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No. 2, February 1985

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'ALTERNATIVES' TO REAGAN ARMS POLICIES SEEN IN U.S.'RULING CLASS'

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 2, Feb 85 (signed to press 21 Jan 85) pp 3-14

[Article by A. A. Kokoshin: "Discussions of the Central Issues of U.S. Military Policy"]

[Text] The events of the first 4 years of the Reagan presidency have convincingly shown that the arms race has appreciably intensified and that the administration has increased the threat of a nuclear war by its foreign and military policies. A course aimed at rejecting military-strategic parity between the USSR and the United States, with the existence of which the Nixon, Ford and Carter administrations officially agreed, has been clearly apparent in the buildup of the American Armed Forces in recent years. A provocative feature has appeared in this course more clearly than before--the aspiration to force the Soviet Union to break the structure of its strategic forces and build more expensive weapon systems in response to American programs.

While substantiating the buildup of nuclear forces and the putting of new strategic weapons systems into commission, the Reagan Administration has not satisfied itself with the concepts of a "limited" and "protracted" nuclear war, or with various kinds of scholastic schemes for "selective" [dozirovannyye] nuclear strikes "playing by the rules" [kodifitsirovannyye]; following the example of some "superhawks" in the Carter Administration, its representatives have stated the possibility, on more than one occasion, of "victory" in a world nuclear war, and have said, quote, that after a concentrated exchange of nuclear strikes the United States could restore its economy to the prewar level.[1]

Within the channel of this policy one should also examine the deployment of American intermediate-range nuclear missiles in Western Europe, which began in December 1983, these missiles being intended--in conjunction with other types of nuclear weapons--for a first, "decapitating" strike. This and other actions have seriously exacerbated the international situation and led to the breakoff of Soviet-American negotiations on the limitation of nuclear arms in Europe and on the limitation and reduction of strategic arms.

The quantitative buildup and qualitative improvement of non-nuclear weapons--for the Army, the Air Force and the Navy--is progressing in the United States

at an accelerated rate. Particularly dangerous are plans to equip them with weapons whose strike capacity is close to that of tactical nuclear weapons. Equipping U.S. conventional armed forces with such weapons, on the one hand, and incorporating nuclear neutron warheads into their armaments, on the other, represent another step by the United States and NATO along the path of lowering the so-called nuclear threshold and undermining both strategic stability and international security.

The present U.S. government leaders and the political coalition behind them are building up their military might across the entire spectrum. In pursuing such a policy, the administration hastens to pay off the forces that brought it to power, the core of these forces being the military-industrial complex. The administration strives in every way possible to safeguard the superprofits of the monopolistic arms producers not for just a few years, but for many years to come, and to ensure dominant positions in the U.S. political machine for those politicians and members of the military who serve the interests of these arms producers.

During R. Reagan's first years in power, the political forces which had suffered defeat could do almost nothing to oppose the course taken by his administration, particularly in the sphere of military policy, where any ideas in any way different from its own were presented by Reagan's propaganda machine as undermining efforts to strengthen U.S. "national security." However, by the time of the midterm elections in 1982, political opposition had appeared which the White House could not help but take into account, while at the same time utilizing various methods of political, propagandist and diplomatic maneuvering to neutralize this opposition.

The administration's maneuvers have not affected the essence of its course in military policy. What is more, changes in rhetoric on military-political problems have clearly been called upon to create a "smoke screen" for pushing through arms programs which enrich the military-industrial complex on a vast scale.

In its implementation of programs already in progress, in its determination of new directions of the arms race and in its approach to negotiations on the limitation and reduction of nuclear weapons, the government has shown ominous consistency and stubbornness, while at the same time following the course of the military-industrial complex.

This course has been comprehensively and substantively appraised by the CPSU leadership and the Soviet state as a militarist course posing a threat to international peace and security, the essence of this course lying in the United States' attempt to guarantee itself a dominant position in the world without considering the interests of other states and peoples.

K. U. Chernenko, general secretary of the CPSU Central Committee and chairman of the USSR Supreme Soviet Presidium, has underscored the danger of American imperialism's policy of overt militarism and claims to world supremacy, and also of its policy of constantly building up tension. This danger, he noted, is obvious. But, "the greater the threat it poses to human civilization,"

said K. U. Chernenko, "the more active the forces of human self-preservation become." Pointing out in this connection the growing concern of participants in the antimissile movement in Western Europe, a movement joined by millions, he also drew attention to those changes caused by U.S. militarist policies in the distribution of forces within the imperialist camp itself: "Far from all leading figures in the West and influential political parties approve the adventurism of the U.S. administration. This adventurism also concerns a considerable portion of the public in America itself. People there are increasingly coming to understand that intensified militarization and the exacerbation of the international situation have not provided, and will not provide, the United States with military superiority and political success. It only leads to increasing criticism throughout the world of Washington's bellicose course."[2]

These theses provide a fundamentally important formulation of the problem which obliges us to pay particular attention to the aforementioned latest trends in the development of the international situation and in U.S. domestic political life, and especially to their central aspect, which affects the fate of the whole of mankind.

Indeed, the escalation of the arms race and the increased danger of nuclear war have caused the most diverse strata of the American population to join the antinuclear and antiwar movement. This movement has become an important force, and it not only forced the administration to maneuver during the election campaign and don the garb of a peacemaker, but it has also served as a catalyst of struggle on this issue within the ruling class itself. The powerful antiwar movement in Western Europe has given, and continues to give, it significant moral support. "The contemporary peace movement has already proved that it represents a qualitatively new phenomenon which no one can ignore. This movement possesses great moral and political strength and it has considerable reserves for further growth," noted B. N. Ponomarev.[3]

Under these conditions, discussions centering on a number of issues central to U.S. military policy have become more active and have been joined by many well-known specialists and political figures from different political groups. During the discussions, particularly during the 1984 election campaign, opposition forces shifted away from criticizing individual elements of this policy toward formulating some of their own alternatives in this sphere.

The opposition is very heterogeneous and the alternatives it has put forward vary in their degree of radicalism and adequacy for the severity of the problems engendered by the policies of the Reagan Administration. But the very fact of the growth of this opposition is in no doubt, which reflects the deep dissatisfaction with Reagan's military policy among certain segments of the U.S. ruling class itself.

An analysis of the events taking place in U.S. political life and of statements in the media and in specialized publications by various politicians and experts makes it possible, it seems to us, to single out the three main varieties of military policy being considered as alternatives to Reagan's policy.

The first outlook is represented chiefly by individuals who obviously intend to secure high-level positions in the Reagan Administration. Correspondingly,

many of them belong to the Republican Party, to that part of its spectrum which is known as the "center," but they also include a number of prominent Democrats. When Reagan came to power in 1981 this group was considerably weakened and lost the political initiative to the rightwing and extreme rightwing Republicans. The activities of this group have recently become much more animated, including activity in the Senate.

The hope of making a comeback in government and a craving to once again become party to policymaking--even in the case of policy which, to a considerable extent, they do not consider "their own"--in many ways determine both the nature of their public statements and the essence of their proposed military-political course, which represents, in a number of parameters, an alternative to the Reagan course.

The people in this category are distinguished from many leading figures in the Reagan Administration by their greater experience in government and their more precise understanding of the many nuances of strategic balance and strategic stability, and also of the possible unexpected and dangerous--for the United States itself--developments in the arms race.

Feeling no reverence for military technology in general, unlike the neophytes on the Reagan "team," they nevertheless permit a great deal of distortion on the scientific-technical side in their conceptual constructions on military-political matters; they often emphasize technocratic thinking in the search for what they consider to be the means of ensuring strategic stability and international security.

It is striking that the representatives of this outlook, as a rule, do not enter into confrontation either with the administration as a whole or with its individual representatives. On the contrary, from time to time they praise the administration for its "realism" and its "constructive" changes, which are, as a rule, actually complete and utter demagogy. Thus, when the White House, under pressure from the peace movement in the United States and Western Europe, agreed to sit down at the negotiations table for talks on the limitation of nuclear weapons in Europe and on the limitation and reduction of strategic weapons, centrist-Republicans declared this to be almost a "cardinal turnabout" in R. Reagan's policy. Meanwhile, as it has now become clear, at that time the administration entered into these negotiations with positions known to be unacceptable to the Soviet side and strived to use the negotiations as a smoke screen, under the cover of which all projected military preparations continued to develop.

While avoiding, as a rule, direct criticism of R. Reagan's military policy, representatives of this outlook nevertheless show a certain realism in their approach to a number of important problems in this sphere. First and foremost, they, as a rule, positively appraise the SALT-I and SALT-II agreements and are in favor of reaching mutually acceptable American-Soviet agreements on strategic arms limitation and reduction, while emphasizing that this is necessary primarily for the security of the United States itself, and also for the stabilization of relations with its chief allies. This is because the latter increasingly fear that, by blocking nuclear arms limitation talks, the White House is increasing the possibility of a nuclear war and the danger of their unwilling involvement in it.

A characteristic stand has been taken by the representatives of this group on the most important, in the strategic and political sense, weapon systems. While supporting the MX ICBM program as a whole, many of them have voiced a number of reservations attesting to their realization of the destabilizing influence of this program on the Soviet-American strategic balance. They have recently expressed the opinion that the MX missiles are really only necessary as "trump cards for bargaining" in the START talks and that the United States could forgo a considerable part of this program by deploying from 20 to 25 missiles instead of the planned 100. These proposals clearly run counter to official statements by high-ranking officials in the administration, who insist that the MX program must be carried out in full. At the same time, representatives of this group approve (with certain reservations connected with the hypothetical positive results of nuclear arms limitation talks) the majority of other programs for the buildup of strategic offensive weapons.

In 1983 and 1984 fairly broad support took shape within this group for the development of a lightweight single-warhead ICBM (known as Midgetman) as a substitute for strategic missiles with independently targeted warheads (MIRV's) for the purpose of increasing strategic stability. It should be noted that many supporters of this idea (particularly the members of the Scowcroft Commission)[4] immediately showed inconsistency in at least two respects: First, they proposed deploying the Midgetman missiles only within the framework of the land-based component of strategic forces, thus leaving completely untouched both sea-launched ballistic missiles with MIRV's and heavy bombers armed with cruise missiles, which are equated, within the framework of the SALT-II treaty in particular, with MIRV'ed ICBM's; second, they emphasized the need to build light single-warhead ICBM's which would have sufficient yield and accuracy for a potential strike against highly fortified targets on the other side, and this, even according to American criteria of strategic stability, is acknowledged to be a destabilizing factor. As a result of discussion, the administration has decided that this new ICBM will be built in addition to, and not instead of, existing MIRV'ed ICBM's.

The discussion of the light single-warhead Midgetman ICBM shows how representatives of this group strive to resolve the problem of strategic stability by technocratic means and shows what might happen as a result of this, given the generally destructive military-political approach to this problem in Washington.

As a rule, representatives of this group have a skeptical attitude toward R. Reagan's widely publicized idea of building a large-scale antimissile system, believing the implementation of this idea to be unrealistic and extremely dangerous for strategic stability. The former U.S. Secretary of Defense H. Brown, a well-known scientist who was head of the Livermore physics laboratory at the University of California prior to entering the Pentagon, has, in particular, spoken very critically about the prospects of building an effective space-based antimissile system. In his book "Thinking About National Security," published in 1983, he emphasized that, given the existence of a vast quantity of nuclear ammunition, even with an antimissile system the attacking side could in no way guarantee against catastrophic losses as a result of a counterstrike by the other side. The very attempt to build any

such system, including with the use of powerful laset systems deployed in the earth's orbit, could create, Brown emphasizes, a very dangerous illusion.[5] A skeptical attitude toward this kind of large-scale antimissile system has also been voiced in the papers of the Scowcroft Commission (which nevertheless played an unseemly role in Reagan's efforts to push MX appropriations through the Congress).

Representatives of the Republican "center" have also repeatedly criticized the concepts of "limited" and "protracted" nuclear war and the thesis of a possible "victory in a nuclear war." In a number of statements they have disputed claims by the administration that the Soviet Union has supposedly gained strategic superiority over the United States. They have emphasized that there is approximate equality and parity between the USSR and the United States in the sphere of strategic weapons, which is sufficiently stable in the 1980's.

Speaking of the considerable degree of stability in Soviet-American strategic parity, representatives of this approach to American military policy unequivocally inform those who aspire to military superiority over the Soviet Union that this aim is unattainable in view of the vast scientific-technical and economic potential of the latter.[6] Also, many have refuted one of Reagan's favorite theses on the so-called "window of vulnerability" in U.S. strategic forces (the supposedly increasing vulnerability of the land-based component of American strategic forces). A corresponding section of the report by the Scowcroft Commission draws the totally unequivocal and justified conclusion that this problem simply does not exist.

The use of military force in various parts of the world for the sake of safeguarding U.S. "global interests" is postulated by the majority of representatives of this group virtually in the spirit of Reagan Administration views. Differences of opinion with the administration exist concerning the means of ensuring this policy, including programs for the buildup of conventional armed forces. For example, critics of Reagan in this group consider it inexpedient to build gigantic nuclear-powered attack aircraft carriers of the Nimitz class, which are vulnerable even to missiles with non-nuclear warheads (including in conflicts like the Falklands [confirm Falklands, not Malvinas, as published]; instead, they propose building comparatively small and less expensive aircraft carriers, but in larger numbers. They criticize the path which the building of interventionist "rapid deployment forces" has taken, believing that the cumbersome ground forces incorporated in them could find themselves drawn into a hopeless protracted war like the one in Vietnam. Their alternative is to have considerably smaller, mobile forces, which would be deployed on ships and would be totally independent of the countries of the region in which the United States intends to use them to take military action.

The majority of members of this group prefer not to focus their attention on the economic aspect of the Reagan Administration's military policies. Only some of them oppose the excessive increase in military expenditures. For example, Senators W. Cohen (Republican, Maine) and Georgia Democrat S. Nunn claim that the 10-13 percent annual growth in this spending is excessive in real terms, too onerous for the country's economy, and totally unnecessary

for a "radical increase" in military might. Without casting doubt on the aim of further increasing military expenditures in principle, they believe that for the short-term period this increase should be no more than 5-7 percent a year in real terms.

Summing up what has been said, one can conclude that the approach of this group of political figures and experts affiliated with them simply amounts to a certain amending, "rationalizing" of the Reagan Administration's military-political course, that is, to a softening of its most odious elements, but so that this course remains an active means of exerting pressure on the Soviet Union and the other countries of the socialist community, and also on liberated states. Attempts to influence the course of the administration while cooperating with it, by carefully and gradually "nudging" its military policies at least toward some degree of moderation, are characteristic of representatives of this group. These figures include a considerable number of those who, before Reagan's assumption of power, promoted a departure from the policy of detente and the development of a new round in the arms race, as well as those who displayed inconsistency in this respect or simply engaged in political maneuvering in accordance with the current situation. And, perhaps, this makes their present realization that R. Reagan's military-political course and his stubbornness in continuing it could lead the United States and the whole world to an all-annihilating catastrophe all the more worthy of note. One can add that even such guarded criticism arouses an immediate sharp rebuff on the part of the extremely rightwing, extremist segment of the Reagan political coalition.

Representatives of the second orientation, within which an alternative to the Reagan Administration's military-political course is to a great extent being formed, obviously do not include those who intend or hope to join that administration or to cooperate closely with it. They are primarily Democrats with centrist or, to some extent, liberal views; there are few Republicans among them. In particular, the Democratic Party's main presidential aspirants in the 1984 election campaign are in this group, each with his own different variation. Many elements of this approach to the military-political problems found their expression in the document entitled "Restoring the Possibilities for a Strong Defense: Ensuring American Security in the 1980's," which was prepared by the Democratic membership of the House of Representatives and published in the Congressional Record in September 1982.[7]

A majority of the figures representing this orientation openly criticize the administration's obstructionist and demagogic approach to arms control as well as certain of its proposals made at the Soviet-American START negotiations and at the Soviet-American negotiations on the limitation of nuclear weapons in Europe. This group includes quite a few of those who demand the U.S. ratification of the Treaty on the Limitation of Strategic Offensive Arms (SALT II) signed in Vienna in 1979, regardless of whether this demand is raised with the sincere hope for its implementation or merely as a lever of pressure on the White House.

Quickly realizing the strength and popularity of the nuclear freeze movement which has developed in the United States in the last 2 or 3 years, the adherents of this orientation, as a rule, express support for this movement,

viewing it as an important step on the road to nuclear arms reduction. Unlike the representatives of the first group, they openly and actively oppose the deployment of the MX system. At the same time, those who consider it necessary to renounce the deployment of the sea-based Trident-2 strategic system equipped with D-2 MIRV'ed ballistic missiles, which comes close to the MX in its characteristics and destabilizing effect on the military-strategic situation, have a lesser influence in this environment.

The question of entirely renouncing the most destabilizing nuclear weapons systems is discussed in detail in the statements of many prominent Democrats and of military-political specialists connected with them; this includes the aforementioned report of the Democrats in Congress. Virtually all representatives of this orientation have opposed the plans to build a large-scale antimissile system with space-based elements, and the testing and deployment of antisatellite weapons.

There are prominent American scientists among the active opponents of Reagan's military policy, and among those who criticize this policy from the standpoint of its scientific-technical insolvency. A group of 17 scientists addressed an official petition to President Reagan, calling on him to renounce the plans to build and deploy a large-scale antimissile system. Many scientists have actively supported the efforts of those senators and congressmen who argued that the United States should joint the USSR's unilaterally proclaimed moratorium on the introduction of antisatellite weapons into outer space as long as other countries act in the same way.

For example, a report by the Harvard University group for nuclear policy research states with regard to antisatellite weapons that, from the viewpoint of U.S. security interests, it would be much preferable to be able to rely on the guaranteed security of its own outer space systems than to have the potential to destroy Soviet satellites.[8] Many representatives of this orientation received with great interest the Draft Treaty on Banning the Use of Force in Outer Space and from Outer Space in Relation to Earth, proposed by the Soviet Union in 1983 (the draft that was elaborated by the USSR in the development of the Draft Treaty on Banning the Placement of Any Weapons in Outer Space introduced in 1981), as well as the proposal of the Soviet leadership to open Soviet-American negotiations on the prevention of the militarization of outer space.

To provide a counterweight to the increasingly persistent attempts of the Reagan Administration to intensify the arms race in outer space and to give it a qualitatively new and even more dangerous character, many American political figures have raised the idea of renewing and developing large-scale Soviet-American cooperation in the conquest of outer space. In particular, Senator S. Matsunaga emphasizes that the need for such cooperation in space is very great from both the political and the economic standpoints.[9] He believes that there is an objective scientific-technical basis for this cooperation because the USSR and U.S. space programs complement each other in many areas. The realism of this cooperation, Matsunaga says, was convincingly demonstrated by the success of the Soyuz-Apollo program in 1975.

It is noticeable that representatives of this view have recently intensified their activity in Congress and in other U.S. political forums in connection with the need to prevent the introduction of various types of weapons into outer space, that is, the need that has become so major and so urgent in light of the administration's adventurist policy.

Most of the representatives of this orientation demand not only a revision of a number of R. Reagan's military-political aims, but also a revision of the theses that have been rooted in the U.S. military doctrine for a long time. In particular, many of them are actively raising the question of the need to renounce the first use of nuclear weapons as well as the question of excluding nuclear weapons as an element of the "flexible response" strategy, something that would mark a change of considerable importance in the military planning and combat training of troops.[10] The public statements on this question by such prominent figures as M. Bundy, R. McNamara, J. Smith, G. Kennan and others have evoked a wide international response. The studies of the Washington Center for National Policy, which is considered to be one of the Democratic Party's leading "brain trusts," also include explanations of the basis for this demand. The Union of Concerned Scientists and the Federation of American Scientists, two influential organizations in academic circles, actively advocate the United States' renunciation of the first use of nuclear weapons.

The advocates of the U.S. renunciation of the first use of nuclear weapons intensified their activities after the Soviet Union announced in 1982 its pledge not to be the first to use nuclear weapons, something that represented an essentially important political declaration and a logical continuation, as D. F. Ustinov pointed out, of the USSR's principled foreign policy line and a natural stage of the Soviet defensive military doctrine. This declaration signifies that "now even greater attention will be devoted to the tasks of preventing a military conflict from turning into a nuclear conflict."[11]

The American individuals in this group also actively advocate a complete ban on nuclear weapon tests and accuse the administration of pursuing a short-sighted and narrow-minded policy on these questions and of thereby reducing the security of the United States itself. They demand constructive steps in the nonproliferation of nuclear weapons, including active cooperation with the USSR.

In contrast to official Washington, this group also actively supports the idea of forming zones that would be free of nuclear weapons, including battle-field nuclear weapons in Central Europe, in the spirit of the well-known proposals made by Sweden.

Representatives of this orientation, including those who were close to the Democratic Party's main presidential contenders in the 1984 campaign, devote considerable attention to the economic aspects of military policy and have proposed a number of measures to significantly reduce the military budget. The research study entitled "Setting National Priorities: The 1984 Budget," which was prepared by the Brookings Institution--traditionally oriented toward the Democratic Party's leadership--and published in 1983, provides the most

detailed alternative to the prospective U.S. military budget. For example, as far as strategic arms are concerned, the authors of this study propose to reduce by more than one-quarter the expenditures planned by the Reagan Administration for the 1984-88 period. In their opinion, this can be achieved by renouncing the MX program and the B-1B heavy bomber and by reducing expenditures on research in the spheres of antimissile systems and continental air defense as well as in the spheres of command, control and communications. As regards conventional armaments (land forces and tactical air forces), they also propose a reduction of expenditures by limiting the procurement of several types of military equipment and by liquidating the programs for binary chemical weapons, the F-14 and F-15 fighter bombers, the AB-8B ground attack aircraft and others. As far as the general-purpose naval forces are concerned, it has been proposed that expenditures be reduced by giving up 3 new attack aircraft carriers, 11 air defense cruisers, 11 multipurpose nuclear submarines and 9 missile-carrying destroyers.[12]

As the above information testifies, representatives of this orientation strive for more significant shifts toward moderation in the U.S. military-political course than representatives of the first group; they definitely link the questions of strengthening international security and the United States' own security with the conclusion of agreements with the Soviet Union on arms limitation, and not with an arms buildup. By and large, they are distinguished by a desire to return to the state of affairs in the military-political sphere that existed in the mid-1970's. Their increased interest in the economic aspects of military policies and their desire to at least limit the growth of military spending perceptibly, if it cannot be halted altogether, reflect a justifiable concern about the negative effects of the arms race on economic and sociopolitical conditions in the United States. Many of them believe that the hopes of the Reaganites to "wear out" the Soviet Union with the arms race are groundless and that the increase in military spending will affect primarily the United States itself and will weaken its position in the struggle with Western Europe and Japan for world markets.

Representatives of the third orientation under discussion do not now aspire as a rule to any participation in the political process at the highest level. It is the more radical elements of the Democratic Party's liberal wing that are dominant among representatives of this orientation. They occupy such positions in the political hierarchy which make it possible for them to be in fairly close contact with the antiwar movement and other social protest movements. Their activity is stimulated by the mass antiwar movement in which they themselves quite often actively participate and for which they provide ideas and important information. Prominent political figures, mainly from among representatives of the second type of opposition discussed, also join this orientation now and then.

The scientists connected with this orientation speak the most frankly about the potential consequences of the nuclear war, demonstrating that, even if only a part of the accumulated arsenals of nuclear weapons were to be used in it, a nuclear war would mean the end of life on earth.

It is precisely these circles that set forth the most far-reaching ideas on a nuclear freeze and the subsequent substantial reduction of nuclear weapons:

on the reduction of the nuclear forces of the sides to proportions that would ensure the so-called "minimum deterrence [sderzhivaniye]" (or "final deterrence"). It is characteristic of representatives of this orientation that they have a sharply negative attitude toward both the MX program and the Trident-2 (D-5) program as first-strike weapons and as weapons that clearly increase strategic instability and the threat of nuclear war.

One of these versions has been proposed in the form of a long-term goal of significant reductions of nuclear arsenals of the sides involved by the well-known American physicist Richard Garwin. He believes, in particular, that the existence of 1,000 warheads in the American arsenal (instead of the existing 12,000 warheads on strategic carriers alone), designated only for a retaliatory strike, would be sufficient for the purpose of a stable deterrence. Garwin justifiably links the preservation of strategic stability at such a level of nuclear weapons with the preservation of the open-ended Soviet-American Treaty on the Limitation of Anti-Ballistic Missile Systems (1972), with the banning of antisatellite and other types of space-based weapons, with the conclusion of a complete and general nuclear test ban treaty and with the reinforcement of the system of nuclear nonproliferation.[13] R. Garwin's proposal to reduce the number of strategic warheads to 1,000 units coincides, in particular, with the idea set forth by a Soviet specialist that four submarines of the Ohio class in the United States and an equivalent force in our country, plus some kind of limited potential taking into consideration the weapons of other nuclear powers as well as the purpose of these weapons, would be enough for genuine deterrence.[14]

Since autumn 1983 the representatives of this orientation have increasingly actively criticized the space aspects of the Reagan Administration's military policies. In this sphere, the research of the Union of Concerned Scientists and the publications of the Information Center of Military Problems, the Federation of American Scientists and the Stanford University Center for International Security and Arms Control are the most well-known. The facts contained in these research works are extensively utilized during the keen debates (including in the U.S. Congress) centering on the Reagan "strategic defense initiative" program, which is oriented toward intensive scientific research and development for the purpose of building a large-scale antimissile system. In their negative appraisal of the potential strategic and international political consequences of building a large-scale antimissile system, the authors of the aforementioned research works are in solidarity with one another, and their conclusions coincide with the conclusions drawn by Soviet scientists in the report submitted by the Committee of Soviet Scientists in Defense of Peace and Against the Nuclear Threat,[15] although this research was conducted independently.

The representatives of this orientation also focus their attention on the potentially vast outlays on space weapons systems which can be calculated in hundreds of billions of dollars (according to some estimates, up to 1.5 trillion dollars in the next 25-30 years), on the destructive influence of this spending on the American economy as a whole, and on the fact that this will by no means speed up scientific and technical progress in civilian branches, but rather will slow it down, and that it will weaken American positions in the world market for science-intensive goods.

Sensible ideas are also being put forward for reducing the American military presence abroad, including the considerable reduction or even the complete withdrawal of American troops from Western Europe.[16] This idea is presented in detail in the works of Professor E. Ravenal, a former Pentagon official whose ideas have something in common with the works of a number of leftwing liberal organizations.[17]

The existence of the aforementioned trends of discussion centering on the Reagan Administration's military policies attests to the fact that various groups of the ruling class and ruling political circles in the United States have begun to comprehend the unacceptable nature of the present course, which is increasingly regarded as one safeguarding the narrow group interests of the rightwing conservative political coalition that has seized power. For many American political and social figures it has become obvious that the Reagan Administration's desire to ensure the fulfillment of these narrow group interests as far as possible threatens to turn into a total catastrophe for the nation and the world as a whole. The adventurism of this military-political course also threatens the direct interests of a considerable section of the U.S. ruling class.

People are also coming increasingly to understand that maintaining the course which took shape at the beginning of the 1980's is leading to vast economic and social expenses and is fraught with the possibility of weakening U.S. positions in the face of its imperialist competitors.

As a whole, the discussion shows that, despite the most energetic efforts, the Reagan Administration has been unable to reach the promised full accord and consensus within U.S. ruling circles on a number of the most important aspects of military policy. The absence of this consensus is particularly manifest in the activities of Congress and in the military programs it passes. At the same time the administration continues, in spite of certain opposition on the part of relatively moderate groups of ruling circles, to pursue its earlier elected course in issues of military policy.

FOOTNOTES

1. For more about the administration's military policy, see V. V. Zhurkin, "The Strategy of Nuclear Aggression," SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, 1984, No 9; D. A. Volkogonov, "The Strategy of Adventurism," ZARUBEZHNOYE VOYENNOYE OBOZRENIYE, 1984, No 5; R. G. Bogdanov, "Parity or 'Intimidation'?" SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, 1984, No 10.

2. K. U. Chernenko, "The People and Party Are United," Speech at a meeting with the voters of the Kuybyshev Electoral District in Moscow on 2 March 1984, Moscow, 1984, pp 24-25.

3. B. Ponomarev, "Concrete Action for the Sake of Lasting Peace," KOMMUNIST, 1984, No 8, p 22.

4. See M. A. Mil'shteyn, "The Report of the Scowcroft Commission," SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, 1983, No 10, pp 122-124--Editor's note.

5. H. Brown, "Thinking About National Security. Defense and Foreign Policy in a Dangerous World," Boulder (Colo.), 1983, p 52.

6. As A. G. Arbatov justly notes in his research, when one evaluates the United States' real potential for altering the existing military-strategic balance of power in its own favor, one should primarily bear in mind that parity is far from being an American "gift" to the Soviet Union which the United States could take back at will; through the efforts of the USSR this parity has acquired considerable stability. The author's calculations show that if the United States decided to revive its quantitative predominance in strategic forces comparable to the 1966-1967 period, it would have to have approximately five times as many strategic carriers and six times as many nuclear warheads as it has had in the first half of the 1980's. Even considerably larger appropriations than those planned by the Reagan Administration could not ensure this kind of increase in American strategic weapons (A. Arbatov, "Voyenno-strategicheskiy paritet i politika SShA" [Military-Strategic Parity and U.S. Policy], Moscow, 1984, pp 244-245).

7. See SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, 1983, No 11, pp 70-75--Editor's note.

8. A. Carnefale, P. Doty et al, "Living with Nuclear Weapons," Toronto-New York, 1983, p 183.

9. In February 1984, S. Matsunaga (Democrat of Hawaii), C. Pell (Democrat of Rhode Island and C. Mathias (Republican of Massachusetts) introduced a draft resolution "Cooperation Between East and West in Outer Space as an Alternative to the Arms Race in Outer Space" in the Senate Foreign Relations Committee. An analogous draft resolution was also prepared by a group of members of the House of Representatives. Other senators and congressmen subsequently also joined these resolutions as co-authors. The idea has also won the support of many prominent American scientists, such as J. Van Allen, T. Owen, T. Donahue, C. Sage, J. MacArthur, L. Lanzerotti, A. Fratkin and others (CONGRESSIONAL RECORD, 9 February 1984, pp 1-12).

10. At the same time, it should be noted that many political figures of this orientation link the renunciation of the first use of nuclear weapons and the raising of the "nuclear threshold" with a simultaneous accelerated development of the conventional armed forces of the United States and its allies. In particular, the aforementioned report of the Democrats in the House of Representatives includes a call for improving the combat readiness and equipment of the American ground forces in Western Europe on the pretext that "nuclear weapons would become the last means of deterrence and not the means of frontline defense."

11. D. F. Ustinov, "To Avert the Danger of Nuclear War," PRAVDA, 12 July 1982.

12. "Setting National Priorities: The 1984 Budget," edited by J. Pechman, Wash., 1983.

13. R. Garwin, "What To Do? A Developer's View of the Hydrogen Bomb" (mimeo), Los Angeles, 7 May 1984, p 7.

14. V. Falin, "Yesterday in Today's Washington," KOMMUNIST, 1984, No 8, p 123.

15. "Strategicheskiye i mezhdunarodno-politicheskiye posledstviya sozdaniya kosmicheskoy protivoraketnoy sistemy s ispol'zovaniyem oruzhiya napravlennoy peredachi energii" [The Strategic and International Political Implications of Building a Space-Based ABM System with Guided Energy Transmission Weapons], Moscow, 1984.

16. It should also be noted that such ideas have been actively discussed in recent years by a number of rightwing conservative political figures, but for totally different reasons. They have expressed their sharp disapproval of the conduct of NATO allies who have refused, in particular, to increase their military spending to the degree demanded of them by the Reagan Administration. At the same time they propose the assignment of higher priority in U.S. military policy to the western hemisphere and the Asia-Pacific region; therefore, it is not a question of reducing American armed forces in general, but of redeploying them in accordance with a different set of foreign policy priorities less oriented toward Western Europe.

17. E. Ravenal, "The Case for a Withdrawal of Our Forces," THE NEW YORK TIMES MAGAZINE, 6 March 1983, pp 58, 60, 61, 75.

CSO: 1803/7a-F

REINFORCEMENT OF CANADA'S POSITION IN NORTH AMERICAN ECONOMIC COMPLEX

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 2, Feb 85 (signed to press 21 Jan 85) pp 26-35

[Article by A. G. Kvasov]

[Text] The present shift in the balance of power between American and Canadian capital within the North American economic complex is one of the symptoms of the law, discovered by V. I. Lenin, of the uneven economic and political development of capitalism. The U.S. monopolies, enriching themselves by exploiting Canadian resources, still dominate the complex. However, whereas they had no serious competition from Canadian national capital for a long time, the process of Canada's economic enslavement reached a turning point at the beginning of the 1970's.[1] Its most distinctive features were the perceptible reinforcement of national capital's position in the Canadian economy and more active foreign expansion by Canadian monopolies, especially in the United States. Canada began to play a much more important role in North American economic integration.

The author of this article will present an overall description of the shift in the balance of power between Canadian and American capital within the North American economy and analyze some of its causes and consequences. Without attempting an exhaustive analysis of this new and little-researched phenomenon, the author will concentrate only on some of its most distinctive features. In particular, he will not discuss certain topics which have been discussed thoroughly in economic literature, such as the origins and workings of the mechanism of integration in North America.[2]

The Balance of Power Changes

The role of Canadian national capital, which has always been subordinate to U.S. capital in the North American market, is undergoing perceptible changes. After establishing its own economic base and an autonomous structure, jealously guarded with the active assistance of the government, Canadian financial capital has already aquired the potential to expand its sphere of influence and it began to use this potential in the second half of the 1970's. By that time it already had all of the necessary production factors whose absence in the initial stages of the establishment of Canadian monopolist capitalism had led to the seizure of key sectors of the economy by American capital. This is attested to by the following processes.

First of all, serious changes are taking place in the sphere of research and development. Now 56 percent of these projects are conducted in Canada itself.[3] Leading national corporations have state-of-the-art, often unique technology in various fields. Suffice it to say that Canada is carrying out its own space exploration program. In particular, it has developed one of the most important components of the American space shuttle--the "Canadarm" remote-control manipulator. The country is producing CANDU nuclear reactors and unique equipment for the derivation of oil from bituminous sand and the purification of gas. It has accomplished a great deal in powder metallurgy and other fields.

Secondly, there have been changes in the system for the training of skilled manpower and licensed specialists. Canada has accumulated administrative experience meeting the highest world standards, and this is attested to by the successes of young Canadian transnational corporations in international markets.[4]

Thirdly, industrial monopolies have a much larger supply of financial resources. The concentration of banking capital in Canada has reached an extremely high level and this has heightened its ability to mobilize huge investments. The scales and terms of credit as they are stipulated in national legislation[5] are such that, as one American banker put it, "it appears that the credit extended by Canadian banks to their major clients can be truly unlimited."

The growing strength of Canadian monopolist capital is objectively resulting in more active efforts to begin economic operations in more profitable spheres. The related inter-imperialist repartition of the North American market has displayed two basic trends: firstly, the infiltration of highly profitable and American-controlled sectors of the national economy by Canadian monopolies, and secondly, the mass export of Canadian capital to the United States. The first of these trends began in the early 1970's and has been called the "Canadization" of the economy. Its most important feature is the active participation of the government in this process. For example, the ultimate purpose of all government undertakings in this area, from the creation of an agency to oversee foreign investments (1974) to the adoption of the National Energy Program (1980), was to fill the social order of Canadian monopolies requiring profitable spheres of capital investment.

Purchases of foreign property by Canadians, a process in which government corporations such as Petro-Canada and the Canadian Development Corporation participated, reached their peak in the early 1980's. Foreign control (measured in terms of assets owned by foreign companies) in the oil and gas industry fell from 77 percent in 1971 to 43 percent by the end of 1981, with corresponding decreases from 71 to 46 percent in mining and from 58 to 50 percent in the processing industry. Foreign control in all non-financial fields fell from 36 to 25.5 percent during this decade--that is, it fell to the 1948 level.[6] Foreign capital is, however, still playing an important role in Canada's economic development. Suffice it to say that direct foreign investments increased from 26 billion dollars[7] in 1970 to 72 billion in 1983. In relation to general Canadian economic indicators, however, this figure is now

much lower than it was in the beginning of the 1970's: 19 percent of the GNP in 1983 as compared to 31 percent in 1970.[8]

The reinforcement of Canadian capital's position within the country has been accompanied by the "Americanization" of its operations. Whereas American monopolies previously viewed Canada only as a raw material appendage and a natural extension of the American economy, now Canadian capital itself is increasingly likely to "disregard" the border between Canada and the United States. For many Canadian corporations which have outgrown the national economy, the export of capital and the transfer of some production units to the United States with its larger market are viewed as the most promising method, and sometimes the only possible method, of expanding operations.

In 1982 Canadian direct investments in the United States totaled 10 billion American dollars. They are the basis of an extensive network of American branches and affiliates of Canadian TNC's. The actual amount of capital controlled by Canadians in the United States is much greater than the current value of direct investments and reached 78.5 billion American dollars that same year. Canadian banks have recently taken the lead in some local American financial markets. In terms of controlled assets, they rank third among foreign banks in the United States, surpassed only by the banks of Japan and Great Britain. In the middle of 1983 the assets of the "big five" Canadian banks in the United States reached 45 billion dollars.[9] The Bank of Montreal alone had assets of 15 billion. What is more, even this figure seems to be a conservative estimate. Suffice it to say that the American Harris Bank of Chicago, absorbed by this Canadian bank in 1983, controls an additional 25 billion in assets through its trust department.

The scales of activity by Canadian-controlled companies in the American economy have been distinguished by fairly high growth rates. For example, in 1981 alone the number of people employed at Canadian-controlled enterprises in non-financial branches of the U.S. economy increased 1.5-fold and represented 0.6 percent of the hired labor force in the country (excluding civil servants, agricultural laborers and people employed in the financial sphere). The sales volume of these enterprises reached 61 billion American dollars in 1982, which was equivalent to 2 percent of the U.S. GNP. They accounted for around 2 percent of U.S. exports and over 3 percent of U.S. imports.[10]

With the support of banks, Canadian TNC's have also acquired a noticeably stronger position in the monopolist upper echelon of the American economy. For example, the Seagram Company, the largest producer of alcholic beverages in Canada, became the largest stockholder (more than 22 percent of the stock) in E. I. du Pont de Nemours, the eighth-ranking U.S. industrial corporation in terms of turnover, through its American branch J. E. Seagram and Sons; in the same way, the Canadian Northern and Brascan corporations became the largest stockholders in the well-known American Hanna Mining and Scott Paper companies. The Canadian Pacific and George Weston conglomerates have substantial assets in the United States, as do Noranda Mines, the Northern Telecom electronics firm, Husky Oil, the Ivaco metallurgical company and many other firms.

Canadian firms have been most active in real estate. For example, Olympia and York has become a major owner of office buildings in New York. One of its latest projects was the construction of the Battery Park City world finance center in Manhattan at a cost of 1.2 billion American dollars. Such well-known Canadian corporations as Cadillac Fairview, Deyon Development, Trizec, Brumley and the New West Group are large property owners in the centers of Los Angeles, San Francisco, Dallas, Houston and other American cities. In the 1980's Canada took the lead among foreign owners of real estate on U.S. territory by overtaking its traditional competitors from Great Britain.

This particular trend in the development of the North American economic complex can be categorized as one of the newest tendencies that have not been reflected clearly enough in economic statistics yet. The objective and deep-seated processes occurring there, however, are quite apparent in the relationship between reciprocal U.S. and Canadian direct investments. For example, between 1971 and 1981 alone the ratio of American private direct investments in Canada to similar Canadian capital investments in the United States decreased from 6:9:1 to 4.5:1.[11] Considering the approximately 10-fold difference in the overall economic potential of the two countries, this attests to the considerable reinforcement of Canadian capital's position in relation to American monopolies.

Reasons for Change

The abovementioned changes in the balance of power appear to be the result of the continued development and increased strength of Canadian financial capital, based on a better system of monopolist economic control, the reinforcement of the organizational unity of national industrial and banking monopolies, the all-round support of national business by the Canadian Government and its active involvement in the redistribution of spheres of influence in the North American market.

Canada is a country with an exceptionally high level of production and capital concentration, sometimes surpassing even the U.S. level. The 500 largest companies in the country produce 53.7 percent of all goods and services, control 65.6 percent of all assets and account for 68.8 percent of all the profits earned by the more than 333,000 Canadian non-financial corporations.[12] The dimensions of the largest Canadian companies allow them to compete with members of the "corporate elite" of the capitalist world. The list of the 500 leading industrial monopolies outside the United States includes 34 Canadian companies. It is quite indicative that only 10 of them are branches of foreign firms while 24 are national Canadian corporations.[13]

One of the specific features of the concentration processes in the Canadian economy is the active participation of foreign capital, especially American capital, in these processes. This is attested to, for example, by the fact that 273 of the country's 500 largest corporations are under foreign control, and this is American control in the overwhelming majority of cases (see Table 1). It would be wrong, however, to underestimate the role of Canada's national industrial monopolies in these processes. National capital has traditionally occupied a strong position in transportation, trade, communications, construction, public utilities and the processing industries:

metallurgy and the lumber, pulp and paper, and food industries. These industries, along with the sphere of finance and credit, have always formed the nucleus of the national sector of the Canadian economy, and in terms of the degree of monopolization they are not surpassed by industries controlled primarily by foreign capital.

Table 1

Production Concentration in the Most Highly Monopolized Industries of the Non-Financial Sector of the Canadian Economy, %

Industry	Concentration level, 1979*	Degree of foreign control** 1970	1981
Primarily under foreign control			
Tobacco	99.6	82	100
Petroleum refining	88.3	99	78
Rubber	83.3	91	89
Transport machine building	72.9	89	84
Mineral fuel extraction	57.7	91	58
Electrical equipment	45.3	66	62
Primarily under national control			
Communications	78.8	--	12
Metallurgy	73.5	41	15
Warehousing	68.4	--	3
Metallic ore extraction	68.1	68	37
Public buildings	65.7	8	3
Beverage	62.5	30	35
Transportation	52.6	13	7
Pulp and paper	51.4	47	28

* Percentage of sales accounted for by eight largest firms.

** Proportion accounted for by sales of foreign-controlled companies in product of entire industry.

Compiled according to: "CALURA--Corporations, 1979," Ottawa, 1981, p 42; THE FINANCIAL POST, 11 August 1984.

Despite the expansion by foreign monopolies in Canada, the largest national industrial corporations have been able, with the aid of their own raw material base, to retain and even consolidate their position and accumulate considerable economic potential. This is attested to, in particular, by the fact that a group of specifically Canadian TNC's with an established position in world markets has recently taken shape in industries where the leading position is occupied by national capital. They include such well-known companies as Alcan, Cominco, Inco, Consolidated Buthurst, MacMillan Bloedel, AMCA International, Moore, Northern Telecom, Massey-Ferguson, Seagram, Hiram Walker Resources, G. Weston and others.

On the whole, Canada's national industrial capital has occupied an equal position in the economic sense, and recently even a dominant position, among the country's 500 largest monopolies. Although Canadians controlled only 227 of them, or 45.4 percent, in 1980 (the number had risen to 239 by the beginning of 1982), these companies accounted for 67.3 percent of the assets, 51.9 percent of the sales and 54.2 percent of the profits of the "top 500."[14]

Canada's leading commercial banks and other credit and finance establishments occupy a special position in the structure of national monopolist capital. Canada's credit and finance sphere is distinguished by an extremely high level of capital concentration and centralization. The overwhelming majority of credit monopolies have traditionally been controlled by Canadians. As a result, credit and finance companies have always served big national capital as a support base, a nucleus and a prime mover.

The position of the "big five" commercial banks in Canada has always been strong. The Royal Bank of Canada, Canadian Imperial Bank of Commerce, Bank of Montreal, Bank of Nova Scotia and Toronto Dominion Bank account for over 85 percent of all the assets of Canadian banks. All of them are on the list of the 50 largest banking monopolies in the capitalist world outside the United States, and the Royal Bank of Canada, with assets of 88.5 billion dollars, is the fourth largest bank in North America, surpassed only by Citibank, Bank of America and the Chase Manhattan Bank.

Since the beginning of the 1980's the processes of monopolization in Canada's credit and finance sphere have been particularly intensive due to the increasing diversification of the operations of leading financial monopolies. The process of the creation of universal financial complexes is taking a specifically Canadian form. Each of the leading Canadian banks is creating an informal network of trust companies, insurance corporations and investment firms, categorized as separate and independent financial establishments in Canadian legislation, by purchasing their securities, appointing their executives to the bank's board of directors, establishing solid and lasting business ties and so forth.

This is leading to the creation of powerful national monopolist associations encompassing the country's entire credit and finance system. These monopolist complexes control most of the country's loan capital and are in a position to offer Canadian industrial corporations virtually all types of financial services. Merging with national monopolies in non-financial branches, they form the basis or the monolithic nucleus of Canadian financial capital and are acquiring control over an increasingly large segment of the national and American economies.

Defining Canada's Financial Capital

Before the future of Canadian-American relations under the conditions of a stronger Canadian position in the North American economic complex can be assessed, it is quite important to determine whether Canada's developing financial capital is "Canadian-American" in origin, considering the unprecedented scales and depth of the penetration of the Canadian economy by American monopolies, or whether Canada has its own national financial capital, distinct from U.S. financial capital.

An examination of the most general features of the organizational structure of Canadian financial capital can provide the answer to this question.

The mergers and consolidations of industrial and banking monopolies, processes leading to the creation of financial capital, take different forms. The most important is clearly the mutual stock-sharing process. The system of stock participation is now changing. With the fragmentation of the stock holdings of the largest corporations, "family" (or individual) stock control is giving way to "coalition" (or group) control, and with the increasing importance of "non-stock" methods of corporate administration, the controlling share is often 5-10 percent of the stock or even less.

The organization of financial capital in Canada, on the other hand, is distinguished by the considerable degree of monopolist control exercised by large holdings of voting stock. The author's study of the stock control of the 283 largest Canadian industrial and financial corporations[15] showed that two-fifths are controlled by a block of 90-100 percent of the voting stock. One of the reasons is the presence of branches of foreign firms in this group (see Table 2). Even among the national companies, however, the largest stock holdings represent at least 10 percent of the total in 85 percent of all cases, and 51.8 percent of the largest national corporations are controlled by at least half of all the voting stock.

The high concentration of stock capital even in the largest corporations testifies that control is usually exercised from an extremely low number of centers. The simultaneous ownership of the controlling stock in industrial and financial corporations by members of the financial oligarchy becomes the basis for the establishment of the concern form of financial-monopolist group. In this kind of stable structure, control is exercised directly or indirectly over dozens of the largest industrial and commercial corporations. The top of this pyramid of stock control is occupied by a corporation managed by a small group of shareholders or a holding company representing the interests of a single family.

The most important result of the development of Canadian industrial-financial empires based on direct stock control is a situation in which gigantic American TNC's must compete not with individual Canadian corporations, but with powerful and highly cohesive groups of national financial capital. The most famous are the groups of the Bronfman, Reichman, Thomson, Beltzberg, Weston, Richardson, Eton and Black (formerly "Argus") families and the "Power" group controlled by P. Desmarais.

Although none of the "big five" Canadian banks has a clearly defined group of shareholders and none can be categorized as a financial-monopolist group of the "family" or "concern" type, each has nevertheless united other credit and finance monopolies and serves as the nucleus of financial "banking" groups. In contrast to the concern type of group, in this case the group periphery is controlled financially by the center (or bank). The merger of monopolies within these groups is based on various credit relations, accounts and financial and economic consulting services. The personal contacts of company executives in interlocking directorates play an important role. Mutual participation by monopolies within the financial banking group in one another's

stock capital exists, but it is generally limited to insignificant stock holdings.

Table 2

Size of the Largest Individual* Block of Voting Stock in the 283 Largest Private Canadian Corporations, %

Block	Number of corporations, % of total		
	All corporations	Canadian-controlled	Foreign-controlled
Less than 10 or no data	8.8	14.9	--
10-29.9	9.5	13.7	3.5
30-49.9	14.5	19.6	7.0
50-89.9	25.8	29.2	20.8
90-100	41.4	22.6	68.7
Total	100.0	100.0	100.0
Number of corporations	283	168	115

* Block owned by an individual legal person (private or corporation), members of a single family, a group of top-level executives or a group of the firm's founding partners.

Compiled according to sources listed in footnote 15.

An analysis of available information indicates that foreign corporations in Canada usually do not join the national financial groups. Virtually all of the large corporations in the foreign sector are directly or indirectly, through their head company, owned by powerful groups of financial capital in the United States and other countries, although firms which have operated for a long time in Canada also make use of all types of services offered by Canadian bankers, especially credit services. Calculations indicate that the percentage of undistributed profits among the financial sources of the largest foreign companies in Canada is almost twice as high as the percentage for national companies (31.1 percent and 16.6 percent of their liabilities respectively). But the proportion accounted for by long-term credit in the accounts of national companies is three times as high as the figure for foreign companies (34.2 percent and 10.6 percent).[16] American firms in Canada derive their resources primarily from undistributed profits and amortization deductions.[17]

When they have to borrow funds (in two-thirds of all cases, according to Canadian studies), they obtain them from corporate headquarters. All of these facts present a general reflection of the qualitatively higher level of dependence by national monopolies in the non-financial sphere on banks and other credit institutions in comparison to the dependence of corporations which are of the same size but are controlled from abroad.

The strong coalescence of industrial and banking monopolies is intensified even more by personal contacts. For this reason, the density of interlocking directorates provides another vantage point for the examination of the unity and cohesion of Canadian financial capital and the role of foreign monopolies in its structure.

A study of personal relationships in Canada's 110 largest (in their fields) industrial and financial monopolies by the well-known Canadian economist W. Clement corroborates the tendency not to include foreign corporations in the groups of national financial capital. Each Canadian monopoly in this group has an average of 23 directors in common with other monopolies, whereas the English companies in Canada have 10 and the American ones have 7.[18] This also testifies that foreign, especially American, monopolies in Canada are generally much less inclined than national monopolies to establish close and lasting relationships with monopolies in other fields, including those in the credit and finance sphere.

Exceptions to this rule are quite rare. For example, until recently the Canadian Imperial Bank of Commerce was the head bank of the large American F. W. Woolworth commercial corporation with a branch in Canada, and the Bank of Montreal's group includes the Standard Life English-controlled insurance monopoly. The formal establishment of close relations between foreign companies and Canadian banks, however, often leads to the inclusion of these companies in the national financial groups. For example, the Canadian Imperial Bank of Commerce gave all-round support to the Brascan conglomerate, part of its financial group, when it wanted to buy up the stock of the bank's previously mentioned American client, F. W. Woolworth. In the same way, the Bank of Montreal assisted the multibillionaire Reichman family, known for its close commercial contacts with this bank, to acquire the controlling stock in the Brinco mining company, the main shareholders of which were Tinto Holding (Great Britain), Bethlehem Steel (United States), Marubeni and Fuji Bank (Japan).

Foreign corporations in Canada have a diversified relationship with national monopolies in the credit and finance sphere. In terms of their strength, these relationships are qualitatively surpassed by the interdependence of national industrial and banking monopolies. This interdependence is one of the signs of the intensive merger and consolidation of monopolies in various spheres of the economy and of the formation of Canada's own national financial capital.

Some Consequences

The growing strength of Canada's national financial capital does not mean that centrifugal forces are growing stronger in North America. On the contrary, this is a new cause of Canadian and American economic interdependence. When the Canadian TNC's became new subjects and promoters of integration processes, North American private monopolist economic integration entered a new phase of development: The previously unilateral process by which Canada was attached to the United States by the movement of capital from south to north began to be supplemented by the opposite process. But this also heightened the intensity and broadened the range of Canadian-American

conflicts. The struggle by monopolies for markets and spheres of capital investment grew more intense. In this struggle, they have been increasingly inclined to seek the support of their own governments. It is indicative that the discussions of the new wave of Canadian investments in the United States in 1979-1981 and the effects of the National Energy Program Canada adopted in fall 1980 on American oil monopolies led to an overt political confrontation in which high-level officials in Washington and Ottawa became involved and which the American press described as an "undeclared war" between the United States and Canada. The special hearings on this matter in summer 1981 in the American Congress, during which American companies heaped all of their indignation on the Canadian side, were unprecedented in the history of Canadian-American relations.[19]

The hearings were followed by a Washington campaign of severe pressure on Canada to force it to stop overseeing foreign investments and to dissolve the agency created for this purpose. At one stage the United States even submitted an official complaint to supreme GATT agencies. In 1984 the Canadian steel industry, controlled by national capital, was threatened by crisis as a result of Washington's protectionist measures. The list of examples could go on. As Canadian communists have remarked, the increased U.S. pressure on Canada is no coincidence. It is a fact that this is occurring "at a time when Canadian monopolies and financial groups are acquiring a stronger position and are doing this at the expense of American transnational corporations."[20]

The main result of the growing strength of Canadian financial capital was the gradual replacement of the principles of subordination and dependence with the principles of partnership and interdependence in its relations with American capital. This has been accompanied by the reinforcement of the organizational integrity of Canadian financial capital, its independence and its desire to redistribute spheres of influence in the continental economic complex. Cooperation with American monopolies is not a goal in itself for the Canadian national monopolist bourgeoisie. It is only a means of attaining the main goal--maximum profit. This is why the "accord" of the financial capital groups in the two countries will be maintained wherever and whenever it is mutual and does not inhibit the attainment of monopoly superprofits.

All of these changes, however, pose no threat to the U.S.-Canadian military, political and economic alliance. Even in its most extreme forms, the Trudeau government's policy of "economic nationalism" was not anti-American. As for the new Progressive Conservative Party government in Canada, headed by B. Mulroney, its aim is convergence with the United States in all spheres of Canadian-American relations.

Striving for greater independence within the country, Canadian financial capital views the American economy as its best new source of profits. For this reason, Canadian monopolies with sufficient production and financial potential and the ability to compete on an equal basis with the capitalist world's leading monopolies in, for example, agricultural machine building, urban transport vehicle production, the aerospace industry, ferrous metallurgy and banking, are just as interested as American firms in removing the barriers to the reciprocal flow of goods and capital between the United States and Canada.

The reinforcement of national financial capital's position within the country and its increasing penetration of the United States, representing a serious attempt to correct the disparities in the continental economy, have encountered strong resistance from American monopolies, and this is heightening inter-imperialist conflicts between the continental neighbors. Canada is also beginning to play a more perceptible role in the capitalist economy as a whole. This is necessitating a more active foreign policy and involvement in a broad range of international issues. The economic prerequisites for the creation of an independent Canadian position on important foreign policy issues are maturing rapidly.

FOOTNOTES

1. Foreign control of the Canadian economy constantly grew stronger until the end of the 1960's, by which time it had reached a level unprecedented for a developed capitalist country--36 percent of the capital of non-financial spheres of the economy. Furthermore, the United States accounted for around four-fifths of all foreign investments.

2. A. D. Borodayevskiy, "SShA-Kanada: regional'nyy khozyaystvennyy kompleks" [United States-Canada: Regional Economic Complex], Moscow, 1983; T. Lavrovskaya, "Problems in U.S.-Canadian Economic Integration," MEMO, 1982, No 8.

3. FORTUNE, 6 April 1981, p 82.

4. The publication of special articles on this subject in the journal is planned for 1985--Editor's note.

5. Canadian legislation, in contrast to, for example, American laws, allows the extension of credit to an individual borrower in the amount of up to 50 percent of the bank's own capital (up to 10 percent in the United States). Besides this, in the United States when stock is bought on credit, a purchaser of over 5 percent of the voting stock of a company cannot obtain more than 50 percent of the necessary funds from a bank; in Canada this restriction does not exist.

6. "Canada's International Investment Position, 1977," Ottawa, 1981, pp 114-115; TORONTO STAR, 27 January 1983; THE GLOBE AND MAIL, 24 March 1984.

7. All dollars are Canadian unless otherwise specified.

8. THE FINANCIAL POST, 11 August 1984.

9. TORONTO STAR, 16 November 1983.

10. Calculated according to: SURVEY OF CURRENT BUSINESS, November 1983, pp 20, 26, 27; "Statistical Abstract of the United States, 1984," pp 425, 448, 832.

11. Calculated according to: "Statistical Abstract of the United States, 1974," pp 781, 782; ibid., 1984, pp 822, 824.

12. THE GLOBE AND MAIL, 24 March 1984.

13. FORTUNE, 22 August 1983, pp 172-183.

14. Calculated according to: "Corporations and Labor Unions Returns Act (hereafter called CALURA). Part 1--'Corporations,' Report for 1980," Ottawa, 1983, p 40.

15. At the end of 1982 they included 234 industrial, trade, transportation and construction companies with a sales volume of at least 250 million dollars or assets of at least 500 million dollars (including 27 affiliates of these corporations whose assets and sales are included in the accounts of the head firm but do not affect the head firm's status on the list when they are subtracted from the total); 15 life insurance companies with assets of over a billion dollars and 28 banks and other finance companies with assets of over a billion dollars. The main sources were: THE FINANCIAL POST 500, June 1983; CANADIAN BUSINESS, July 1983.

16. The calculations apply to Canada's largest national and foreign non-financial corporations with assets of over 25 million dollars in 1979. At that time they numbered 711 and 635 respectively. "CALURA--Corporations," 1979, p 199.

17. D. Shapiro, "Foreign and Domestic Firms in Canada," Toronto, 1981, p 41.

18. W. Clement, "The Canadian Corporate Elite," Toronto, 1975, p 457.

19. "Impact of Canadian Investment and Energy Policies on U.S. Commerce. Hearings Before the Subcommittee on Oversight and Investigations and the Subcommittee on Telecommunications, Consumer Protection, and Finance of the Committee on Energy and Commerce, House of Representatives, 19 June, 9 July and 6 August 1981," Wash., 1981.

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'STRATEGIC ANTI-SUBMARINE WARFARE': AMERICAN VIEWS AND POLICIES

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 2, Feb 85 (signed to press 21 Jan 85) pp 36-47

[Article by G. M. Sturua]

[Text] When the term "anti-submarine warfare" (ASW) is used in American military literature, it refers to the entire group of measures to fight against submarines in sea and ocean theaters of combat. American military experts regard the defense of American territory against possible strikes from submarines equipped with ballistic missiles (SSBN [submarine, strategic ballistic nuclear]) as one of the main objectives of anti-submarine warfare. Actions against them are generally described as "strategic ASW." In recent years more attention has been paid in the United States to preparations for this type of sea combat. On the one hand, this is a result of Washington's plans to achieve military superiority and create first-strike potential. On the other, reports in the American press indicate that the U.S. military command apparently expects the many years of research into SSBN detection and destruction to pay off within the near future.

The potential for ASW has now become, according to American researchers, a factor influencing the strategic balance of power and capable of undermining strategic stability. The potential consequences of intensive U.S. preparations for operations against SSBN's assign priority to studies of American views on "strategic ASW" and the specific policies in which these views are reflected.

The last public announcement by the U.S. Defense Department that the American Armed Forces were being trained for "strategic ASW" was made in 1965. Then Pentagon chief R. McNamara said, in particular: "The main component of our potential for active defense against submarine-launched missiles is our system to detect, track and destroy submarines before the missiles can be launched."[1] Since that time, no statements pertaining to "strategic ASW" have been made at the level of the U.S. supreme command.

American experts regarded this fact as evidence of the U.S. leadership's acknowledgement of the situation of "mutual assured destruction," in which both sides (the United States and the USSR) were capable of responding to a nuclear attack by inflicting unacceptable damages on the enemy. According

to these experts, this situation stabilized Soviet-American strategic relations because the inevitability of retaliation reduced the danger of the deliberate commencement of a nuclear war. The SSBN's were then viewed, just as they are now, as the least vulnerable component of U.S. strategic forces, constituting the basis of retaliatory strength. In view of the fact that the missiles deployed on American SSBN's had a low level of accuracy, experts remarked that they could not be used productively for a first strike. All of this contributed to the spread of the American opinion that "the SSBN's represent the important basis of a stable strategic balance."[2] This is what H. Scoville, an authority on these matters, wrote. Another prominent American researcher, R. Garvin, clarified this point, saying that "the logical result of the importance attached to submarine forces for deterrence...is the desirability of reducing the threat to their survival."[3] Therefore, "strategic ASW" was categorized by American experts as a strategic destabilizing activity that should be avoided.

The disappearance of ASW from the list of officially declared functions of the U.S. Armed Forces could create the erroneous impression that the American command actually agreed with these views. This impression was strengthened by Washington's widely publicized approach to the issue of strategic arms limitation, presupposing that the two sides should agree to maintain primarily the sea-based component of strategic forces. It was also announced that the negotiations should reduce the danger that strategic retaliatory forces would be put out of commission by a surprise attack.

In reality, however, the United States has been playing a double game. Its proposals at the START negotiations pursued the goal of forcing the USSR to make radical changes in the traditional structure of its strategic forces, which would have injured its security. But the United States was not prepared, and never will be prepared, to give up the preparations for "strategic ASW," in which, in its opinion, geographic factors would always give it the upper hand.[4]

For decades the United States has had operational plans envisaging the delivery of a counterforce strike against strategic forces, including SSBN's and their bases. The counterforce element was the main element of U.S. nuclear strategy throughout most of its history. The events of recent years have shown that a specific segment of the American ruling class never accepted the fact that retaliation would follow a first nuclear strike by the United States. With the continuous buildup of their counterforce capabilities, the members of this group are striving to acquire preemptive-strike potential and substantial strategic advantages. They associate this directly with the hope of securing a favorable outcome in any military conflict or international crisis in which the United States might be involved.

Measures aimed against Soviet SSBN's always occupied a prominent place in U.S. military policy. The two-faced American position on the issue of "strategic ASW" was clearly reflected when a special anti-submarine warfare office was opened in U.S. Navy headquarters in 1964, not long before the Pentagon chiefs ceased to mention the objective of combating enemy submarines. Vice-Admiral C. Martell, the first head of this office, was granted extensive

powers. It is obvious that the new situation in the 1960's, when retaliatory strikes against the United States from the seas and oceans became possible, motivated the U.S. naval command to undertake this organizational move.

Despite all of the obvious caution displayed in public discussions of "strategic ASW," representatives of the American command (although none from the upper echelon) violated the law of silence several times. In 1969 the head of the anti-submarine warfare office, Vice-Admiral T. Caldwell, said that "to find means of counteracting the threat posed by the ballistic missiles of submarines (enemy--G. S.), the U.S. Navy carried out several strictly confidential research projects in the field of anti-submarine warfare and worked out several promising approaches."[5] Two years later Vice-Admiral H. Shier stressed: "The detection and destruction of SSBN's capable of deep-sea operations constitute one of the biggest problems facing our nation."[6] In 1976 a Pentagon spokesman said during congressional hearings that "the creation of anti-submarine forces to destroy SSBN's" is part of the U.S. Navy's objective of establishing "control of the sea."[7]

In addition to intensifying the aggressiveness of U.S. military strategy in the 1980's, top-level American military commanders began to speak more frankly. For example, Chief of Naval Operations J. Watkins, a member of the Joint Chiefs of Staff, announced in summer 1983 when he was interviewed by an American magazine that the United States should be prepared to destroy Soviet SSBN's at the very start of a nuclear conflict.[8]

It is particularly significant that the destruction of enemy SSBN's is in U.S. plans for strategic nuclear war and even conventional warfare. During a conventional war U.S. anti-submarine forces and weapons would secure sea lanes by means of intensive ASW, directed, as American experts point out, against non-strategic submarines. In reality, however, the adversary's SSBN's would not have any kind of inviolable status. For example, according to the frank admission of a member of the U.S. naval command, Vice-Admiral R. Kaufman, in 1977, "in conventional warfare all submarines are just submarines,"[9] implying that in a non-nuclear conflict U.S. anti-submarine forces and weapons would fight against submarines of all classes, including SSBN's. Another vice-admiral, D. Murphy, clarified this statement during congressional hearings that same year, saying that in a combat situation the U.S. Navy "would be unable to distinguish between the conventional submarines (of the adversary) and the SSBN's."[10] According to the U.S. view, the gradual destruction of SSBN's in conventional warfare is a more attainable objective than that of putting all SSBN's out of commission with a surprise attack.

Therefore, it is obvious that the American command is hoping to portray the destruction of SSBN's as the unpremeditated result of ASW in sea lanes and thereby restrain the adversary from escalating the military conflict. If the adversary does not believe in the alleged unpremeditated nature of the actions, it still will not respond by delivering nuclear strikes against the other side, according to experts, but will take additional measures to defend its own SSBN's and start its own "strategic ASW." American researcher K. Tsipis describes this approach as an extremely dangerous one because it could start a nuclear war.[11]

The authors of recent articles in the American military press have suggested the need to frankly announce U.S. policy on ASW. Operations against SSBN's are called morally valid because they help to protect the United States against nuclear strikes.[12] In the opinion of these authors, operations against SSBN's put special demands on anti-submarine forces and weapons. They say that the official emphasis on the defense of sea and ocean communications against conventional submarines only inhibits the creation of genuinely effective potential for "strategic ASW." For demagogic purposes, this kind of "warfare" is called a "morally justifiable" form of armed struggle because it allegedly helps to protect the United States against nuclear strikes. In reality, of course, as Congressional Research Service staffer J. Witt points out, the ability to conduct this kind of warfare successfully is becoming a substantial step toward the acquisition of destabilizing first-strike potential.[13]

Just as in the past, however, the announcement of U.S. policy in this sphere to the general public has its opponents. The first issue of an authoritative American naval journal in 1984 contained an article in which clear warnings were issued against the public discussion of American policy on "strategic ASW." By making this a matter of public debate, "we risk the declassification of a great deal of information," the author warned. "The assignment of the responsibility for strategic anti-submarine warfare to the Navy will inevitably arouse more public attention. We should be prepared to return to our earlier policy of using the least debatable scenarios for the purpose of creating the genuinely flexible forces needed in the event of nuclear war."[14]

The preparations for "strategic ASW" and the heightened interest in all related aspects on the part of the U.S. military command are understandable in light of Washington's strategy of achieving nuclear superiority, which presupposes not only the accelerated deployment of such offensive strategic systems as the MX, Trident-2 and cruise missiles of every basing variety and the latest bombers, but also the buildup of weapons to undermine retaliatory action: anti-aircraft and anti-missile weapons, including space-based, anti-satellite and anti-submarine weapons. In an attempt to protect its territory against retaliatory strikes, the United States wants to be able to use its strategic offensive forces freely on any scale. The ability to minimize the losses inflicted by enemy nuclear counterattacks is viewed as a mid-point on the way to strategic superiority. During congressional hearings in 1982, Secretary of the Navy J. Lehman made special mention of the role of general-purpose naval forces (including anti-submarine forces) in "limiting damages" in a nuclear war and in effecting the quickest possible conclusion of the war on terms benefiting the United States.[15]

According to American views, as mentioned above, SSBN's are regarded as the least vulnerable component of the strategic forces of both sides, capable of functioning for a long time in a nuclear war. For this reason, the American command views the destruction or neutralization of enemy SSBN's as a guarantee of victory in a brief and total nuclear war and in a "protracted" nuclear war, which might be the case, in the opinion of American strategists, merely on the strength of the fact that the enemy has a reliable reserve of SSBN's difficult to locate.[16]

The United States began preparations for "protracted" nuclear warfare in the 1970's, but the Reagan Administration has put increasing emphasis on this type of warfare in its nuclear planning. This has also heightened the importance of anti-submarine forces and weapons. Whereas naval budget appropriations for anti-submarine warfare were just over 4 billion dollars in fiscal year 1965 and 8.2 billion in FY 1980, the figure was 12.4 billion in FY 1982 and 13.1 billion in 1984 (in all, preparations for ASW have cost around 120 billion dollars since 1965).[17] Of course, these funds were allocated for operations against conventional as well as strategic submarines. In official documents the reinforcement of anti-submarine forces and weapons is generally mentioned within the context of problems arising in search and destroy operations against conventional submarines. But the majority of American experts justifiably believe that this does not mean that the resulting anti-submarine forces cannot be used in "strategic ASW." The same forces and weapons can be used in the hunt for strategic and non-strategic submarines, and the advantages of this versatility are taken into account in American military plans.

Expenditures on preparations for ASW in the United States are not confined to the figures cited above. The funds for it come from the Pentagon budget as well as Navy appropriations. For example, 10 percent of the annual appropriations of the Pentagon's Advanced Research Projects Agency are allocated for R & D connected with ASW.[18] It is also significant that civilian research organizations (besides those like the Oceanographic Institute in Woods Hole or the Scripps Oceanographic Institute in La Jolla, which work on joint projects officially with the Pentagon) are conducting R & D projects whose findings are used for the improvement of anti-submarine weapons, submarine detection equipment and so forth.[19]

One of the results of the United States' many years of efforts in the sphere of ASW was the creation of a diversified system of anti-submarine forces and weapons capable of fighting against nuclear submarines equipped with ballistic missiles (surface ships and submarines, land- and carrier-based aircraft, hydroacoustic and satellite detection systems). All of the 277 U.S. naval ships of the main classes (submarines, aircraft carriers, cruisers, destroyers and frigates) in active service at the present time are equipped with various types of anti-submarine weapons.[20] The most important place among these ships is occupied by the multi-purpose nuclear submarines (numbering just under 100), which are regarded in the United States as the most effective means of detecting and destroying SSBN's. They are capable of protracted covert combat patrol operations. The operability of their hydroacoustic detection stations does not depend on weather conditions and they are distinguished by long-range capabilities.

The multi-purpose nuclear submarines, in the opinion of American experts, can be quite effective in detecting SSBN's in regions adjacent to their bases, where they are most easily detected because they are often on the surface here and are more likely to use their radio equipment. On the approaches to SSBN bases, it is most convenient to establish the continuous tracking of each ship, which is considered to be the most effective way of securing the timely destruction of all patrolling enemy SSBN's.

American publications sometimes allege that the contemporary multi-purpose U.S. nuclear submarines are close to a point at which they will be able to

not only observe SSBN's without making their presence known, but also to keep the enemy from evading surveillance even after they have been detected.[21] However, the opposite point of view is expressed even more frequently--that this is an obvious exaggeration of the capabilities of the present generation of multi-purpose submarines.

The American command has placed great hopes in the land-based patrol aviation component of anti-submarine forces and weapons. These planes are capable of the quick surveillance of extensive regions of the ocean. American patrol aviation is equipped with three models of the P-3 "Orion" plane (over 400 planes in 37 squadrons), which are located on bases in the United States as well as in Iceland, Japan, Italy, the Azores, Bermuda and several other places. From these bases, the "Orion" planes can observe a maritime region equivalent to 51.5 million square kilometers in area.[23] But the main purpose of these planes is not the patrolling of gigantic regions, but the supplementary reconnaissance of targets first detected by a permanent underwater observation system. In this case, the patrol plane only has to fly over a region of a few hundred square kilometers to determine the exact location of a submarine. The "Orion" plane can destroy a submarine with torpedos or nuclear depth charges or direct a multi-purpose nuclear submarine to the target by reporting more precise information about its movements.[24]

The United States has established a global system of underwater observation for operations against submarines, including SSBN's. Its main link is the SOSUS [Sound Surveillance UnderSea] long-range hydroacoustic detection system; the first station of this system began operating in 1954. The capabilities of the SOSUS system were tested in 1958 during the first long-range passage of the American nuclear submarine "Nautilus." The system's submarine detectors tracked the "Nautilus'" for a week (it is true that the "Nautilus" had a stronger acoustical field than today's submarines).[25]

The 22 operating coastal stations of the SOSUS system process data on all undersea contacts transmitted by several huge chains of hydrophones located at various depths along the east and west coasts of the United States, from Bear Island to northern Norway, from Greenland to Iceland and Great Britain, from Newfoundland to the Azores, on the approaches to the English Channel and Gibraltar, along the coasts of Italy and Turkey, around Hawaii, the Philippines and Japan, along the chain of Aleutian Islands and near the Kurilo-Kamchatka channel.[26] The United States is spending large sums to update the SOSUS system, the existence of which was once kept secret. Although the American command is still discreet with regard to information about the system, it is known, in particular, that it has been equipped with more sensitive hydrophones: Whereas the range of the system's first acoustic detectors was around 150 kilometers on the average, now it can reach 1,000 kilometers under favorable conditions.[27]

The United States is engaged in the continuous updating of anti-submarine forces and weapons, gradually building up the ability to perform the four main functions of ASW--the detection of an underwater target, its classification, its location and its destruction. The most difficult of these is the primary detection of the target. This is why the naval command is still concentrating

on the improvement of existing submarine detection systems and the development of new systems. The U.S. efforts in this area are described in the American press as "a battle for the transparency of the oceans," signifying the ability, at any time, to detect all patrolling or cruising submarines, including SSBN's, virtually instantaneously and to track them.

Submarine detection systems fall into two categories: acoustic, which use the sound field for their detection, and non-acoustic, which use other physical fields to "find" the submarine.

In the United States priority has always been assigned to the development of hydroacoustic means of underwater observation because sound can travel distances measured in hundreds or even thousands of kilometers under water. A report of the Defense Advanced Research Projects Agency published in 1977 said that the ocean has much better sound-conducting properties than previously believed and that much longer-range detection of underwater targets could be achieved with the aid of passive hydroacoustic equipment.[28] This conclusion was the result of projects included in the agency's Seaguard program since 1975. Similar projects were conducted by the Navy as part of the LRAPP [Long-Range Acoustic Propagation Project] program, which began to be carried out in 1967. The experimental long-range antenna developed as part of this program detected a submarine at a distance of 15,000 kilometers.[29] One of the practical results of the program was the development of a maneuverable system consisting of a 1,800-meter cable and several hydrophones towed at low speeds by a special ship. The American Congress has already allocated funds for the construction of 12 such ships, the first of which should be ready for operation at the end of 1984.[30]

Another maneuverable hydroacoustic system developed in the United States consists of anchorlike buoys which can be installed rapidly with the aid of submarines or patrol aircraft. The acoustic information they collect is also to be transmitted through satellite lines of communication.

The U.S. Navy budgets of recent years have allocated substantial sums for the development and deployment of these two maneuverable hydroacoustic systems. Although the capabilities of the SOSUS system are quite impressive, American experts believe that it is not devoid of certain defects. Not all of the deployment routes and combat patrol regions of enemy submarines are in this system's zone of operations. The accuracy with which it locates submarines is considered to be too low: It reduces the search zone to an area of around 330 square kilometers. The system's cables, according to U.S. experts, will be vulnerable in combat.[31] In connection with this, the U.S. command is trying to supplement the SOSUS system with the abovementioned maneuverable systems. The assumption is that these will be more valuable for the collection of information about underwater targets, including data on their location in regions directly adjacent to the Soviet coastline.[32]

Extensive oceanographic and hydrographic studies are also being conducted in the United States to heighten the effectiveness of anti-submarine forces and weapons. Considerable attention is being given to the improvement of the ability to predict changes in hydrological conditions. The National Oceanic

and Atmospheric Administration, a civilian agency which maintains close contact with the Pentagon, is working on similar projects along with the Naval Oceanographic Office. Satellite systems have recently become an important source of oceanographic data.

The United States is also developing submarine detection equipment operating on other physical principles. They include, for example, magnetometric equipment for the location of a submarine by its local deviation from the earth's magnetic field. The American "Orion" planes were recently equipped with a new type of magnetometer with a range of detection double or triple that of the older type. The United States is also considering the possibility of installing permanent magnetometric equipment along the route from Greenland to Iceland and Great Britain.[33]

Infrared equipment for the detection of submarines by their heat patterns is also being perfected in the United States. The possibility of detecting submarines by their characteristic surface protrusion or turbulence patterns is also being considered.

American experts predict a great future for laser detection equipment. It is believed that laser devices operating in the blue-green area of the spectrum can detect a submarine at a depth of 100 meters or more. The possibility of locating a submarine with an airborne laser system was demonstrated in the United States in the 1970's. American specialists believe, however, that the extensive use of laser systems will entail difficulties (for example, the dependence of system operability on weather conditions).

The broad-scale installation of non-acoustic submarine detection equipment on satellites is anticipated. The American military command plans to include space-based equipment in the search for underwater targets in the future, as this equipment will be capable of conducting the search for submarines over large areas within a short period of time. The November 1983 issue of SEA TECHNOLOGY, for example, alleges that the "transparency" of the oceans can finally be achieved with the aid of the American Seasat system. The perfection of devices installed on the Seasat for the detection of submarines by hydrodynamic patterns, the magazine says, has now become "the priority field of R & D in the sphere of ASW."[34]

In the words of former Chief of Naval Operations J. Holloway, the United States should perceptibly broaden its ability to detect submarines by their non-acoustic fields in the 1980's.[35] The opinion that non-acoustic means of detection have already been given priority is being expressed, but the advantage of acoustic means in terms of range of location still appears indisputable. It is obvious that the development of the American global submarine search system will depend not on the mutually exclusive use of various types of equipment, but on the choice of the best possible combination.

The organization of the centralized collection and processing of information received from various sources and the transmission of data to executors as quickly as possible are of great importance in the preparations for ASW. For this purpose, work has begun on the creation of a single center for the

performance of these functions in the United States. During the experiments connected with the Seaguard program, the huge ILLIAC-IV computer at the Moffatt Field Acoustic Research Center (California) was used. It can perform 150 million operations a second and store 1 billion bits of information.[36]

In its efforts to improve submarine search systems, the United States plans the complete renewal of the potential of anti-submarine weapons (missiles, torpedos and mines) within the near future. By 1990 the American Navy should receive new models of antisubmarine guided missiles in nuclear munitions with a much longer range of fire.[37]

The U.S. Navy received the new Captor anti-submarine mines at the end of the 1970's. In 1978 Deputy Secretary of Defense W. Perry said that "dollar for dollar, the Captor mine will destroy more submarines than any other anti-submarine weapon system."[38] For this they must be deployed in advance at a specific depth in straits or narrows traveled by submarines (the route from Greenland to Iceland and Great Britain, for example, can be covered by 500 Captor mines within a few hours).[39] Improved models of the MK-46 and MK-48 anti-submarine torpedos and an absolutely new miniature torpedo are also being developed. Plans call for the development of anti-submarine torpedos with tactical features which will neutralize the increase in enemy submarine speed, the reduction of its operational noise and the counterforce weapons at its disposal.

In spite of the grand scales of U.S. preparations for ASW, our view of its will be incomplete if we do not examine U.S. interaction with allies. It is assumed that the navies of several West European NATO countries will be primarily engaged in ASW in their assigned zones. This is reflected in naval organization: For example, Great Britain (in the British Navy the emphasis is on the anti-submarine aspect of armed sea battles)[41] plans to spend 20 percent of its budget allocations for "purchases of new equipment" on ASW equipment in the next few years.[42]

Within NATO, all bloc anti-submarine operations are closely coordinated. General supervision is the responsibility of the strategic command of the allied forces in the Atlantic and Europe and the chief command of allied forces in the Channel zone, whereas the direct supervision of anti-submarine operations is the responsibility of special anti-submarine command centers set up in the regional headquarters of the NATO allied forces. In wartime, large subunits numbering 500 ships, 60 nuclear and 130 diesel submarines, more than 350 land-based patrol aircraft and 190 helicopters from national navies will be transferred to the jurisdiction of the commander of allied naval forces. The deployment of anti-submarine frontiers for the closure of northern lanes to the Atlantic is planned.

In the Pacific Ocean the United States hopes to expand Japan's participation in projected ASW. In May 1981 Washington urged Tokyo to assume the obligation of "safeguarding the security of sea lanes" in a radius of 1,800 kilometers from the Japanese coastline. This obligation specifically presupposes heightened anti-submarine activity by Japanese armed forces in adjacent maritime regions. When Prime Minister Nakasone visited the United States in

January 1983, he publicly confirmed Japan's willingness to block the three nearby international straits (Korean, Sangar and La Perouse). According to the plans of the Japan Defense Agency, the Japanese Navy will have 60 anti-submarine ships, 16 submarines and 16 squadrons of anti-submarine aviation by 1987.[43]

The United States, which is supplying Japan with anti-submarine aircraft, is also striving to obtain free access to Japanese military technology, including that directly related to ASW. According to reports in the Japanese press, for example, a group of high-level Pentagon officials who visited Tokyo in January 1984 took an interest in self-propelled mines and long-range sonar equipment in addition to other weapon systems.

In the last decade the American press has alleged more than once that the United States is close to winning the "battle for the transparency of the oceans" and completely solving the problem of combating enemy SSBN's on this basis. The passage of time has shown, however, that what lay behind these allegations were unrealized hopes or blackmail attempts based on nonexistent capabilities. The American naval command is now prone to extremely conservative estimates of prospects for the improvement of anti-submarine forces and equipment. Rear-Admiral R. Martini, the chief of the naval anti-submarine warfare office, said that he does not know of "anything actually capable of revolutionizing anti-submarine warfare or suddenly making the oceans transparent."[44] Judging by official statements, the American command has encountered a number of difficult problems in the organization of ASW. It is possible, however, that the U.S. naval command is striving to avoid the premature disclosure of all of the cards in its hand. It is apparently also worried that its statements about technical discoveries in ASW could be interpreted to the detriment of the program for the construction of the new submarines of the "Ohio" class and put the degree of their invulnerability in question.

In the past decade the United States and its allies considerably strengthened their anti-submarine potential and thereby stimulated destabilizing tendencies, engendered legitimate suspicions about U.S. intentions and further escalated the arms race. The negative politico-military implications of U.S. undertakings in the sphere of ASW have been pointed out even by American experts. In their opinion, the guarantee of a lasting strategic balance will require the U.S. realization of the need for the limitation of ASW weapons. They have stressed that there is a precedent for this in the 1972 treaty on the limitation of anti-ballistic missile systems; furthermore, they draw a parallel between the preparations for "strategic ASW" and the development of ABM systems.[45]

The idea of the limitation of anti-submarine operations, however, has few supporters among American experts and--what is even more important--has not been supported by American administrations.

The extensive program of confidence-building measures proposed by the Soviet Union at the strategic arms limitation and reduction talks included a proposal on the creation of special zones closed to anti-submarine activity by

the other side.[46] An agreement on the creation of these zones would objectively aid in reducing the danger of nuclear war. The appeal for a discussion of the limitation of anti-submarine forces and equipment was voiced more strongly than ever in A. A. Gromyko's letter to the UN secretary-general on the limitation of naval operations and naval weapons.[47]

The current administration's reluctance to reach this kind of agreement indicates the clear aims of its strategic plans. By augmenting its ability to conduct "strategic ASW" and by deploying various strategic weapon systems, the United States hopes to be able to launch nuclear attacks with impunity. As the Soviet side has repeatedly announced, however, any U.S. attempts to achieve strategic superiority are destined to fail. The Soviet Union will not allow any disruption of the present military-strategic balance in peacetime, and in a war it will always be ready to take crushing retaliatory action against any aggressor.

FOOTNOTES

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33. "SIPRI Yearbook 1979," p 440.

34. SEA TECHNOLOGY, November 1983, p 14.

35. R. Speed, "Strategic Deterrence in the 1980's," Stanford, 1979, pp 60, 157.

36. "SIPRI Yearbook 1979," p 431.

37. "Report of the Secretary of Defense...," p 235.

38. Quoted in "SIPRI Yearbook 1979," p 443.

39. AIR FORCE MAGAZINE, February 1979, pp 32-37.

40. "Report of the Secretary of Defense...," p 151.

41. THE UNITED STATES NAVAL INSTITUTE PROCEEDINGS, March 1984, p 41.

42. AVIATION WEEK AND SPACE TECHNOLOGY, 14 April 1983, p 28.

43. THE UNITED STATES NAVAL INSTITUTE PROCEEDINGS, March 1984, pp 90-94.

44. SEA POWER, October 1982, p 11.

45. "The Future of the Sea-Based Deterrent," pp 123-125.

46. PRAVDA, 2 January 1983.

47. Ibid., 15 April 1984.

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STATEMENT OF THE PALME COMMISSION

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 2, Feb 85 (signed to press 21 Jan 85) pp 124-127

[Text] A conference of the Independent Commission on Disarmament and Security Issues* (the Palme Commission) was held in Chicago at the end of last year (29 November-2 December) and was attended by prominent political and public spokesmen from 22 countries, including Olof Palme (Sweden)--the chairman, G. A. Arbatov (USSR), Egon Barr (FRG), Gro Harlem Brundtland (Norway), Robert A. D. Ford (Canada), Alfonso Garcia-Robles (Mexico), Haruki Mori (Japan), C. B. Muthamma (India), Olusegun Obasanjo (Nigeria), Shridath Ramphal (Guyana), Salim Salim (Tanzania), Joop den Uyl (Holland) and Cyrus Vance (United States).

The conference adopted the following statement at its concluding session.

"In June 1982 our commission appealed for a new approach to international security issues, which would proceed from the realization that security in the nuclear age can be guaranteed only if all states work toward this goal together. They cannot guarantee it through force or threats to use force. The period since the time we made this appeal has been marked by the testing and deployment of additional quantities of nuclear arms and the cessation of talks between the largest nuclear powers. In our opinion, the idea of common security--security guaranteed by states in cooperation with one another, and not to the detriment of their negotiated political decisions or on the basis of unilateral technical approaches--is even more pertinent now than ever before and is of vital importance for peace throughout the world.

"The events of recent years have corroborated the validity of our fears that the world will be jeopardized if these truths are ignored, and of our belief in the possibility of making considerable progress if states are guided by their common obligation to solve the most difficult and delicate problems together. They must acknowledge their common responsibility to limit and reduce weapons, to display mutual restraint in their behavior and to make their intentions clear.

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* The commission report "Common Security. A Program for Disarmament" was published in the journal in abridged form. See SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, 1982, No 9.

The full text was published in a separate brochure by the Progress Publishing House.

"For this reason, the commission applauds the recent report of the United States and Soviet Union that they will begin negotiating mutually acceptable agreements on all matters pertaining to nuclear and space-based weapons. We sincerely hope that they will result directly in serious talks and agreements to restrict competition in the nuclear sphere and reduce the danger of nuclear war.

"Any attempt to establish absolute and comprehensive defense against weapons of mass destruction is simultaneously futile and politically destabilizing. The search for unilateral methods of eliminating the nuclear threat is also incompatible with the concept of common security. No technical means of averting the danger of nuclear war exist. Only political decisions can prevent it. The great nuclear powers must put an end to the arms race by displaying mutual restraint and reaching agreements on the substantial limitation and reduction of arms.

"The economic burden of military expenditures, which have reached 800 billion American dollars a year, is already too heavy, and it is still growing, at a time when the world economy is balancing precariously between moderate recovery and a slide into deeper recession. This outrageous expenditure of funds for military purposes is having a negative impact on the economies of even the leading military powers. The related financial expenditures are giving rise to colossal problems in the world economy and compounding the difficulties involved in economic recovery and development. For many developing countries these military expenditures pose the serious threat of economic collapse and political crisis.

"Proceeding from the idea of common security, the commission hereby states the following considerations and recommendations with regard to all arms control and disarmament issues.

"1. East-West Relations Must Be Improved

"The nuclear states are strong enough to destroy one another and the rest of the world. Therefore, these states, especially the chief nuclear powers, have a joint obligation to stop and reverse the arms race and prevent nuclear war. Constructive and stable political relations between them are an important prerequisite for progress in negotiations. This presupposes compromises on both sides. The United States and Soviet Union must reaffirm the basic principles of their interrelations, which were formulated in the beginning of the 1970's. All aspects of Soviet-American relations, including the spheres of trade, economic and scientific contacts, parliamentary and other exchanges, contacts between individuals and so forth, are of tremendous importance. Besides this, regular annual summit and other high-level meetings with the discussion of arms issues as the most important item on the agenda could secure the constant consideration of these matters on the highest level.

"2. Measures To Facilitate Negotiations; Mutual Moratorium

"The United States and the Soviet Union should conduct negotiations in accordance with the jointly formulated principles of equality and equivalent

security. Both sides should give up all counterproductive attempts to achieve 'superiority' or acquire the potential 'to fight and win nuclear wars.'

"The commission is certain that the success of negotiations with the aim of curbing the arms race will necessitate the cessation of the continued testing and deployment of new nuclear weapons and delivery systems. Negotiators must be given every encouragement so that efforts to control arms will have a chance of success. This will necessitate the discontinuance of tests of new nuclear weapons and delivery systems and of the deployment of nuclear weapons systems after these steps and the methods of their verification have been negotiated. This would accelerate and stimulate the conclusion of subsequent agreements on the reduction and destruction of weapons already deployed by both sides.

"3. Agreement on Substantial Nuclear Arms Reductions

"The United States and the Soviet Union must seek a comprehensive agreement on nuclear arms and the means of their delivery which will cover strategic systems and medium-range systems as well as space-based weapons and land-based weapons intended for the destruction of objects in space. Special attention must be paid to the limitation of systems considered to be destabilizing by both sides. Provisions must be envisaged to prevent the circumvention of this agreement by means of the forward deployment of shorter-range systems on land or in the sea. A comprehensive American-Soviet arms reduction agreement would facilitate the negotiation of subsequent arms reductions by the five nuclear powers and would make a decisive contribution to the maintenance of the nuclear nonproliferation framework.

"Serious difficulties will arise if either side ceases to observe the limits recorded in the SALT II Treaty. Since a new agreement is to be negotiated, the United States and Soviet Union should continue observing existing limitations until new, more sweeping reductions in their nuclear forces have been ratified. A move to allay the fear that the world might be on the threshold of a new round of the nuclear arms race would be of considerable assistance in reaching this kind of agreement.

"4. Talks To Reinforce the Treaty on the Limitation of ABM Systems and the Prevention of the Deployment of Weapons in Space

"The recent initiatives and actions with regard to antiballistic missile defense systems are jeopardizing the continued viability of the 1972 Treaty on the Limitation of ABM Systems and could lead to the dangerous escalation of the arms race. The commission urgently requests the United States and the Soviet Union to begin talks without delay on ways of reinforcing the 1972 ABM treaty and to refrain from using technology undermining this treaty. The commission requests political officials to refrain from impracticable promises to eliminate the danger of nuclear war by technical means. These means do not exist. The continuation of the search for unilateral protection against the threat of nuclear war is incompatible with the aim of reaching agreements through negotiation.

"Completed or projected antisatellite systems are engendering worries about the further escalation of the arms race. At the talks between the United States and the Soviet Union priority must be given to the prevention of the deployment of weapons in space and the deployment of land-based weapons intended for the destruction of objects in space. The commission hopes that the start of these talks will be followed quickly by the organization of multilateral talks by the Geneva Conference on Disarmament for the purpose of preventing the militarization of space.

"5. A Total Nuclear Test Ban

"The 1974 treaty on the limitation of underground tests and the 1976 treaty on underground nuclear explosions for peaceful purposes must be ratified without delay to create the necessary conditions for the resumption of talks on nuclear tests. The commission requests the United States, the Soviet Union and England to resume their trilateral talks on the prohibition of nuclear tests, regarding this as the most immediate objective to promote the drafting of a total and verifiable nuclear test ban treaty by the Conference on Disarmament and the subsequent submission of this draft to the UN General Assembly for consideration. This treaty would represent a substantial contribution to the prevention of the further proliferation of nuclear weapons. The mutual cessation of nuclear tests for a negotiated period should be undertaken for the purpose of facilitating the complete prohibition of nuclear tests.

"6. The Retention of the Treaty on the Nonproliferation of Nuclear Weapons

"The further proliferation of nuclear weapons would pose a serious threat to peace and stability throughout the world. The Treaty on the Nonproliferation of Nuclear Weapons stipulates the obligation of nuclear powers to reduce their stockpiles and to stop the arms race. Their non-observance of their obligation in Article 6 of this treaty is now jeopardizing the international nonproliferation framework. In addition to concluding a treaty on the complete prohibition of nuclear tests, the states possessing nuclear weapons should conduct conscientious talks on the substantial reduction and limitation of arms, should reduce the role of nuclear weapons in military policy and should display mutual restraint in the use of force. Part of the resources made available as a result of arms reductions should be used for development needs. These steps would assist considerably in the successful conduct of the third conference to discuss the impact of the nuclear nonproliferation treaty in 1985.

"7. A Corridor in Europe Free of Battlefield Nuclear Weapons

"The commission reaffirms its proposal on the creation of corridors in Europe free of battlefield nuclear weapons along the line separating the two blocs. The refusal to deploy nuclear armaments on advance frontiers would be an important confidence-building measure which would raise the nuclear threshold and reduce the incentive to resort to the use of nuclear weapons during the early stages of conflict in a crisis.

"8. Building Confidence

"The two sides must reach an agreement as quickly as possible at the talks on the mutual reduction of armed forces and arms in Central Europe. The rapid conclusion of an agreement in Vienna would help to stabilize the balance of conventional forces in Europe and would serve as an additional means of strengthening the political trust so necessary for arms control and for the overall improvement of relations between the governments of the NATO and Warsaw Pact countries. Agreements on a new group of measures to strengthen confidence and security at the Stockholm conference, in which great hopes have been invested, would represent another important event. Definite progress in the negotiation of a treaty to ban chemical weapons is urgently needed at the Geneva Conference on Disarmament. In addition, the two sides should begin talks as quickly as possible on additional measures to improve communication with one another in the event of crisis to avert the possibility of the escalation of any confrontation in the direction of war.

"In general, the commission requests all sides to make a new energetic effort to reverse the mounting tendency toward militarism and save the world from the terrible danger of nuclear catastrophe. The final goal must be the complete destruction of nuclear weapons."

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