffice it to say that, between the time the bank was founded and the present, its total credit liability limit, established by Congress every 4 years,⁴ had increased more than 10-fold in current prices, which is illustrated in Table 1 (in billions of dollars, fiscal years):

Table 1

<u>1945</u>	<u>1951</u>	<u>1954</u>	<u>1958</u>	<u>1963</u>	<u>1968</u>	<u>1971</u>	<u>1974</u>	<u>1978</u>
3.5	4.5	5.0	7.0	9.0	13.5	20.0	25.0	40.0

Congress allowed a corresponding increase in bank operational limits for each fiscal year. As Table 2 illustrates, total operations (9.5 billion for 1 year) far surpassed even the general liability limit set in 1963 (for 4 years).

The financial backing of American exports to the Latin American and Asian countries accounting for up to 65 percent of all annual bank authorizations (see Table 3).

Table 2

Annual U.S. Eximbank Authorizations (in Millions of Dollars, Fiscal Years)

<u>Categories</u>	<u>1971</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>
Credit authorizations	2,362	3,813	3,489	1,221	3,425	4,475
Including direct loans	1,705	2,540	2,141	700	2,872	3,725
Export insurance and guarantee authorizations	3,035	4,502	5,131	4,379	3,951	5,016
Total	5,397	8,315	8,620	5,600	7,376	9,491

"Export-Import Bank of the U.S.A. 1979 Annual Report," Washington, 1980; "Export-Import Bank of the U.S.A. 1975 Annual Report," Washington, 1976. Later data have not been published as yet.

Table 3

Geographic Distributions of Eximbank Authorizations, %

<u>Years</u>	<u>Africa</u>	<u>Asia</u>	<u>Western Europe</u>	<u>Latin America</u>	<u>Canada</u>	<u>Other Countries*</u>
1977	11	26	25	31	4	3
1979	18	40	17	24	-**	1

* Oceania and other countries not named in the source.

** Less than 0.5 percent.

Source indicated in footnote on Table 2.

The most important spheres of Eximbank activity are direct loans and the insurance of credit export transactions. Until the beginning of the 1960's the first of these was limited to the extension of long-term and medium-term export credits. At that time, this practice met with the approval of the U.S. industrial companies dominating the world capitalist market and U.S. private banks, which did not experience any particular need for the joint financing of exports with Eximbank. Later changes in market conditions and the stronger competition put up by Western European and Japanese monopolies in the machinery and equipment market led to a situation in which the previous system ceased to be flexible enough under the conditions of longer credit terms and larger operational scales. Eximbank then began to encourage American private capital to engage in the medium-term and long-term financing of exports by participating in the extension of direct loans. The credits of Eximbank were still being used mainly to stimulate commodity exports within the framework of large contracts, particularly exports of power engineering, industrial and transport equipment. Eximbank credit is of particular significance in American exports of passenger planes. In 1979 and 1980 the bank financed around 50 percent of all these exports.⁵

The procedure for the extension of direct export credit is the following: The foreign purchaser of American goods pays from 10 to 20 percent of the price, private commercial banks in the United States cover from 30 to 55 percent and the rest is paid by Eximbank. The interest on Eximbank's share fluctuates (according to data for fiscal 1980) between 8.4 and 8.5 percent (on the average) with payments deferred for 10 years. Eximbank's share is repaid last, which heightens the convenience of this kind of credit for American private banks because their share is repaid first.

Another form of government intervention in export financing that is profitable for private capital is the insurance of credit (that is, its guaranteed repayment). Although it does not directly affect the economic interests of major U.S. financial institutions, it creates more favorable conditions for their activity in this sphere. With the aid of export insurance, the government solves one of the most important problems in its foreign trade--the guaranteed solvency of trade partners. For example, in the case of exports to developing countries, the need for guarantees is dictated by the interconnection of commercial and political risks. This, in turn, is connected with the fact that these countries, in their struggle for economic liberation from imperialist domination, frequently nationalize the property of American and Western European monopolies. Export insurance also plays an important role in U.S. trade with developed capitalist countries due to the dramatic growth of this trade and a number of different commercial risks.

Eximbank insures exports in the following manner. It offers the American exporter guaranteed compensation: up to 90 percent of the total contract sum in the event of nonpayment by the importer (commercial risk), and also up to 90 percent in the event of nonpayment for political reasons. Eximbank issues its guarantees jointly with the Export Credit Insurance Association. In cases of commercial risk, the association is independently liable for sums up to 150,000 dollars and jointly liable with Eximbank for amounts exceeding this sum.

An important factor increasing bank export insurance operations is the longer list of various types of risks. Whereas there were only a few types during the first postwar years, now there are several dozen. For example, in addition to the usual

commercial risks (customer insolvency, payment delays, etc.) and risks connected with acts of nature (floods, earthquakes, etc.), there are risks connected with political events and general economic factors (the cancellation of a previously issued import or export license by a government agency in the importing or exporting country, the institution of new import restrictions in the importing country, etc.).

The limit on Eximbank insurance operations is revised every 4 years, just as the credit limit. For example, whereas in 1976 Congress set a limit of 10 billion dollars, in 1978 it was 25 billion.⁶

The features of government participation in export financing differ in various countries. These differences are particularly apparent in direct loans, whereas insurance procedures are essentially the same everywhere. Consequently, the competitive struggle between state credit institutions in world markets is waged primarily in the sphere of direct export loans. The struggle generally revolves around the share of credit extended by the state, interest rates and repayment terms.

The price of export credit is known to depend largely on the interest rate, the commission (payment for bank services) and other fees. In order to stimulate exports, governments in capitalist countries have begun to offer their export credit at rates much lower than the interest rate in the national loan capital market, and sometimes even lower than the world average. Besides this, governments have begun to relieve their exporters of most risks. All of this gives the government the opportunity to lower the price of the export credit needed by the foreign purchaser, and eventually to lower the price of the export commodity. In this way, the government is instrumental in heightening the competitive potential of nationally produced goods. This is the reason for the intensification of the competitive struggle between the government financial institutions of the United States and other capitalist countries.

In an attempt to alleviate tension in the market, the capitalist countries belonging to the OECD concluded an international agreement on the principles of state export financing, which went into effect on 1 April 1978. This document set interest rate limits (minimum) and export credit terms (maximum) for various categories of borrowers (see Table 4).

Table 4

Per capita income of country, in thousands of dollars	Interest on medium- term credit (2-5 years), %	Interest on long- term credit (over 5 years), %	Maximum credit term (number of years)
More than 3	8.5	8.75	8.5
From 1 to 3	8.0	8.5	8.5
Less than 1	7.5	7.75	10.0

Data for 1 July 1980.

MIDLAND BANK REVIEW, Autumn 1980, p 25.

In an atmosphere of constant change in the capitalist balance of economic power and in various national and international conditions of competition, this agreement could not introduce actual uniformity into the system of state export credit. Above all, this is connected with various tendencies toward changes in bank interest rates in the capitalist domestic markets. For example, the government applies to private banks for long-term loans to acquire the necessary funds for the extension of export credit. The interest rates on these loans are not the same in all countries. In May 1981, for example, the interest on long-term government loans was 13.05 percent in the United States, 13.84 percent in England, 10.8 percent in the FRG, 16.89 percent in France, 19.08 percent in Italy and 15.28 percent in Canada, and only in Japan was the rate significantly lower--only 8.24 percent.⁷ The interest on export credit, on the other hand, must fall within limits set in accordance with the abovementioned international agreement--that is, from 7.75 to 8.75 percent (for medium-term and long-term loans). Consequently, a government extending export credit would bear losses equivalent to the difference between the interest rate in the domestic market and the export credit rate (for the United States this is the difference between 13.05 percent and 8.75 percent). In order to avoid these losses, each capitalist government (with the exception of Japan) must take funds out of the state budget to pay out large subsidies. In the United States the funds used for this kind of subsidization totaled around 600 million in fiscal 1980.⁸

The United States and several other capitalist countries turned out to be unable to pay these subsidies out of the state budget and had to raise the interest on export credit in order to reduce the abovementioned gap and reduce the subsidies. As a result, these interest rates (on the average) in June 1981 were 8.75 percent in the United States and from 9.25 to 10.25 percent in Canada and the FRG.

In the second place, the proportional amount of government participation in direct export credits differs from one capitalist country to another. In view of the fact that the private creditor charges higher interest for his share of export credit than the government, the total price of the credit decreases as the government's share increases (the general interest rate is derived by averaging the rate charged by the government and the rate of private banks). In the United States the government's share has been 66 percent on the average (ranging from 45 to 85 percent), while the figure is 70 percent in the FRG, 80 percent in Canada and 85 percent in Italy, England, France and Japan.⁹

Therefore, the smallest government share is found in the United States. This is one of the reasons why the United States is falling behind in the competitive struggle in this area, as this situation leads to a higher general interest rate than the rates of other countries. For example, the December 1979 figures for long-range export loans with government participation were 10.7 percent in the United States, 8.6 percent in England, 8.4 percent in the FRG, 8.3 percent in Italy and 8 percent in Japan.¹⁰ Consequently, by the end of the 1970's, the cost of export credit extended with Eximbank participation was more than 2 percent higher than the cost of the credit extended by America's chief trade rivals. This increased the demand for cheaper credit in Western Europe and Japan. American exporters began to lose multimillion-dollar orders for shipments of commodities to other countries (as a result of the inability of state export credit to compete in this market, American companies lost export orders for airplanes worth a total of 3.3 billion dollars just in 1975-1977).

At the end of 1979, Washington proposed a series of talks with the Western European countries. In particular, it asked its trade partners to raise the interest on state export credits and give these rates a free and flexible rather than strictly controlled nature so that the lever could change along with the interest rate on the domestic long-term government loans discussed above. The United States' partner-rivals, however, refused to accept the American terms.

Under these circumstances, President Carter decided to intensify and expand Eximbank activities in 1980. In order to stimulate exports, Congress began to increase the bank's annual credit authorizations considerably. Whereas in fiscal 1977 they were limited to 700 million dollars in direct loans, the figure was almost 2.9 billion in 1978, exceeded 3.7 billion in 1979, reached 4.1 billion in 1980 and was already 6 billion in 1981. This gave the American Government more opportunity to compete in the world capitalist credit market.

For example, in response to the practices of England and France, where the government's share of credit extended in "Aerobus" exports rose to 90 percent, Eximbank began to cover up to 90 percent of the credit extended in some cases involving Boeing-747 airplane exports. Here is another example. The Carter Administration announced that payments on direct Eximbank export loans would be deferred for up to 15-20 years (instead of the 10-year maximum stipulated in the international agreement).¹¹

The interests of American and French companies clashed in the fight for Argentina's order for railroad equipment. The French equipment was inferior in quality and cheaper, but the terms of French credit were more preferable on the whole than American credit terms (8 percent per annum) in comparison to a U.S. average of 9.5 percent), with payments deferred for 7.5 years. Eximbank then hastened to announce that it could extend credit for a 15-year term, instead of the 10 specified in the U.S. agreement with its partners (France had to extend the credit term by another 5 years in order to obtain the contract).¹² Eximbank used the same tactic to obtain export orders in Mexico, Gabon and the Ivory Coast.¹³

In addition to this, the bank began to assume a larger share of direct loans unconnected with aircraft exports in order to reduce the overall price of credit. Whereas its average share in fiscal 1979 was 66 percent, the figure was already 77 percent in 1980. The result was a slight improvement in Eximbank's competitive positions in world markets. Besides this, all of this led to a new and more frenzied round of competition.

For example, the Western European countries began to insist on their own plan for the modification of export crediting principles. It essentially called for the retention of the fixed interest rate, and this, as mentioned above, was absolutely unacceptable to Washington. These countries consented only to a negligible concession to Washington--they raised the interest on loans for the developing countries by 0.8 percent and the rate for developed capitalist countries by approximately 1 percent.¹⁴ To strengthen their own position, France, England, Sweden, Denmark, Japan and Canada began to extend particularly preferential export loans to the developing countries on a broader scale. This considerably restricted the competitive potential of the credit of Eximbank, which was not making extensive use of this crediting method. This kind of loan was extended for a term of up to 25 years

with interest of 3.5 percent per annum. In Canada, for example, a special fund of 750 million dollars was created for the extension of these loans.¹⁵

Eximbank, as a "self-funding" entity--that is, one which had to reimburse the state treasury for all of the funds it received--began to subsidize export loans with its own profits. Under these conditions, the profits from bank operations involving the financing of American exports began to decrease quickly. Whereas they totaled 159 million dollars in fiscal 1978, the figure was 110 million in 1979 and, according to bank Director W. Draper, by the end of 1981 there could have been a deficit if the previous practice of subsidizing credits had been continued.¹⁶

The threat of this deficit kept the Carter Administration from maintaining the previous scales of the competitive struggle and thereby forcing the United States' chief rivals to make concessions by reducing their own state export credit subsidies. The considerable intensification of Eximbank activity in the area of direct loans did not result in the anticipated expansion of American exports. For example, a dollar spent on the extension of direct loans has consistently yielded less in the form of export growth: 2.6 dollars in 1975, 2.3 in 1976, 2 in 1977 and only 1.6 in 1978 and 1979. This means that the return on funds allocated by the state to this bank decreased by more than two-thirds on the whole. The main reason is that Eximbank finances the export of goods which do not have enough competitive potential themselves in the world market.

As a result, the Reagan Administration had to deal with an extremely complex situation: On the one hand, the threat of the bank's insolvency and, on the other, the need to continue old forms of competition and seek new ways of competing with state credit institutions in Western Europe and Japan. At first, the administration believed that the solution lay in reducing Eximbank export crediting operations. In particular, in February 1981 it announced the reduction (within the framework of its general austerity program) of bank credit authorizations by 1.7 billion dollars in fiscal 1982--a drop from 5 billion to 3.3 billion. This kind of reduction, however, could severely harm the interests of large monopolies (Boeing, Lockheed, McDonnell Douglas and Westinghouse Electric)--the chief recipients of bank export loans. Giving in to their pressure, the Reagan Administration revised its original position: It left the bank's credit authorizations for fiscal 1982 (5 billion dollars) unchanged and started to reorder priorities in export financing. In particular, small businesses were given less export credit support. As W. Draper noted during congressional hearings, small business does not need support in the form of long-term credit due to its relatively narrow range of foreign trade operations. Later, in March 1981, the administration instituted a special 5-month moratorium on the consideration of new requests for Eximbank participation in the financing of American exports.

After the moratorium was canceled in August 1981, the American Administration, without awaiting the outcome of the talks on a new international agreement in the area of state export crediting, unilaterally made an official announcement that the United States would not adhere to the limits agreed upon in 1978 within the OECD framework in regard to interest rates and terms of export loans. It announced that Eximbank would raise the minimum rate on direct loans to 10.75 percent for all types of export commodities with the exception of airplanes. Furthermore, a new

type of fee will be collected on Eximbank loans, which should increase the interest rate by an average of another 0.5-1.0 percent.¹⁷

Washington was obviously able to take these measures because the United States, England, France and the FRG had concluded a special agreement somewhat earlier, in July 1981, on a higher minimum fixed rate of interest on state credit for aircraft exports. According to the new agreement, the Western European exporters of the "Aerobus" and the American exporters of similar-model planes would be extended credit at a rate of at least 12 percent. Therefore, the United States' partners consented to make a quite significant concession to the American side in this matter.

Due to Eximbank's increasing financial difficulties, however, the American Government had to make concessions to the Western European countries by agreeing to adhere to the principle of fixed rates of interest on government loans. This concession helped considerably in the conclusion of a new agreement by the 22 OECD countries on the establishment of new credit interest limits for all goods but airplanes. It went into effect in November 1981. Now the rates in the United States and the majority of other countries (with the exception of Japan and Switzerland) can vary depending on recipient categories within the range of 10-11.5 percent (instead of 7.5-8.75 percent).¹⁸

The American Administration's attempts to raise the interest rates on export credits signify that Eximbank will continue to offer comparatively more expensive credit in the near future, but with a longer deferment period. According to the estimates of American specialists, this policy could more than quadruple the bank's operational volume by the middle of the 1980's with no change in its self-funding status. Therefore, the current U.S. Administration's policy with regard to Eximbank is aimed at a search for ways of intensifying its activity for the purpose of stimulating American exports and giving big business stronger incentives to engage in foreign trade expansion. It is completely obvious that this will have a chain reaction and will ultimately result in the further intensification of "credit competition" in the West and the further development of inter-imperialist rivalry.

FOOTNOTES

1. For more about the history of Eximbank and its workings, see the survey by P. M. Malakhin in issue No 1 for 1974.

Japan and Canada have the same kind of government credit institutions. In the Western European countries, in contrast to the United States, Canada and Japan, the government generally intervenes in this sphere not by means of the use of special foreign trade banks, but primarily with the aid of other types of government and private banking organizations.

2. V. I. Lenin, "Polnoye sobraniye sochineniy" [Complete Collected Works], Vol 27, pp 362, 363.
3. Here it should be borne in mind that the government is also trying to stimulate exports by taking various measures to give exporters incentives during the manufacturing stage (tax credits, depreciation deductions, etc.). This matter does not fall within the scope of our topic.

In addition to the state export credits in international capitalist trade, inter-organizational export crediting is also practiced--that is, the extension of private loans (to importers) by industrial companies, banks and other firms--usually exporters of the same products. The topic of this survey is government export crediting.

4. Maximum liability is the total sum of bank indebtedness in extended credits, which must not exceed the limit set by Congress. Besides this, Congress sets the operational limit for each fiscal year--that is, the maximum operational volume, which the bank cannot exceed that year.
5. "Export-Import Bank Programs and Budget. Hearings Before the Subcommittee on International Finance," Washington, 1980, p 125.
6. "Export-Import Bank of the U.S.A. 1979 Annual Report," Washington, 1980, p 26.
7. INTERNATIONAL FINANCE, Vol 16, No 12, 1981, p 7.
8. THE ECONOMIST, October 1981, p 79.
9. Calculated according to: "Report to the U.S. Congress on Export Credit Competition," Washington, 1979.
10. "Export-Import Bank Programs...", p 25.
11. THE WALL STREET JOURNAL, 21 February 1980.
12. FINANCIAL TIMES, 20 March 1981.
13. Ibid., 21 May 1981.
14. INTERNATIONAL FINANCE, 8 June 1981, p 7.
15. Ibid.
16. AVIATION WEEK, 20 June 1981, p 18.
17. BUSINESS AMERICA, 10 August 1981, p 13.
18. THE ECONOMIST, 14 November 1981, p 86.

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NEW ANALYSIS OF CAPITALIST CRISIS

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 6, Jun 82 (signed to press 17 May 82) pp 105-106

[Review by Yu. O. Bobrakov of book "Sovremennyy kapitalizm: ot krizisa k krizisu" [Present-Day Capitalism: From Crisis to Crisis] by S. M. Men'shikov, Moscow, Mysl', 1981, 239 pages]

[Text] With the aid of the materials of the 26th CPSU Congress, the prominent Soviet economist who wrote this book conducts a thorough analysis of the present stage in the intensification of the general crisis of capitalism and its effects on the economy of the United States and other industrially developed countries in the capitalist world.

Explaining how the contradictions of the capitalist economy became more intense and acute in the 1970's and merged into a single knot, the author stresses: "What is occurring is a severe and all-round crisis in the capitalist economy, which is, in turn, part of the general crisis of the system of capitalism in its present phase" (p 17).

The further intensification of the general crisis of capitalism has also been reflected in the sphere of state-monopoly economic regulation, which bourgeois ideologists had hoped would be a means of neutralizing the conflicts in capitalist reproduction and reducing the scales of cyclical fluctuations. In the final analysis, however, state regulation turned out to be unable to cope with the combination of cyclical and structural economic problems. The contradictions inherent in state regulation, combined with the contradictions of the capitalist economy, were one of the factors contributing to the development of the process by which inflation combined with a slump or stagnation in the capitalist economy (stagflation), which is one of the most serious economic symptoms of the general crisis of capitalism at the present time.

What were the distinctive features of the economic crisis in the capitalist countries in the last decade and how did the cycle change in the 1970's? The author's analysis provides detailed answers to these questions, serving as a logical continuation of the study of this topic by S. M. Men'shikov in the book "Inflyatsiya i krizis regulirovaniya ekonomiki" [Inflation and the Crisis in Economic Regulation], published in 1979.

The author's analysis of inflation, one of the most difficult and complex problems in today's capitalist economy, will be of unquestionable interest to the reader.

"Present-day inflation," S. M. Men'shikov writes, "is a long-term structural process engendered by the peculiarities of highly developed state-monopoly capitalism" (p 64).

The author explains the workings of the present brand of inflation, primarily as they are exemplified in the United States, and traces the basic relationships in the capitalist economy which have led to the systematic rise of prices: the excessively rapid growth of government spending, exceeding the growth of the economy's production capacities; the rise of monopoly prices; the peculiarities of the increase in the total amount of money in circulation; the contradictory nature of budget and credit policies. In pointing out the complete and convincing nature of the analysis of the inflation mechanism, we would like to make special mention of the precision and clarity with which the author analyzes the role played by government military spending in the creation of chronic imbalances in reproduction and the stimulation of inflationary processes in the economies of the capitalist countries. The author examines not only the peculiarities of military expenditures and their economic consequences, but also analyzes what could be called the microeconomic factors of inflation--the distinctive features of production outlays in military-industrial corporations, the systematic and spasmodic rise in the prices of weapons and military equipment, etc.

As the author cogently testifies, the crisis in state-monopoly economic regulation also signifies the bankruptcy of the bourgeois theories, especially Keynesianism, on which it is based. The author reveals the peculiarities and contradictions of the "large-scale experimentation with the recipes of neoconservative economists," as exemplified in the Reagan Administration's economic program.

The concluding section of the book contains an analysis of world economic development forecasts and examines a number of "global models of world economic development" created in the 1970's.

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MULTINATIONAL DEVELOPMENT STRATEGY

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[Review by L. I. Yevenko of book "Kontseptsii razvitiya transnatsional'nykh korporatsiy" [Theories of Transnational Corporate Development] by A. A. Mironov, Moscow, Mysl', 1981, 160 pages]

[Text] The subject of this work has been studied little in our scientific literature but is a quite complex and interesting topic. One of the very first conclusions formulated by the author in this book--that bourgeois economists deliberately overlooked the birth and rapid expansion of multinationals, after which most of them moved from "sympathetic silence" (p 18) to "a clearly defined defensive function" (p 22)--is backed up with an interesting analysis of their works and an explanation of the essence of the debates over aspects of multinational activity.

Because his research topic is a new one, the author had to solve a number of methodological problems connected with the definition of the very concept of the multinational corporation and with the classification of the many and sometimes quite contradictory bourgeois theories about the development and functions of the transnational corporation. He proposes that these theories can be divided into four basic trends in bourgeois social thinking from the standpoint of the functions the theories perform: apologetic, bourgeois objective, petty bourgeois reformist and critical positivist (p 35). In terms of their content and initial premises, however, the theories can be divided into five schools: development stages, global organizational systems, direct investments, global trade centers and global transformation.

The strong side of some theories, the author says, is the search for the reasons for the rapid development of multinationals and their growing strength, particularly in the export of capital, the intensification of international division of labor, the laws of capitalist competition, the desire of monopolies to earn superprofits and the foreign economic policy of the imperialist states guarding monopoly interests. But some aspects of these theories, which are pointed out in the book, demonstrate how frequently bourgeois economic thinking is contradictory when attempts are made to determine the essence of the economic processes taking place within the multinational corporation. What are the strongest factors influencing the expansion of major corporations abroad and the formation of multinational corporations?

Bourgeois science suggests numerous possibilities but is nonetheless unable to answer this question. It is possible that the author of this book should also have been more definite in his conclusions and, besides this, should have connected his analysis of the main schools in the study of multinational development, which is quite interesting as a whole and has been written on a high scientific level, more closely with the ideological function performed by the theories in question.

The author has, however, attained his chief objective: His book is the first broad and fairly complete summarization of the latest currents in this sphere of bourgeois economic thought.

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HISTORY OF U.S.-SOVIET AIR LINKS FROM 1944

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[Article by A. B. Lykov: "Soviet-American Relations in the Sphere of Civil Aviation"]

[Text] Just before the beginning of 1982 President Reagan announced the suspension of Aeroflot flights to the United States as one of the sanctions the United States supposedly "had to take" against the Soviet Union in connection with the events in Poland. American aviation circles simultaneously tried to suggest that this measure would "restore fairness" in the relations between the USSR and the United States in civil aviation, because American planes had not been making direct flights to the USSR but Aeroflot had continued to fly to Washington.

What are the real reasons for the administration's move? What are the conditions and workings of the bilateral Soviet-U.S. agreement on air traffic? Why have certain circles in the United States incessantly implied that this agreement gives the Soviet Union unilateral advantages?

The Map of the 'Air Bridge'

The history of international aviation links testifies primarily to the virtually complete subordination of these links to Washington's policy and the use of air traffic to serve the goals of this policy. Although every country attaches political significance to international air traffic, in the case of Washington this is more a matter of political intrigue than of a reasonable and balanced policy.

Even at the conference in Chicago in 1944, where the international convention on civil aviation was signed, the United States cherished certain hopes of imposing its own air traffic policy on the Soviet Union and on other countries. In particular, it tried to gain universal recognition of the five "freedoms of the air."¹ At that time, the United States had a stronger air fleet than the other countries that had been debilitated by the war and it hoped to gain maximum advantage from the formal equality in the use of all five "freedoms of the air" and thereby take complete control over the world air traffic market. The USSR's refusal to participate in the Chicago conference disillusioned and even dismayed U.S. ruling circles. Besides this, the United States was ultimately unable to convince other conference participants to accept its proposals. Nevertheless, it was later able to

establish some principles of international air traffic of benefit to itself in an agreement with Great Britain, known as "Bermuda-1" (1946) and later regarded (unwillingly, in many cases) as the standard.

As for bilateral Soviet-American air links, the possibilities for their development were virtually eradicated by the American side during the first postwar years when it renounced the wartime cooperation with the USSR and started the cold war. The ideology of rabid anticommunism, the policy of dealing from a position of strength and the doctrine of "communist containment"--these and other developments of the cold war era naturally put an end to even the limited contacts between the USSR and the United States. The ideologists of U.S. foreign policy believed that the Soviet Union would sooner or later be forced by the losses it had incurred during the war years to agree to the oppressive terms of cooperation dictated by the Western countries.

History tells us that the expectations of gaining supremacy over the Soviet Union were boundless. The USSR was able not only to quickly restore its war-ravaged national economy, but also to ensure the rapid development of science and technology, including aircraft engineering and space exploration. Many sensible people in the West began to realize the need to take a new approach to relations with the Soviet Union and the other socialist countries. Furthermore, economic considerations were having a significant effect on politics. This applied directly to the problem of Soviet-U.S. cooperation in the area of civil aviation.

In July 1955 the American side brought up the question of Soviet-U.S. air links during a summit meeting, and later at a conference of foreign ministers in October of the same year in Geneva.² From the very start of the negotiations, however, the United States acted like an "eccentric rich uncle" instead of a serious partner who could discuss and observe international agreements conscientiously. Fully aware of the USSR's negative feelings about the principle of "freedom of the air," the United States proposed precisely this principle as the basis for a bilateral air traffic agreement.

The question of establishing regular air connections between the USSR and the United States was raised again in 1961, when the Democratic Administration of John Kennedy took office in the United States. The new President informed the Soviet Government of the United States' willingness to consider questions of economic cooperation with the USSR and resumed the talks on air links between the two countries. The talks began in July 1961 in Washington and resulted in a draft agreement.

The new and abrupt outburst of friction over West Berlin in fall 1961, however, followed by the most dangerous crisis since World War II, the Caribbean crisis of 1962, led to the dramatic deterioration of Soviet-American relations. At the beginning of 1963 J. Kennedy announced that the United States was not prepared to sign an aviation agreement. The American side suggested the revision of several articles that had already been elaborated and agreed upon in the 1961 draft. Under these conditions, all further talks and the signing of the agreement were once again postponed.

In the second half of the 1960's appeals for the revision of some aspects of foreign policy toward the USSR were heard more frequently in Washington, and the futility of negotiating with the USSR from a position of strength was pointed out. One of the spheres on which these new tendencies were reflected was civil aviation. On 3 October 1966 a State Department spokesman announced that an aviation agreement was one of the important spheres in which progress could be achieved.³ A week later, President Johnson addressed Congress on the matter of East-West relations and also mentioned the possibility of concluding a Soviet-American aviation agreement. This apparently was due to the U.S. business community's interest in the development of trade, economic, scientific and technical cooperation with the USSR. This increased the demand for flights between the two countries. Another factor which promoted the signing of an agreement was the fierce competition in the world air traffic market, which motivated American airlines to seek new partners.

The Soviet-U.S. aviation agreement was signed on 4 November 1966. It was concluded for an indefinite period and consisted of 17 articles in which the procedure of flights and freight shipments between Moscow and New York was thoroughly regulated.⁴

The following were some of the provisions of fundamental importance. Article 3 states that a designated enterprise on each side will have fair and equal opportunities to use and develop contracted lines (a private company, Pan American, was chosen to make the U.S. flights). In addition, each side has the right to stop, suspend or cancel the use of such lines by the other side's designated enterprise if it should fail to observe the laws and rules of the agreement. The document also envisages the possibility of consultations between the appropriate agencies for the discussion, interpretation, application or amendment of the text of the agreement, for which purpose a deadline of 60 days was set from the receipt of the request by the U.S. State Department or USSR Ministry of Foreign Affairs.

'Imbalance'

The opponents of the normal development of Soviet-American relations, however, had no intention of laying down their arms. As soon as flights between Moscow and New York began in 1968, the American side made no efforts to fulfill its commitments conscientiously. It created technical, political and psychological difficulties in the maintenance of the weekly flights, in passenger service at the New York and Washington airports and in commercial operations.

From the formal standpoint, there was no shortage of various clarifications and amendments of the agreement. By 1968 it was already being adjusted with supplementary changes. In July 1970 the U.S. and Soviet civil aviation administrations reached important agreements on a considerable increase in the frequency of flights, the extensive use of commercial rights, the expansion of the geography of flights, charter flights, etc. These agreements, however, were never ratified by the American side and remained on paper.

A new round of negotiations, concluding with an exchange of diplomatic notes on 17 March 1972, led to more modest but fairly concrete and important results. In accordance with the new supplement to the agreement, aviation enterprises on both

sides had the right to increase the frequency of flights between Moscow and New York with stops in between to two a week. At the same time, Aeroflot gained the opportunity to make use of the fifth "freedom of the air" on one of these flights, and Pan American on both. This agreement was provisional: The supplement expired on 31 March 1973 and was then renewed for another year.

The American side continued to use this tactic of leaving important agreements "hanging" for a limited period, and this had an extremely negative effect on the commercial operations of Aeroflot and Pan American, American and Soviet tourist agencies and organizations planning the flights and their future development.

An agreement on cooperation in transportation on the governmental level and a protocol on broader cooperation in aviation on the level of civil aviation agencies⁵ were signed when L. I. Brezhnev visited the United States in 1973. The protocol granted Aeroflot the right to fly to Washington as well as New York, and Pan American to fly to Leningrad in addition to Moscow. The two sides also agreed (once again) to increase the frequency of flights.

The protocol allowed American airlines to make flights to the USSR three times a week in the summer and twice in the winter, with the use of the fifth "freedom of the air" on all flights. Although Aeroflot could make flights with the same frequency, it could only use this freedom on one flight. This condition benefiting Pan American and the agreement to expand charter flights were in effect until 31 March 1975 (it was assumed that the frequency of flights would later be agreed upon on the governmental level).

Exercising the rights granted in the protocol, Aeroflot soon began weekly Moscow-Paris-Washington flights. As for Pan American, it did not exercise its right to fly to Leningrad and retained only its (twice-weekly) New York-Copenhagen-Moscow flights. In spite of this "imbalance," in which Pan American did not exercise its right, but not as a result of any kind of infringements, the American airline retained its interest in cooperation with Aeroflot. Evidence of real prerequisites for the further reinforcement of cooperation between aviation enterprises in the two countries was a memorandum signed on 1 November 1974, envisaging up to four flights a week during the summer. Aeroflot also was granted the right of the fifth "freedom of the air" on two flights. On 16 April 1975, after all of the necessary formalities had taken place, this agreement went into effect.

In June 1975, Aeroflot and Pan American reached an agreement on a long-term program for the development of air links and on an increase in the frequency of flights to daily runs, envisaging the use of wide-body planes. All of this indicates that solid economic and legal conditions existed in 1975 for broader air contacts between the USSR and the United States. In November 1975, however, literally on the eve of the interdepartmental talks, the American Civil Aeronautics Board (CAB) canceled the agreement between Aeroflot and Pan American. This testifies that the anti-Soviet winds that had never died down in the White House and on Capitol Hill were again picking up velocity. The main reason for the cancellation of the agreement was the alleged "imbalance" in airline revenues and flights in Aeroflot's favor. There was an "imbalance," but the main cause was Pan American's weak commercial position in the American market (75 percent of this market was controlled

by Western European airlines in 1975, while Pan American and Aeroflot held only a 25-percent share of it)⁶ and the obstacles created by U.S. authorities to interfere with the normal operation of airlines.

During the talks in November 1975 the Soviet side proposed several specific ways of correcting the "imbalance": the establishment of direct incentive tariffs for American and Soviet tourists, priority hotel bookings for tourists arriving on Pan American flights, team efforts by the two airlines, etc.

The American side did not accept these proposals and then issued an ultimatum at the next round of talks in May 1976, stating that if the Soviet side did not take steps to correct the "imbalance," the frequency of regular Aeroflot flights would be reduced to once or twice a week. In the same month, the CAB actually tried to sabotage Aeroflot activities in the United States. In particular, all airlines and tourist agencies in the United States with the exception of Pan American were forbidden to write up tickets and freight invoices for Aeroflot flights from the United States to the USSR, and tourist and freight agents could no longer charge commissions for ordering and filling out transport documents for these flights. This clearly violated Aeroflot's commercial agreements with American airlines on the mutual recognition of transport documents. Pan American then instituted the humiliating and unprecedented procedure of checking the validity of the tickets of all passengers flying out of the United States on Aeroflot planes. Furthermore, the State Department prohibited Pan American from holding any kind of meetings with Aeroflot to discuss and solve problems in commercial cooperation. Nothing of this kind has ever been done to Pan American in the Soviet Union.

In brief, a situation was deliberately created in which U.S. tourist agents had to stop cooperating with Pan American and Aeroflot, and the airlines of third countries gained more opportunity to advertise their own flights from the United States to the Soviet Union across Europe and to increase their own ticket sales. Besides this, the American side demanded that the Soviet side accept the new aviation policy of the Carter Administration. Displaying a constructive approach, the Soviet side consented to a number of conditions, such as unlimited charter flights to the USSR by American airlines, the use of lower rates and the expansion of commercial activity.

At the end of 1977 and the beginning of 1978, the Soviet side's flexible position led to an agreement to lift restrictions on Aeroflot activities in the United States and to increase the number of Aeroflot flights to four a week in 1978, as a result of which passenger service and freight shipments improved considerably on Soviet and U.S. airlines and the sale of tickets for Pan American flights to Moscow was resumed.

Nevertheless, the American side continued to create artificial delays in the ratification of flight frequency (this occurred each year) and rejected the Soviet proposals of a long-term air traffic program. This reduced the effectiveness of Aeroflot commercial activities, as well as the activities of Pan American, which announced its unilateral cancellation of regular flights to nine foreign cities, including Moscow, in October 1978.⁷ At the same time, obviously in an attempt to play up to the State Department, Pan American announced that it was impossible to compete with airlines in the communist countries because they were

controlled and financed by their governments. The State Department then declared that this decision stemmed only from economic considerations. Nevertheless, Pan American remained the general agent for Aeroflot ticket sales.

The American side continued to seek new ways of complicating Soviet-American air links, and in November and December 1978 it issued notes accusing the Soviet side of failing to observe the procedure for registering the charter flights of American airlines other than Pan American.

This was a symptom of an overtly hostile policy because the Soviet side, proceeding from the earlier agreement, had approved all charter flights without exception in accordance with existing Soviet regulations, which are much more liberal than the American regulations governing charter flights in the United States.

Later (in March 1979), the State Department informed the Soviet side that the authorization issued to Aeroflot as a foreign air carrier granted it the right to make only two flights a week from 1 April 1979 on, unless the CAB should issue instructions to the contrary. As conditions for the preservation of the status quo (four flights in the summer and three in the winter), demands were made that other American carriers (other than Pan American) be granted the right to make regular flights to the USSR and that a single procedure be established for the submission of requests for charter flights to the USSR Ministry of Civil Aviation and the approval of these requests.

The Soviet side again took a flexible approach, submitting a draft document to the State Department on the conclusion of a new agreement. The U.S. Administration, however, was apparently displeased with the very prospect of normal Soviet-U.S. relations in this sphere and continued to discriminate against the USSR.

From Provocation to Sanctions

In January 1980 the CAB issued an order to reduce the number of Aeroflot flights to the United States to two a week. Furthermore, the order stated that these measures had been taken in connection with State Department requirements set forth in a letter dated 7 January 1980. Economic indicators of Soviet-U.S. air links were no longer of any consequence. This was obviously a political action, because the State Department insisted on this "after carefully analyzing bilateral Soviet-U.S. relations and taking general foreign policy considerations into account."⁸ These "considerations" were then, oddly enough, specified by the Civil Aeronautics Board itself. In particular, it substantiated its behavior with "existing and future requirements of foreign and domestic trade and...national defense," citing Section 120 (c) (1) of the Federal Aviation Act.⁹ The United States has traditionally given a broad and often arbitrary interpretation to the concept of "national defense requirements." Quite often and for the same purposes, references are made to a threat to the "public interest"--an equally vague concept. The American courts and government agencies have resorted to the use of these concepts whenever they have no other excuse for discrimination against other countries. They have been used to substantiate U.S. intervention in political events in all parts of the world. In this case they were used to substantiate sanctions on air traffic between the two countries.

In January 1980 the search for excuses for the actions taken against Aeroflot was conducted quite painstakingly, but as the abovementioned CAB order notes, the only grounds for these measures were the State Department's demands and the "public interest."

Here we should recall that the American press was already reporting the CAB's intention to cut the Aeroflot schedule for summer 1980--the time of the Olympic Games in Moscow--in November 1979.¹⁰ This certainly casts suspicions on the American side's allegations that the discriminatory measures taken against Aeroflot in January 1980 were connected with the so-called "Afghan events." As we can see, these measures were planned by the U.S. Administration earlier, long before the appearance of the "Afghan question," which simply became a timely excuse for the sanctions.

At the same time the State Department sent a memo to the Soviet Embassy in Washington to inform the Soviet side of the U.S. Government's intention to indefinitely postpone the talks on Soviet-U.S. air links. These discriminatory measures were supported, obviously at the instigation of American officials, by the reactionary leadership of the local branch of teamsters at the beginning of January 1980. This leadership joined the anti-Soviet campaign launched after President Carter's address on 4 January 1980 and announced a boycott of Aeroflot planes awaiting servicing at New York's Kennedy Airport.

There is no question that this "boycott" was not an isolated link in the chain of anti-Soviet demonstrations at that time, but was actually planned earlier. It is not surprising that Assistant Director M. Vanik of the U.S. State Department's Soviet Division assured U. Genoese, one of the leaders of this union, in a letter dated 18 January 1980 that the State Department "highly appreciated" the teamsters' action.

Subsequent events proved that the American Administration had planned and was encouraging an entire campaign of provocative actions against Aeroflot in New York, right up to the point of the subversive act which made the Aeroflot agency building unusable for a long time. The persons who committed this anti-Soviet act were not punished, and the investigation was quickly ended, due to insufficient evidence.¹¹ It is also indicative that the American authorities decided to go no further than the almost symbolic "smearing" of the persons responsible for an accident involving a Soviet plane making the regular flight from Moscow to New York on 18 January 1980.¹²

Even the State Department had to acknowledge that this act was deliberate and inhumane. Instead of prosecuting the guilty parties, however, the authorities took measures which bordered on tolerance of the crime: One was fired from his job and the other was reprimanded. The only possible reason for these soft "penalties" is that this action was completely in accord with the U.S. Administration's plans to create conditions and pretexts to stop Aeroflot flights to New York.

At the end of January 1980, E. Schott, Pan American's senior vice president in charge of international air connections, informed an Aeroflot representative that his company could not perform or arrange for the performance of operations

connected with servicing the next Aeroflot flight (27 January 1980) but would not object to the performance of these operations by Aeroflot itself. The Pan American spokesman referred to the labor union activities as the "circumstances beyond the company's control" mentioned in Pt 5 of Art 3 of the Soviet-American aviation agreement. Pan American simultaneously organized an intense campaign to convince foreign and American companies not to take on the function of servicing Aeroflot planes in the United States. The American side thereby committed a direct violation of the agreement by deliberately creating "circumstances not under its control." As the crowning touch, all aviation authorities in the United States declined responsibility for the safety of Soviet planes at New York's Kennedy Airport.¹³

All of this was accompanied by an outburst of anti-Soviet hysteria and constant threats addressed to Soviet citizens and Soviet agencies in New York. Under these conditions and to keep passengers on Soviet planes from being subjected to additional dangers and inconveniences, Aeroflot had to cancel all flights to New York at the beginning of February 1980 until such time as a company could be hired to service the Soviet planes. The State Department, which did not wait for this to happen and obviously did not want it to happen, completely refused Aeroflot planes the right to land in New York at the end of February 1980 "in connection with the labor union boycott," which was reported in a letter sent to the Aeroflot representative in the United States on 13 February 1980 by a certain Petterini, the aviation director of the New York and New Jersey air and seaport administration. On 6 March 1980 the CAB instituted a special procedure for the advance authorization of Aeroflot charter flights to the United States and additional flights on the contracted lines.

When the Pan American administration officially informed Aeroflot of its unilateral cancellation of the mutual service agreement of 1967 on 12 March 1980, the Aeroflot agency was put in an extremely difficult position with regard to plane and passenger services at Washington's Dulles Airport as well. Authorizations for Aeroflot flights to the United States began to be issued only for 3 months, and each time their extension was made conditional upon the hiring of an airlines to function as Aeroflot's service agent. Virtually every opportunity was taken to force Aeroflot to stop all flights to the United States.

Therefore, the American side has artificially restricted opportunities in the area of Soviet-U.S. air links and has tried to bring about the curtailment of Aeroflot activities in the nation. This has put an end to the positive changes that took place in the first half of the 1970's. As a result, Soviet-American cooperation at the beginning of the 1980's had not reached its full potential and had even regressed.

Throughout 1981 the new U.S. Administration openly attempted to sever air links with the Soviet Union. This is the only explanation for the events of 12 May 1981 at Washington's Dulles Airport, when a Soviet plane was unceremoniously seized and searched by FBI agents, who admitted that they were acting on orders from above. This provocative pirate raid on the Soviet plane was described in a Soviet Government memo sent to the U.S. Embassy in Moscow on 13 May 1981 as "another example of the American authorities' scandalous habit of ignoring the

time-honored standards of international law" which "testifies that terrorism and gangster tactics have been elevated to the status of official policy in the United States."¹⁴

In fall 1981 Aeroflot flights were suspended by the American authorities for 1 week, allegedly due to violations of the regulations governing flights over U.S. territory. The absurdity of this lie was immediately acknowledged even in the United States. What actually happened was that military controllers, who did not know enough about the rules of civil aviation, had to serve an Aeroflot flight because of the strike called by the American air traffic controllers' union, which had been harshly suppressed by the Reagan Administration. The mistake of a controller (which happened just at the right time), who issued the wrong command and rerouted the flight, served as the excuse to institute what were now real sanctions against Aeroflot.

In short, by the end of 1981 the American Administration had accumulated enough, in its opinion, pretexts to stop Aeroflot flights to the United States. Incidentally, as the CAB order of 31 December 1980 on the suspension of Aeroflot flights testifies, pretexts were not even needed. On 30 December the State Department informed the CAB of the President's request to "take the appropriate actions to stop Aeroflot flights in the United States." The State Department's letter said: "On the basis of foreign policy considerations, President Reagan has decided that the flights of the Soviet Aeroflot company should not be authorized in the future."

When the CAB suspended Aeroflot flights it referred to point 402 (F) (1) of the Federal Aviation Act, in accordance with which it can change, correct or cancel authorizations issued to a foreign air carrier "at any time if it believes that this action is in the public interest." The CAB also cited the provisions in point 105 (A) (5) of the Federal Aviation Act, in accordance with which it must consider the "foreign policy and defense interests of the United States" in its assessment of the "public interest." It is not considering, however, the fact that the USSR and the United States agreed, when the aviation agreement was concluded, that only when the airplanes and representatives of one side violated the laws of the other side could the flights of the partner be suspended. Aeroflot has not violated any U.S. laws. The American side chose internal events in a third country, totally unrelated to Soviet-U.S. air links, as a pretext for the violation of an intergovernmental agreement.

The CAB apparently realized the inadequacy of all its arguments and "had to agree," in its order of 31 December 1981, with the State Department's additional explanation that the sanctions against Aeroflot were taken "particularly with a view to the absence of a guaranteed level of service in accordance with the agreement" (a situation which was deliberately and consistently created and maintained by the American side).

The Reagan Administration is actively seeking its allies' approval of its actions. However, the attempts to include the NATO allies in the sanctions against the USSR, including sanctions in the sphere of aviation, have found no support. Washington was able to accomplish the adoption of a resolution in which its European partners pledged to "consider the possibility" of such sanctions, but

these countries have an interest in continuing cooperation with the USSR and have therefore not displayed much enthusiasm for these plans.

Even in the United States there is a growing realization of the nearsightedness and futility of the current administration's foreign policy in general and in relations with the Soviet Union in particular. For example, the WASHINGTON POST believes that the chief defect of the "Reagan Doctrine" is that it "blames the Soviet Union for all of the greatest world problems,"¹⁵ "An uncertain, unpredictable and incomprehensible policy line..."--episodes of this kind are now frequently encountered in the press in various countries. The sanctions taken against the USSR as a result of this line, "without any clear purpose, are creating difficulties for the United States itself,"¹⁶ said D. Newsom, formerly the U.S. under secretary of state for political affairs and now the director of Georgetown University's Diplomatic Institute. Sensible politicians and public spokesmen throughout the country have approximately the same opinion of these sanctions.

An analysis of Soviet-American relations in the sphere of civil aviation indicates that the U.S. approach is based on general principles which envisage the consolidation and development of the United States' leading position in this sphere and is characterized by temporary political considerations stemming from the goals of U.S. policy toward the USSR, which engenders instability, uncertainty and the absence of continuity in the development of air links and allows the American side to limit them at any time, restrict them and cancel them--that is, deliberately violate and disregard existing pacts and agreements for the purpose of attaining its own imperialist foreign policy goals.

As for the Soviet Union, it has made maximum efforts to create favorable conditions for the development of Soviet-American air links and for their continued normal functioning.

FOOTNOTES

1. This concept includes: 1) the right to make non-stop transit flights over the territory of the partner; 2) the right to make transit flights over the territory of the partner with landing for non-commercial (technical) reasons; 3) the right to deliver passengers and freight on one's own (national) air carriers to the partner's territory; 4) the right to take on passengers and freight on the partner's territory for flights to one's own territory on one's own (national) air carriers; 5) the right to carry passengers and freight from the partner's territory to a third country and from a third country to the partner's territory.
2. H. Heymann, "The U.S.-Soviet Civil Aviation Agreement from Inception to Inauguration: A Case Study," Santa Monica, 1972, p 5.
3. Ibid., p 14.
4. "Mezhdunarodnyye vozdushnyye soobshcheniya Soyuza SSSR. Sbornik dokumentov" [The USSR's International Air Links. Collected Documents], Vol 2, Moscow, 1970, p 17.

5. Ibid., Vol 4, Moscow, 1975, pp 496-501.
6. TRAVEL MAGAZINE, February 1975.
7. THE DEPARTMENT OF STATE BULLETIN, 15 November 1978, p 32.
8. "Civil Aeronautics Board, Order 80-1-43," Washington, 7 January 1980.
9. Ibid.
10. THE WALL STREET JOURNAL, 6 February 1979; TRAVEL MAGAZINE, 8 February 1979.
11. THE NEW YORK TIMES, 18 March 1980.
12. The criminals caused a malfunction in the computer controlling the approach and landing of the Soviet plane, thereby putting the plane on the verge of catastrophe. Only a lucky coincidence and the quick and efficient actions taken by the crew prevented a serious accident. Furthermore, this kind of behavior is covered in the articles of American legislation which envisage the death penalty or life imprisonment for actions which threaten the safety of flights.
13. THE NEW YORK TIMES, 5 February 1980.
14. PRAVDA, 14 May 1981.
15. THE WASHINGTON POST, 26 January 1982.
16. THE CHRISTIAN SCIENCE MONITOR, 26 January 1982.

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U.S. MILITARY STRATEGIC AIMS EXAMINED

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 6, Jun 82 (signed to press 17 May 82) pp 118-127

[Conclusion of two-part report on discussion at session of Foreign Policy Section of Academic Council on U.S. Economic, Political and Ideological Affairs, Institute of U.S. and Canadian Studies, USSR Academy of Sciences]

[Text] R. G. Bogdanov: The persistence with which the Republicans played on the theme of achieving military superiority over the Soviet Union at the final stage of the 1980 election campaign and the attacks on certain principles of the American concept of "deterrence" and its derivative doctrine of "mutual assured destruction" signaled the promotion of champions, not just of military superiority but of superiority interpreted as the ability to wage and win a nuclear war to the White House and to Pentagon offices.

The Republican Administration now established in Washington's corridors of power not only lacks eminent military theoreticians but does not even have any professionals who understand the realities of the nuclear age and the specific features of the changes occurring in the world in the strategic political and economic spheres. As a consequence of their narrow international experience, today's leading "theoreticians"--"strategists of empire"--are characterized by a scornful attitude to other peoples and their potential. Brought up on jingoistic, chauvinistic thinking of "true Americans," they regard negotiation as a sign of weakness.

The program principle of the "strategists of empire" boils down, in the end, to a very "simple" thesis: If U.S. nuclear strength is the basis for achieving foreign policy aims, then the United States must have the possibility of waging nuclear war "rationally." The Pentagon's leaders have repeatedly elaborated on this thesis. Supplementing it with the thesis of the need to win a nuclear war. At the same time ever-increasing attention is also being devoted to the further improvement of conventional forces in order to facilitate waging and winning war at the global and regional levels.

It seems that this line is the U.S. ruling elite's panicky and hysterical reaction to the realities of the world in the 1980's, perceived as hostile to Americans. The deep-rooted idea that America now lives in a hostile world limits U.S. ruling circles' creative potential and brings to the levers of power the most aggressive representatives of the ruling class, who think in terms of strength and view all

world problems through the prism of confrontation and the need to crush rivals. In this sense the buildup of U.S. military strength is directed not only against the chief enemy and the "source" of all American ills--the Soviet Union--but also against all the rest of the world, including "unsuitable" allies.

It should be pointed out that the strong-arm reaction to the "hostile world" began to show through at a certain stage under the Carter Administration. The Republicans set about polishing the concepts of confrontation, aggressiveness, blackmail and intimidation which had long existed in the doctrine and thinking of American strategists. They also set about destroying, once and for all, the positive, constructive elements contained in certain "deterrence" concepts and in concomitant ideas about not ensuring security in the nuclear age by military means alone and about the need for arms control and limitation, interpreted signs of parity in their own favor and so forth. The very concept of "deterrence" is anathematized. The concept of "mutual assured destruction," which has been preached by the United States, as authoritative American politicians and specialists maintain, for more than a decade, is being dismantled. It is being replaced by a gamble on ensuring the potential to destroy the Soviet Union.

The military programs adopted by Washington in October 1981 include the further development of the potential for waging a "counterforce,": "limited" nuclear war and the reinforcement of the U.S. position should a global nuclear conflict arise. Efforts are being made to create a strategic reserve of nuclear forces which, in the Pentagon's opinion, will ensure not only U.S. dominance in the escalation of a nuclear conflict but also an ultimate victory in a nuclear war against the USSR. It is believed that the preservation of an invulnerable strategic reserve after an exchange of nuclear strikes will enable the United States to dictate its will to the enemy. The United States views cruise missiles, above all sea-based cruise missiles, as the basis of the aforementioned reserve.

It is probably right to draw the conclusion that the Reagan Administration has adopted the most dangerous and negative ideas and theses from the sphere of military-political strategy and given them the form of corresponding programs and theoretical concepts.

The very complex situation in today's changing world points to the need to adequately assess the Reagan Administration's military-political strategy, to distinguish between real threats and the elements of bluff, blackmail, intimidation or simple misinformation, and the intention sometimes to lead the enemy onto a false path. Without underestimating U.S. possibilities and potential but evaluating them objectively, we must point out that this country's place in the world now differs in many respects from the situation which took shape after World War II, when it held dominant positions in the economic military and political spheres.

The defense might of the Soviet Union and the Warsaw Pact countries and the parity that has been achieved are socialism's historic gains and grim realities for those who have not abandoned their intention to test our system's strength by military means. The chief thing now is not to allow the established parity to be upset.

L. S. Semeyko: It would evidently be wrong to think that the Reagan Administration has renounced strategic arms limitation talks in principle. There could be very diverse objective and subjective reasons which will force Washington to come to the negotiating table.

One could very likely assume, for example, that certain U.S. strategists perceive arms limitation talks as a "chance" to acquire particular individual advantages.

Another reason is the fear that the Soviet Union will overtake the United States. This is stated, in particular, by representatives of the Joint Chiefs of Staff. Even though such statements are demagogic in nature, a certain group of individuals close to the present administration, by all accounts, believes in this possibility despite the USSR's constant and clearly expressed willingness to consolidate the existing approximate parity in corresponding agreements.

The next reason is economic: For the first time in history the U.S. national debt has topped 1 trillion dollars. The problem of reducing it and eliminating the budget deficit promises to be one of the most acute problems. It will become harder even for very conservative figures not to use the path of acceptable limitations and perhaps even reductions in costly strategic arms for this purpose.

One other very important reason is America's reluctance to expose itself to the whole world and, above all, to its allies as the instigator of a new round of the arms race and as the side which rejected talks of paramount importance. Pressure on the United States from its NATO partners could also increase in this matter. In addition, the scale of the antinuclear and antimissile movement among the West European public is also assuming ever-increasing significance.

There may, of course, be other reasons in favor of U.S. participation in strategic arms limitation talks.

Now the talks will proceed once they start is another matter. This is a serious question, and new aspects in the U.S. approach are disturbing. First, there is a clear desire to build up individual U.S. advantages. The Carter Administration set itself this aim. But whereas it did not bring it to the fore, at least not at the final stages of SALT II, under the present administration the securing of advantages will probably be the chief aim. This can only complicate the dialogue. Second, the SALT talks are viewed merely as a supplement to the strategic arms race. This is evidenced, in particular, by the principles of the approach to "arms control" announced by A. Haig.

Washington's overall target aim is to place the Soviet strategic nuclear forces under the threat of a destructive first strike and thereby acquire military superiority. It is reckoning for the first time on acquiring the ability to strike simultaneously at two components of the USSR's strategic forces (ICBM's and heavy bombers), notably by using highly accurate submarine-launched Trident II missiles. The aim is also being set for the first time of making the U.S. "Eurostrategic" potential an important "counterforce" component of the American strategic forces (if Pershing II and Tomahawk cruise missiles are deployed in West Europe). Finally, the principle of "linkage" is being brought to the fore ("we will seek arms control, mindful of the Russians' behavior on a global scale," A. Haig proclaims).

But it must be absolutely clear that "linkages" of various kinds are no way to resolve strategic arms limitation tasks or the task of normalizing Soviet-American relations.

S. A. Kulik: The Reagan Administration still has not formulated a unified stance on questions of strategic arms limitation. On fundamental matters relating to the SALT process it is possible to make out disagreements in government circles between the groupings--the civilian and the military leadership. The military, as a rule, supports the provisions of the SALT II treaty in one form or another and advocates the "ceilings" laid down in it, while the civilian leadership denies that the treaty accords with national security interests and considers it "dead."

Disagreements exist within the civilian leadership, but on more "particular" problems. On the whole, this grouping may conditionally be subdivided into three subgroups--the "Scanlon group," the "Perle group" and the "Pipes group," which, also conditionally, may be described respectively as the "moderate," "centrist" and "right" wings of U.S. Government circles. They are united, on the whole, by the relative homogeneity of their views on questions such as the rejection of the SALT II Treaty, the interpretation of the USSR's interests in the SALT process from the most negative positions, the call for the revision of the principles of military-strategic parity and adherence to the policy of "linking" the talks to "Soviet conduct" in the world. Representatives of these groups are engaged, above all, in the formulation of U.S. military policy and the task of building up strategic arms without linking them to SALT issues. It is this factor that accounts partly for the maintenance of a semblance of consensus on fundamental SALT questions and for the growth of disagreements over questions of military policy.

The "Scanlon group" (named for the assistant secretary of state dealing with problems of "Soviet strength"), reflecting the views of a certain section of the State Department, places emphasis on the need to consider the opinions of U.S. allies who advocate SALT in principle.

The "Perle group" (named for the assistant defense secretary specializing in SALT problems) principally supports the Defense Department's stand, campaigning verbally for the continuation of talks, but it is nevertheless trying its utmost to delay their commencement and is actually trying to wreck them.

The "Pipes group" (named for a National Security Council staffer) reflects the opinion of the most rightwing White House staffers and denies in principle the need for SALT.

A. N. Glinkin: I wish to broach two issues as part of the discussion: First, it strikes me that one should add one more item to the characteristic features of Reagan's military-political strategy noted by the keynote speaker, namely the greater degree of readiness--and, I would say, conscious readiness--to escalate confrontation even as far as global conflict or, at least, to go to the last limit beyond which such a conflict begins. I share the alarm voiced here: The danger of such a conflict exists and is growing. The Reagan Administration and those who make U.S. policy are trying, it seems to me, to change the situation in the world, which is shaping up unfavorably for the United States by means of the arms race and by building up and using military force. The gamble on achieving strategic superiority could create illusions that this superiority is attainable--which could increase the temptation to make a first, preemptive nuclear strike. It is no coincidence that the United States is running an intensive campaign aimed at

"proving" the possibility of surviving a total nuclear conflict. In this sense the Reagan Administration's military-political strategy represents a new phenomenon: New, above all, in that the present administration has given a finished formulation to trends which had been ripening and has placed them at the center of military-political strategy, thereby imparting to it a very dangerous direction. The building of certain quantitative changes has resulted in a certain new quality.

The second issue relates to the possibility of realizing the U.S. long-term strategy in the Latin American region in particular. The sociopolitical and economic situation taking shape in Latin America and the Caribbean is threatening the strength of U.S. positions in the region and threatening to cancel out the possibility of achieving the long-term aims for which the United States has always striven. There are now many such vulnerable "zones" for the United States, and their number has a tendency to grow.

And one more thing. The probability of utilization of U.S. armed forces increases in proportion to a particular country's strategic significance.

S. M. Rogov: As regards the Near East region, the present administration intends to pursue an overtly offensive policy there. I am speaking not just about the gamble on the American presence in the region but about the manifest intention to create a regional network of military land bases. In addition, this is not just the organization of bilateral relations with the chief American clients and partners but an outright conspiracy, in the guise of a "strategic consensus," directed against the notorious "Soviet threat."

The countries which, as Washington reckons, could become parties to a pro-American military-political alliance--Israel, Egypt, Jordan and Saudi Arabia--have considerable military potential, comparable to a certain extent with the potential of the NATO armed forces in Central Europe. These four states possess armed forces numbering more than 1 million men and have in their arsenal 6,300 tanks and 1,200 warplanes. Their military budget totals more than \$37 billion (according to data for 1981).

Because of the contradictions between Israel and conservative Arab regimes, however, the prospect of creating an official bloc now seems unlikely. And the Reagan Administration is beginning to realize this. Even the Egyptian-Israeli-American "triangle," which was regarded as the prototype and nucleus of the future coalition, is not "working" as well as the Americans would like. Its functioning has become even more problematic since the assassination of A. Sadat. Under these conditions, the idea not of a "central" bloc in the Near East region, but a bloc of a "Western tier" of countries (Turkey, Israel, Egypt and Sudan), which show greater readiness to cooperate with the United States on the military-strategic level, is being advanced and could play a great role. But this kind of alliance can in no way fulfill the tasks posed by American bloc policy in the Near East as it would be too far from the Persian Gulf region, where, according to the present administration's plans, the presence of a military force is needed most. How can the "strategic consensus" be extended to the Persian Gulf zone? The Reagan Administration will evidently try to resolve this task in the next few years. For the time being the administration's attempts to achieve--with the help of pressure on Saudi Arabia and other states--the creation of an American land-based military presence

in this region are becoming increasingly persistent: It is gambling on involving the United States directly in events in the Near East. And this is evidenced by the increasing and direct American pressure on Libya.

Under these conditions it is probable that the Reagan Administration's military pressure on Near East countries will occupy a far greater place in its policy than in the Carter Administration's policy, although there is a great difference between proclaimed strategic doctrines and policy in a concrete situation. It seems to me that the way in which Washington will bridge this gap is still not clear even to the present administration itself, and the struggle over this question is continuing.

Washington's gamble on purely military methods in its approach to complex political problems promises a further exacerbation of the dangerously explosive situation in the Near East.

Yu. P. Davydov: The desire to achieve military superiority over the Soviet Union undoubtedly affects the interests of West European countries. Does West Europe want the United States to achieve military superiority over the Soviet Union in the military sphere? Not very much, I believe; for a situation of U.S. military predominance in the world within the framework of the Western alliance would signify a return to the position when there was an undisputed leader and all other countries were second-class partners. In addition, people in Europe realize that the Soviet Union will not permit such superiority, and that the only result of the U.S. desire for it will be--and already is--the growth of tension in relations between the USSR and the United States. This is undermining international and European security. In addition, under conditions of tension it is easier for Washington to "call to order" its allies by referring to the existence of a "general threat" to the West.

To what extent is West Europe prepared to join in the American spurt to build up its military potential? The economic situation in the region is not the best and it is deteriorating, partly as a result of Washington's measures. Therefore, ruling circles on this side of the Atlantic are not interested in the additional diversion of their resources to military needs. Even Bonn, which has always been a punctilious and loyal U.S. ally, has departed from the decision of the May (1978) NATO Council session on an annual 3-percent real increase in the bloc members' military spending.

West European political leaders (including Social Democrats) fully realize the danger of sacrificing social programs to militarism. They believe that the West European NATO members fulfilled their duty in the 1970's by increasing their share of the bloc's military budget from 20 to 40 percent. Going further, in their opinion, would mean cutting off the branch on which they sit.

And another question--about the West Europeans' attitude to "Euromissiles," West European leaders have become prisoners of NATO's so-called "dual" decision adopted in December 1979. By agreeing to the deployment of new American medium-range nuclear missiles, many of them were hoping to "scare" the Soviet Union and compel it to make concessions during the talks on "Eurostrategic weapons."

However, the USSR took a firm stand and, besides this, the Americans demonstrated that they are more interested in the deployment of medium-range nuclear missiles than in talks. West Europe, and primarily the FRG, lost the most as a result of this.

Moreover, many West European leaders do not believe in the Soviet Union's "aggressiveness." They cannot ignore the scope of the antiwar movement in their countries: It is they and not Reagan who have to get reelected here. Another method used by Washington recently is the blackmailing of its allies with the threat of a military withdrawal from West Europe. But still fewer believe this. The allies are perfectly well aware of the place their transatlantic partner allocates to West Europe in its strategy.

Yu. G. Streltsov: If we try to evaluate the main differences in the conceptual approaches of the Reagan and Nixon administrations to arms limitation talks, we can apparently say the following: In the early 1970's the impossibility of gambling on a "disabling" strike was realized; but in the current decade such a gamble seems quite realistic and feasible to U.S. ruling circles and military theoreticians.

We see that the main programs for building up U.S. strategic forces roughly since the mid-1970's have been quite closely interconnected with, and aimed at, not a strategy of "deterrence through intimidation" but, in the final analysis, the creation of the potential for a "disabling" strike against the Soviet Union in the 1990's. Only the transformation of "assured destruction by counterstrike" potential into "disabling" strike potential will make it possible, in the opinion of American theoreticians, to destroy strategic parity, although such aspirations are known to have no real basis. This principle, whose realization the Reagan Administration is trying to accelerate, is very dangerous.

If we approach an assessment of the present administration's military program with regard to what has been said, it becomes clear that much of what American propaganda publicizes as possible "bargaining chips" at future talks is nothing of the sort.

Let us take the so-called "Eurostrategic" missiles. The Americans regard these missiles as a "foot in the door" with whose help it will then be possible to "fling it wider open." A danger is posed on this plane, not only by Pershing II ballistic missiles with their extremely short flight time to the USSR's vitally important centers, but also by cruise missiles, which can theoretically be transformed in the future into the means of a "disabling" strike.

The United States also views "Euromissiles" as a means of ensuring the realization of the American concept of "limited" (to European territory) nuclear war.

If we take account of Washington's aim of a "disarming" strike, it is clear that it does not intend to renounce neutron weapons either, which are considered almost the ideal weapons in a "limited" nuclear war. By all accounts, the present administration has firmly gambled on achieving superiority and the ability to make a "disarming" strike. Given this aim, it is hard to reckon on any real success in the SALT sphere or the sphere of arms limitation talks in general, provided some strong internal and external factors do not change these aims.

B. N. Zanegin: The U.S. policy toward the PRC is one of the problems over which a heated debate, if not a struggle, is taking place in Washington. A characteristic feature of the present situation in Washington is the fact that the opposition to the administration on this issue is being formed not in the liberal but in the conservative camp (a representative of which is Senator J. Helms, for example), and regroupings are still to take place in it, which will influence the approach to Washington's relations with Beijing.

As a component of international relations, the PRC is a paradoxical phenomenon: Since the early 1960's this state has been characterized by a profound discrepancy between the socialist nature of the socioeconomic system and the Beijing leadership's pro-imperialist policy. Hence the opposite approaches to the PRC, in terms of political content, even in conservative circles. One of these approaches regards the Beijing regime as a possible ally or at least a fellow traveler on the anti-Soviet course. The other sees the PRC as a force hostile to U.S. interests and to American anticommunist ideals. The differences over the policy toward China are also aggravated by the fact that the United States was involved for a long time in the conflict in China on the side of the Kuomintang. Certain sections of the conservative camp demand the maintenance, albeit in curtailed form, of the United States' "moral and political obligations" to the anticommunist regime of Taiwan.

With the conservatives' accession to power there has been an increase in the significance of the ideological factor, which manifests itself in the desire to view all international situations and problems through the prism of East-West and USSR-U.S. relations. Interpreting the U.S. role in this confrontation in a messianic spirit, conservative thinking allocates subsidiary positions to the allies and, all the more so, to fellow travelers like China. Accordingly, gambling on military force and seeking to take advantage of the military potential of allies and fellow travelers, the conservatives give undoubted priority to building up their own American military superiority as a condition for ensuring U.S. independence in following the charted course in the event of a clash between American interests and the interests of allies and fellow travelers. This point is well illustrated by the determination with which the Reagan Administration is implementing the "law on relations with Taiwan," which is hostile to PRC interests, essentially dictating to Beijing the terms for pursuing a "coinciding" anti-Soviet policy.

Thus, given the existing world political situation, including the internal situation in the United States and the PRC, it is natural that possible changes in these countries may give rise to changes in Washington's "China" policy, as it is trying to make maximum use of the "China factor."

It is worth recalling in this connection that the West's most conservative circles sometimes refer to the possibility of fundamentally changing the correlation of forces in imperialism's favor by drawing the PRC into the economic, political and strategic orbit of the world capitalist system. This forecast is built on attempts to project, onto a historical perspective, the political phenomena developments dictated by tactical considerations. Nor does it take into account the special features of Chinese nationalism, which already manifests itself in a Chinese messianism which is incompatible with American messianism. In light of

these considerations, the plans to return the PRC to the bosom of the "free world" should be viewed as moves in the West's propaganda war against socialism--moves devoid of real substance.

V. I. Biryukov: The Republicans' more than 1 year in power has shown that, compared with 1980, the United States has not fundamentally changed its attitude to China as a military opponent. The report prepared by the Joint Chiefs of Staff on the U.S. military position in fiscal 1982 states: "China makes a contribution, essentially in accordance with U.S. interests in East Asia and throughout the world, by containing considerable Soviet forces along the Sino-Soviet border."

Another circumstance of considerable importance to the United States in the military respect is the fact that Beijing considers it essential to develop its nuclear missile potential at an accelerated pace. On this plane, as many people in Washington believe, there is a growing danger not only to the Soviet Union but to the United States and its allies, primarily in Asia.

The United States is trying to pressure the USSR primarily with the prospect of weapons sales to China. In the context of the American Administration's decisions to start the production of neutron weapons, its attempts to activate Japan's military role and its intention to deploy medium-range missiles on Japanese territory and to grant \$3 billion in "aid" to Pakistan, the announcement of the intention to sell weapons to China looks like a constituent part of a plan formulated to put military pressure on the USSR on the Far Eastern and Asian flank of the American-Soviet confrontation.

However, it is becoming clear even now that the full modernization of the Chinese armed forces will take, according to various estimates, between \$50 billion and \$30 billion, while the cost of the entire "Four Modernizations" program is estimated at more than \$1 trillion. In this connection the PRC's ability to pay arouses serious alarm in the United States--and this will undoubtedly play a negative role in the possible conclusion of military contracts with Beijing. In addition, fears are growing in Washington in connection with the unpredictability of China's attitude to the United States at the stage when it proceeds to the independent production of modern weapons. The anti-Soviet thrust of Chinese policy is of paramount significance to the United States for the time being, although different priorities could arise in it in the future. Ideological contradictions, the Taiwan problem and Washington's uncertainty about the foreign policy aims of a militarily strong China, which is what it intends to become, will remain the chief obstacles to military rapprochement between the United States and China.

Yu. V. Katasonov: Some American critics of the Reagan Administration point to the fact that it is increasing the military budget with inadequate military-political substantiation and without a clear-cut strategy. As confirmation of this, reference is made, in particular, to the fact that the bulk of the military appropriations requested by the Reagan Administration for the fiscal 1981-1983 budgets will be channeled primarily into the purchase of major arms systems, whereas the balanced development of the armed forces would require more attention to their current material and technical backup and the enhancement of their combat ability.

In fact, the most important aspect of the present administration's military-political strategy is precisely the broadening and acceleration of the arms race and the enhancement of its role as an instrument of the overall political and

economic strategy of American imperialism and as a situation which accords the greatest extent with U.S. attempts to resolve the most complex problems in the international arena and inside the country in ways benefiting itself.

Of course, the Reagan Administration's broadening of the financial and material base of U.S. military policy required it to justify and "rationalize" that policy, and primarily from the military viewpoint--that is, to make certain corrections in those parts of military-political strategy which directly determine the conditions of the use of American military force.

In the sphere of preparations for nuclear war, the Reagan Administration has placed further emphasis on building up the potential enabling the United States, as American strategists hope, to escalate nuclear war while maintaining its supremacy at all stages of escalation--which, according to their design, will bring them "victory."

The Reagan Administration has made the most significant innovations in the strategy of conventional (non-nuclear) warfare, which Washington regards as the most likely form of the use of American military force in the next few years. The present administration has renounced the trend toward the geographical limitation of conventional wars (which was expressed in terms of the concepts of "one and one-half" wars or "two and one-half" wars) and has adopted instead the principle of "geographical (or horizontal) escalation," which envisages readiness to extend any armed conflict up to the global scale. It has also placed emphasis on preparations for protracted wars, including a world war lasting many years, and first and foremost against the USSR.

However, the buildup in the U.S. military budget and military might has long been subject to the logic not only of military strategy, but also the wider strategy of "national security," within which it plays an important part in U.S. policy even in peacetime.

The American press had good reason to report that the military budget became the main symbol of U.S. foreign policy with the present President's arrival in the White House. It has stressed that the Reagan policy of a massive arms buildup is a quite definite strategic course with the aim of stepping up international tension, pushing the world onto the path of "cold war" and demonstrating to everyone in the world--not only opponents, but also allies and neutrals--the "rebirth" of America's might and the growth of its "military muscle." This aim is served first and foremost by the proclamation of plans for the attainment of military-technical and military-strategic superiority over the Soviet Union.

The Reagan Administration also persistently declares its course to be aimed at exhausting the Soviet Union in economic terms in the arms race and creating difficulties for it along the path of social progress. Of course, such declarations contain a sizeable dose of demagoguery and blackmail in the spirit of "psychological warfare."

At the same time, it is clear that Reagan's policy of whipping up the arms race is encountering economic and political limitations, which will undoubtedly increase in the future.

This policy is fraught with highly dangerous consequences. One is that an increase over the next few years in the quantity of sophisticated American military hardware used to equip the armed forces of the United States and its allies could increase the temptation for militarist circles to test these weapons "in practice" (as was the case, for instance, after the buildup of American military force in the early 1960's, which was followed by a series of dangerous U.S. military adventures culminating in the aggression against Vietnam). This will be sought by the military-industrial monopolies, in order to clear the overstocked arms market--and there is no more effective way of doing that, as is well known, than the use of these products in a war.

P. T. Podlesnyy: Washington's new buildup in military might with a view to stepping up the struggle against the forces of socialism and the national liberation movement is reflected in a marked change in the U.S. approach to talks with the USSR on various aspects of arms limitation.

First of all statements have been made by present U.S. political and military leaders, as well as people close to the administration, about the allegedly excessive emphasis of previous administrations on arms limitation talks with the Soviet Union and about how "arms control" must be only one element of U.S. policy--and manifestly a secondary element at that.

Second, the thesis is constantly put forward that participation in particular talks must be preceded by a buildup in the military might of the United States and its allies.

Third, representatives of the administration have much to say about the need to elaborate "balanced agreements" making provision for "real arms reduction," and so forth. But as L. I. Brezhnev noted in a talk with representatives of the Socialist International Consultative Council on Disarmament, "in fact, Washington is doing nothing to achieve this and is even using various excuses to avoid the resumption of talks."

It appears that Washington needed such ideas in order to create the appearance of willingness to reduce armaments and to gain time for Washington to advance in the creation of new military programs while concealing its reluctance to hold serious talks.

Fourth, attempts have been stepped up to "link" the timing, course, volume and level of possible talks with the USSR's foreign policy.

Finally, it is becoming obvious that the present administration only intends to take account of agreements signed in the arms limitation sphere if these agreements do not run counter to the overall U.S. line of the all-round strengthening of military potential.

Of course, Washington must be aware of the need to maintain a certain level of dialogue with the USSR on problems associated with the prevention of nuclear war. It can hardly ignore the growing public demonstrations against the threat of war and militarism throughout the world, including those in capitalist states of Western Europe and even in the United States. These factors obviously played a

role of some importance in Washington's agreement to resume talks on nuclear arms limitation in Europe. As yet, however, there is no sign of any serious intentions on Washington's part to hold honest talks with the USSR.

G. M. Sturua: I will dwell in brief on one aspect of U.S. naval policy. American specialists have recently been discussing such questions as the quantitative makeup of the Navy--600 or 700 ships, the composition and tasks of the new 5th Fleet (deployed in the Indian Ocean) and the future of aircraft carriers. These debates distract attention from an important sphere of U.S. military preparations. I refer to the creation of an effective antisubmarine system directed against Soviet missile-carrying submarines. Since the end of the last decade the sum of 8.5 billion dollars has been spent on these purposes annually, as well as 20 percent of the appropriations for scientific research and development in the Department of the Navy budget. The development of an appropriate range of anti-submarine forces and resources, in the view of American strategists, should bring the United States closer to the acquisition of first ("disarming") strike potential.

S. Ch. Aytmatov: In June 1981 the sea trials of the first "Ohio" submarine of the Trident system were completed. In accordance with the Pentagon's long-term plans, over the next 10-15 years they are to replace the Polaris and Poseidon strategic submarines. Assessments made in 1981 indicate that the cost of the entire Trident program, if completed, will exceed the appropriations for it--which have already been substantially corrected upwards--by another 13 billion. As yet it is hard to say with any certainty how many Trident submarines will be built. At least until 1984, when the examination of alternative options must begin in earnest, the Congress will, by all appearances, continue to allocate appropriations for two submarines in addition to the eight for which resources have already been released.

M. I. Gerasev: The plan adopted by the previous American Administration for the development, prior to 1989, of 3,780 air-launched cruise missiles, to be stationed on B-52 bombers, is being put into effect within the framework of the Reagan Administration's military programs. Deployment of the first squadron is to be completed before the end of 1982. President Reagan's program envisages an increase in the number of missiles deployed, though the precise figures are not yet known.

There are definite domestic political difficulties impeding the implementation of this plan. The main obstacle is the refusal of the Air Force leadership, specifically the Strategic Air Command leadership, to carry more than 12 cruise missiles on B-52 bombers (the bomber can carry 12 missiles on underwing pylon mounts and 8 missiles in rotary racks in the bomb bay). It seems that this stance is primarily due to a desire to preserve the B-52 bombers' capacity to break through enemy air defenses, which, as is well known, comes first on the Air Force command's list of priorities.

The urgency of this problem has now been lessened considerably by the administration's decision to resume work on the B-1 bomber. The most likely channel for the buildup of strategic aviation power seems to be the implementation of the idea of creating four versions of the B-1 aircraft, including one carrying cruise missiles.

Administration and Air Force circles are also continuing to debate the question of a sea-launched cruise missile. The status of the system has not been determined and is influenced by three main factors. The first, technological factor lies in the imperfections in the missile guidance system in flight over water. The second, foreign policy factor is associated with the American military leadership's fears that the deployment of sea-launched nuclear cruise missiles would present a very attractive alternative for U.S. NATO allies and might wreck the decision on the deployment of American medium-range missiles in Europe, to which the Reagan Administration attaches very great importance. Finally, a third, domestic factor is associated with the question of the deployment of the cruise missiles, since there are disputes within the Navy command over this issue. It seems likely that Navy Secretary J. Lemman's plans will be implemented--they envisage the deployment of sea-launched cruise missiles on two demothballed aircraft carriers, the "New Jersey" and the "Iowa," with 320 missiles on each. On the other hand, however, this plan may conflict with the Navy's wish to have another three nuclear aircraft carriers in service.

Academician G. A. Arbatov closed the debate. Noting the complexity and pertinence of the problems associated with the formation of U.S. military-political strategy, he stressed, in particular:

Analysts are faced with very serious and intensive work. Nowadays it is perhaps especially important to grasp all the nuances of U.S. military policy, particularly on issues that directly affect international security. For the time being it is probable that, in addition to the military advantages that the present U.S. rulers are trying to obtain via their programs and sizable military spending, they are hoping to intensify political blackmail and also to exhaust the economic resources of the USSR and the other socialist community countries in an arms race.

The U.S. leadership has set that goal before. Maybe there is even greater emphasis on it now. These plans have invariably failed and it is most likely that this will continue to be the case.

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