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OCTOBER AND THE PRESENT DAY

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[Article by R. G. Bogdanov]

[Text] The attack on the old world, which was launched by the workers, peasants and soldiers of Russia and which ended in complete victory on 7 November (25 October) 1917, paved the way to the future for mankind. The greatness of the revolution becomes more apparent with each passing year. The October Revolution, writes H. Winston, national chairman of the Communist Party of the United States of America, "is still working, and not only on the Soviet people but on all oppressed mankind as well. This is the most important force in the world, acting everywhere in support of liberation movements and constantly giving rise to unprecedented changes in the world revolutionary process. It is creating new opportunities for class and national liberation struggle that do not fit into the framework specified by pseudoscientists; the most desperate efforts of neocolonial imperialism are not capable of countering these opportunities."¹

Revolutions, according to K. Marx' definition, are genuine "locomotives of history"² and all crucial eras are illuminated by their flames. Many revolutions have played a great role in the fate of nations and in social development. These include the American Revolution of 1775-1783 and the grand French bourgeois revolution of 1789-1793. The revolutions of the past, however, were limited to the transfer of power from one exploitative class to another: the form of the exploitation changed but the exploitation itself remained. The October Revolution put an end to man's exploitation by man by marking the beginning of a reorganization of society in the interests of the workers themselves. This--the major event of the 20th century--has radically changed the course of the development of all mankind. It began a new era--an era of mankind's transition from capitalism to socialism and an era of struggle, as V. I. Lenin said, for the liberation of people from imperialism, for the cessation of wars between nations, for the overthrow of capitalist domination and for socialism.

No matter how contradictory the picture of the world would seem to be in our time, its main features and the major, decisive developmental tendency are precisely the same as those predicted by Lenin. The entire course of world history corroborates the accuracy of the course begun by Great October, the historical rightness of Marxism-Leninism and the accuracy of the Leninist general line of the CPSU and the world communist movement. The ideals and cause of October have traversed continents and worldwide socialism has become the most influential force of the present day. This is conclusive proof that the triumphant proletarian revolution was not an "accident" or a "historic anomaly" (as the enemies of socialism have asserted over and over again and are still asserting), but a natural result of social development that advanced the international working class to a position of central importance in our era. All-round social progress is now only possible through socialism--all of the events of the recent past attest precisely to this. The 60th anniversary of October represents a new frontier, from the heights of which a vast panorama can be seen. It sums up the important results of the competition--and, to a significant degree, the confrontation--between socialism and capitalism and teaches important lessons about the specific features and natural tendencies of contemporary social development.

The recognition of the historical inevitability of a specific period of time, during which two opposing social systems exist simultaneously, is, as we know, one of the central premises of the theory of scientific communism. Each Marxist is also aware that the great proletarian strategist V. I. Lenin thoroughly substantiated this fundamental premise even before the triumph of October. In particular, in his article "On the Slogan of the United States of Europe" (1915), V. I. Lenin concluded that "irregular economic and political development is an unconditional law of capitalism. This means that socialism can first be victorious in a few capitalist countries or even in a single capitalist nation."³

Incidentally, this also emphasized the complete groundlessness of various types of "ultra-leftist" theories in regard to "permanent revolution," which was supposed to "immediately and quickly" bury capitalism on the global scale. Marxism-Leninism decisively opposes petty bourgeois "revolutionary" adventurism in politics. It is based on the belief that revolution is the result of the internal development of each nation and that it cannot "come into being in a foreign nation by request or agreement."⁴ But this myth about the "export of communist revolution" is still roaming through the pages of the imperialist press.

Objective researchers analyzing the beginning of this transition period correctly realize that the historic anomaly was not the triumph of the October Revolution but the reaction to it by the leaders of the capitalist world. Ruling circles in the United States, which became the center of worldwide capitalism after World War I, stubbornly refused to recognize the existence of the world's first state of workers and peasants for 16 years. A position of, so to speak, "pure denial" obviously did not suit

them. They were not at all certain of the efficacy of their "nonrecognition" of the October Revolution or the efficacy of their loud "bans"--in other words, they were not as naively self-confident as Shchedrin's hero, who gave the order, historic in its own way, to "Close America!"--this nation that was too "seditious" in the eyes of tsarist Russia. The United States, born in the flames of the War of Independence and giving the Declaration of Independence its due each year on the Fourth of July, joined the ranks of outright counterrevolution by the will of its ruling class. Forgetting the revolutionary traditions of their own people, the descendants of those who fought for their own national independence in the 17th century tried to smother the national independence of other people in the 20th century.

The October Revolution, which took place during World War I, inscribed noble slogans on its banners. The first foreign policy document of the Soviet authorities--Lenin's Decree on Peace--proposed that all of the warring nations and their governments begin immediate negotiations on a just and democratic peace, that is, a peace without annexations or indemnities, based on the free self-determination of all nations and peoples. The peaceful initiative of the Soviet Government was not supported by the imperialist powers. As an ideological antithesis, the capitalist world proclaimed the so-called "14 points" of President Woodrow Wilson, which bourgeois propagandists hastened to praise as something just short of a new dawn in the history of international relations, the beginning of an "era of eternal peace." In actuality, the 14 points served as a camouflage for a real policy of armed aggression. Contemporary American historians do not try to conceal this, stating that President Wilson's proposal "was written at a desk that had been shaken by this (October--R. B.) revolution."⁵ The imperialist forces of Germany, England, France, the United States, Japan and other states united in their desire to smother the Russian Revolution and began to organize infamous "crusades."

In this way, the capitalist world involved the young socialist republic in armed confrontation by rejecting all of its proposals in regard to the reconstruction of international relations on the basis of a just and democratic peace. This was far from the form of competition between socialism and capitalism that the Soviet power had been striving for since the moment of its birth and that would only be to the benefit of peace, security and the social progress of all nations.

The Leninist concept of the historic struggle between the two systems envisaged not military confrontation, but, rather, peaceful economic competition--competition in the area of labor productivity and the provision of the population with goods of material and spiritual value. After accomplishing the revolution, "the proletariat that has won governmental power," said V. I. Lenin "does not end its class struggle, but continues it in another form and by other means."⁶ At this time, the major field for the development of class struggle becomes the competition between "two methods, two structures and two economies--communist and capitalist."⁷ Ultimately, V. I.

Lenin stressed, the victor will be the order with the highest level of labor productivity. The most important and essential conditions for this is peaceful coexistence, or, as it was called then, the "peaceful cohabitation" of states with different social orders. "The end of war, peace between peoples and the cessation of robbery and violence--this is precisely our ideal....,"⁸ wrote V. I. Lenin.

From the historic Decree on Peace to the Program of Further Struggle for Peace and International Cooperation, for the Freedom and Independence of Peoples, adopted by the 25th CPSU Congress, all of the foreign policy of the Soviet State has been filled with Leninist ideals and aimed at their realization. "The main aspect of our policy toward the socialist states," announced L. I. Brezhnev from the rostrum of the 25th CPSU Congress, "has always been struggle for the establishment of the principles of peaceful coexistence, for lasting peace, for the minimization of the danger of a new world war and, in the future, for the complete elimination of this danger."⁹ The Leninist principle of the peaceful coexistence of states with different social orders has been given a place in the draft of the new Constitution of the USSR, which has now been submitted for nationwide discussion. This means that it will become--and this is of fundamental significance--a constitutional principle of the Soviet Union's foreign policy.

As a principle of intergovernmental relations, peaceful coexistence excludes the possibility of war from the interrelations between states and peoples. At the same time, it presupposes the retention of international class struggle in new and different forms (competition in the economic, political, ideological and other spheres). Guaranteeing the most favorable conditions for the triumph of socialism in the competition against the capitalist system, the principle of peaceful coexistence is also of enormous humanitarian and universal significance in the safeguarding of peace throughout the world. The struggle to promote its adoption as the basic norm of relations between states with different social orders will be lengthy and difficult.

When V. I. Lenin formulated this principle, the Nation of Soviets was in a state of, in his words, "international solitude." As a great realist, V. I. Lenin understood that the imperialist powers would not leave revolutionary Russia in peace and that the peace won in the difficult struggle would only be an "intermission in the war," only a peaceful respite. Today the fraternal nations, united by their common goals, interests, ideals and policies, are traveling the path of socialist and communist construction with the Soviet Union. Guarantees have been established and reinforced to ensure that no single aggressor or coalition of aggressors will be able to hope for a military victory over socialism.

But the issue of war and peace is still the major issue of the present day, and this fact was stressed once again at the 25th CPSU Congress. The progressive change in the balance of forces in favor of socialism is providing

for a new way of settling this issue: Not by winning another peaceful respite, but by establishing lasting and just peace on earth. This is precisely the goal of the Soviet Union and the other socialist countries. In this connection, special mention should be made of the fact that the appearance of nuclear weapons has made a final and irrevocable transition to peaceful struggle between socialism and capitalism imperative. In the nuclear age, there is no reasonable alternative to peaceful coexistence.

The competition between socialism and capitalism is a dynamic and dialectical process that is taking place in the foreign policy arena of the interaction of states and groups of states and on the internal political level. Its dialectical nature is particularly apparent in the changing factors affecting this process. During different historical eras, this process can be dependent either on certain universal laws of class struggle or on specific natural laws arising from concrete changes in the international arena and within each of the opposing social systems.

This dialectical correlation of the general and specific in the worldwide social process is now being discovered and observed in a new tendency: In addition to being influenced by universal social laws, the present struggle and competition between the socialist and capitalist structures is being increasingly affected by the latest social tendencies and natural laws of international development. And a central position among these is occupied by the tendency toward the implementation of the Leninist program of peaceful coexistence by states with different sociopolitical orders.

The experience accumulated during the last 60 years is extremely indicative in this connection. As was mentioned above, the imperialist powers, which had an extremely hostile reaction to the news of the triumph of the October Revolution, tried to give the struggle between socialism and capitalism the character of a "crusade" by the forces of the old world against the Soviet Republic. Only the complete and utter defeat of external and internal counterrevolution and the growing economic strength and international prestige of the USSR had a sobering effect on the strategists of imperialism. As a result, the historic struggle between the two systems entered a new phase during the period between the wars--the phase of economic and political-ideological competition. One indicator of this was the establishment of diplomatic relations and commercial economic ties with many nations in the capitalist world. In 1933, even the United States had to officially recognize the Soviet Government and agree to negotiations on the establishment of comprehensive relations based on the principles of equality and sovereignty between these two countries, representing, as it were, symbols of the opposing social systems.

Even during this period, however, various kinds of "ultimatums" continued to be issued, and the Soviet Government's proposals aimed at the improvement of the international situation were sabotaged. The fact that worldwide imperialism has still not abandoned its hopes for an armed defeat of the

stronghold of socialism was clearly proved by the shameful "Munich course," the toleration of Hitlerite Germany's aggressive ambitions and the stimulation of Germany's hatred for the Soviet Union. As we know, the Western imperialist states' tactic of compromise with fascism backfired.

The anti-Hitler coalition of nations with differing social systems marked the approach of a new phase in the competition between socialism and capitalism. "The experience of the war years showed," said L. I. Brezhnev, "that the difference in social systems is not an obstacle to the unification of efforts in a struggle against aggression and for peace and international security. During the war, we worked together, and worked together well, to end the war quickly."¹⁰

The victory over fascism in World War II, was made possible by the combined efforts of many nations and peoples, but most of the burden of the struggle was shouldered by the Soviet Union. The Soviet people lost 20 million lives during the war, while the American armed forces lost approximately 400,000 individuals. According to the wartime rate of exchange, the war cost the USSR 485 billion dollars (including 128 billion dollars in damages resulting from the fascist invasion). The cost of the war for the United States was 330 billion dollars. The United States gave the Soviet Union aid in the form of lend-lease for a sum of 10 billion dollars. "In the long, most serious war in our motherland's history, the Soviet people performed a heroic feat, the like of which mankind has never known. It was not only able to defend its freedom and independence, but also made a decisive contribution in the work of saving European and world civilization from destruction by the fascist barbarians,"¹¹ the decree of the CPSU Central Committee "On the 60th Anniversary of the Great October Socialist Revolution" declares. In this gigantic military conflict, the socialist social and governmental order underwent trial by fire and emerged from it an indisputable victor.

The triumph of the socialist cause, the graphic demonstration of the power and all-round superiority of the socialist system and the establishment of the most favorable conditions for the worldwide revolutionary-liberation process as a result of the victory over fascism--all of this led to a new stage in the competition between socialism and capitalism during the postwar period. There was a new upsurge in the international workers' and communist movement. The colonial empire of capitalism began to collapse. The birth of the worldwide socialist system was the greatest event of global historical significance after the Great October Socialist Revolution in Russia. The Marxist-Leninist ideas about the inevitability of the socialist social order's victory in its competition with capitalism were corroborated once again. The struggle for the reorganization of international relations in the interests of universal peace, democracy and social progress was given strong impetus.

Soberly assessing the realities of the contemporary world, farsighted Western politicians believed it was extremely important to preserve the spirit of cooperation that had been achieved by the states of the anti-Hitler coalition during the world against fascism. One of these politicians

was Franklin D. Roosevelt. In a radio broadcast on 6 January 1945, he told the American people: "Peace can be attained and maintained through just the resoluteness of free and peace-loving people who want to work together, want to help one another, want to respect and tolerate one another and try to understand one another's views and attitudes. In the world of the future, the misuse of power, which is implied by the very term 'power politics,' must not be the dominant factor in international life."¹² Reporting to Congress on the results of the Yalta Conference, the president said: "The Crimean conference was a successful effort by the three leading powers to find a common basis for peace. It should put an end to the system of onesided action, exclusive alliances, spheres of influence, balances of power and all of the other tricks that have been resorted to for centuries and have always failed."¹³ All of the extremely sensible ideas of this type, however, were quickly consigned to oblivion in the United States and the other Western countries. During the postwar period, the capitalist world made another desperate attempt to "replay" the course of history. W. Churchill's famous speech in Fulton (United States) on 5 March 1946, in which he proclaimed the beginning of the capitalist world's "cold war" against the international socialist system, served as a unique signal of this.

The search for new ways of counteracting the triumphant progression of socialism was begun at a time of deep-rooted shocks within the capitalist system itself. The tendency toward the consolidation of international reactionary forces under the aegis of the American "empire" was one of the significant new tendencies in the postwar relations between imperialist states. Rejecting its long tradition of "isolationist" politics, the United States became the recognized leader of the entire capitalist world and, confident of its monopoly on nuclear weapons, tried to redesign international politics in accordance with the idea of the "Pax Americana" ("Peace, American-Style") proclaimed by Henry Luce as early as 1941.

Ruling circles in the United States tried to make use of a traditional belief inherent in the American national consciousness in their own interests--the belief that some kind of "special destiny" distinguished the United States from the nations of the Old World. The ideas of "American exceptionalism" and "America's mission in the world," which went back as far as the heritage of the "Pilgrim fathers'" Protestant messianism and had become an integral part of American political traditions, turned out to be a convenient rhetorical cover for the reality of imperialist foreign policy. Walter Lippmann's prophesy, which was pronounced even before World War II, that, "in the world of the future, America will be what Rome was to the ancient world and Great Britain was to the 19th century,"¹⁴ became the ideological banner of the expansionist foreign policy of the United States and the hegemonistic ambitions of American imperialism.

The foreign policy doctrines of American imperialism--from the "containment of communism" to the "rolling back of communism"--were aimed at the imposition of onesided conditions benefitting only the United States and the entire capitalist world in the competition with the socialist system and

were supposed to prevent socialism from reinforcing its economic, political and military positions and to guard against further signs of collapse in the imperialist colonial system. As a result of this "power diplomacy," the united bloc of imperialist states was able to carry on the arms race on an unprecedented scale. Mankind was being pushed to the brink of a new world war.

But the cold war policy did not provide American and Western European imperialism with the expected dividends. The Soviet Union and the fraternal nations that had instituted socialist reforms counteracted the aggressive foreign policy of worldwide imperialism with their own adamant desire for peace and the self-evident superiority of the socialist order. The unity and solidarity of the nations in the socialist community were of great significance in averting the possibility of a new war.

The third stage in the general crisis of capitalism, which began in the mid-1950's, coincided with the downfall of the old colonial system. This was an even greater stimulus to the continuous and irrevocable change in the balance of power between socialism and capitalism in the world arena in favor of socialism. The futility of the cold war policy, in which worldwide imperialism had placed its main hopes for the "containment" and "rolling back" of socialist forces, became completely obvious.

In the area of economics, the practice of international relations based on cold war principles only resulted in the greater vulnerability of the international capitalist economy to its organically inherent severe crisis. At the same time, the nations of the socialist community were becoming the most dynamic economic force in the world. The intensification of the competitive struggle between the United States, Western Europe and Japan, the opposition of the developing countries, the currency war, growing unemployment and inflation and the chronic deficit in the balance of payments were the main economic results attained by the capitalist world during this period.

In the area of politics, the worldwide capitalist system was confronted by the constantly growing might of the socialist countries, the sharp increase in their international influence and the independent foreign policies of several of the developing countries, which had chosen a noncapitalist course of development, as well as the intensification of political conflicts within the capitalist world itself. Finally, in the area of military policy, the attainment of nuclear parity and the obvious inability of worldwide imperialism to force its will on other nations by armed means, which was most clearly revealed in the failure of American aggression in Vietnam, demonstrated the complete hopelessness of the cold war policy and its possible disastrous consequences for all of mankind.

The radical changes in the balance of power in the international arena, arising from the constantly growing might of the three main revolutionary forces of the present day--the worldwide socialist system, the international

workers' and communist movement and the national liberation movement--made the profound reorganization of international relations possible. At this time, the competition between the socialist and capitalist social systems entered a new phase--the phase of the practical implementation of the Leninist ideals of peaceful coexistence and international detente. "International detente was made possible by the new balance of power in the world arena. The leaders of the bourgeois world can no longer seriously expect to settle the historical dispute between capitalism and socialism with armed force,"¹⁵ said L. I. Brezhnev, analyzing the objective causes forcing the leaders of the capitalist world to recognize the norm of peaceful coexistence by the two social systems.

Today we have every reason to believe that, in addition to the universal laws governing the competition between socialism and capitalism in the world arena, new tendencies and new forms of historical struggle between the two systems will acquire increasing significance. These will arise from the recent radical changes in international relations and will reflect the dialectical relationship between the general and the particular in the worldwide sociohistorical process.

Slow-maturing objective factors are beginning to have an increasing effect on the basic forms of interrelations between socialism and capitalism. It is completely obvious that these radical changes were not accidental and did not result from the influence of any kind of subjective phenomena on the system of international relations. The objective basis of the ongoing changes in the direction of social progress was laid by the triumph of the Great October Socialist Revolution and all of the advantages of the socialist social order.

The economic and political instability of capitalist society is growing stronger and the irregularity and nonuniformity of development are becoming more intensive in the individual capitalist nations and the entire capitalist system. These crises will inevitably intensify the general atmosphere of tension in the interrelations between the United States, Western Europe and Japan, as well as within the Common Market. The economic state of contemporary capitalism is represented by a group of insoluble problems.

The economic crisis that struck the capitalist nations in 1973-1975 was the most severe since the "great depression."

The foremost bourgeois ideologists, who were just recently pronouncing optimistic and apologetic theories in the vein of the "abundant society," the "postindustrial society," the "society of universal prosperity" and so forth, now seem to have reconciled themselves to the crises in the capitalist economy which they previously had ignored without any difficulty in their "latest" theories. American sociologist D. Bell, the author of the famous theory of the "postindustrial society," which he conceived of as the overcoming of all economic contradictions and social conflicts, now takes a more pessimistic view of capitalism's future. In his latest book, "The Cultural

Contradictions of Capitalism" (published in 1976), and in many articles, he already openly recognizes the existence of contradictions that are organically inherent in the capitalist economic system and cannot be resolved by any attempts at social reform--namely, the contradictions between the economic development of capitalism and growing inflation. Bell is already regarding the annual 5-percent rate of inflation as the "price" of capitalist progress.¹⁶

Significant changes are taking place in the balance of power within the capitalist system itself. In contemporary American and Western European foreign policy theories, the traditional "bipolar" model of the world, within the context of which the bloc of imperialist states, under the aegis of the United States, was set up in counterbalance to the socialist community, is increasingly giving way to "multipolar" models with various centers and points of imperialist rivalry. Western analysts are unanimously noting the United States' loss of its former international influence and the end of "American exceptionalism."

"The United States today and tomorrow will have the features and interests of an ordinary major power and not of the dynamic center of the universe,"¹⁷ A. Buchan, professor of international relations at Oxford, declares. Well-known American author M. Lerner writes that the dominance and hegemony of the "Pax Romana" or "Pax Americana" type are an anachronism in the era of nuclear weapons, instantaneous communications, an interdependent world economy and so forth.¹⁸ D. Bell states in his article, "The End of American Exceptionalism"--an article which caused quite a stir: "Today belief in American exceptionalism has disappeared along with the end of empire, the weakening of power and the loss of confidence in the nation's future.... Today we are a nation like any other."¹⁹

The emergence of elements of political realism in the West must be regarded as a kind of intermediate result and an important stage in the historical struggle between the two systems, a stage which has been made possible by the comprehensive influence of various factors: on the one hand, the strengthening of the forces of socialism and, on the other, the emergence and deepening of more and more signs of the general crisis of capitalism. The realistic trends in Western foreign policy represent a condition of considerable importance for the successful implementation of detente.

It would probably be no exaggeration to say that the focal and decisive feature of the policy of detente is the process of the normalization of relations between the USSR and the United States, which are, as it were, fully representative of socialism and capitalism in many spheres. The "Basic Principles of the Relations Between the USSR and the United States," signed on 29 May 1972--a document in which the two sides acknowledged that the nuclear age offers no alternative to peaceful coexistence in the relations between these states and declare that they would do everything possible to avoid military confrontation--are quite important in this connection.

The transition from confrontation to negotiation between the USSR and the United States is of tremendous importance for all mankind. For the first time in 60 years, the major power in the capitalist world has officially recognized the historical inevitability of, and objective necessity for, peaceful coexistence between the two opposing social systems, that is, it has acknowledged the groundlessness of foreign policy excesses like the "containment" and "rolling back" of communism. "War as such and, in particular, war between the nuclear powers is now thought of not in Clausewitz' terms, as the continuation of diplomacy by other means, but as a destructive and suicidal absurdity,"²⁰ American political scientist H. Morgenthau writes.

It is obvious, however, that there are influential circles in the West and in the United States itself that are opposed to detente and are attempting to undermine it. Resolutely rebuffing the intrigues of reactionary and aggressive forces, the Soviet Union and the other nations of the socialist community are consistently working toward the continued improvement of the international situation and safeguarding of international security. This is our policy in our relations with the United States as well. While positive changes have taken place in these relations in past years, a certain deadlock was reached last year, and not through the fault of the Soviet side. The ability to realistically assess the state of affairs in today's world, the willingness to take one another's interests into account and an understanding of the mutual responsibility of the United States and the USSR for the fate of world peace are now acquiring increasing importance for the future of Soviet-American relations. At least a minimum of tact, without which there can be no mutual trust, is also necessary.

The growing activity of reactionary and militaristic forces represents a regressive process in contemporary international relations and an attempt to return the historical competition to the impasse of cold war. This is mainly due to throwbacks to American and Western European militarism and the desire to "toughen" the capitalist camp's military and political positions in relation to the USSR and the other socialist countries.

It is indicative that such throwbacks to the cold war are quite often camouflaged by "moralistic" arguments of various types. In the same vein, frequent statements are made to the effect that international detente is also a manifestation of the United States' "goodwill" and "moral idealism." It should be pointed out, however, that the 60-year history of competition between socialism and capitalism, particularly the history of Soviet-American relations, provides no grounds for the belief that any kind of "moral principles" of the "American way of life" have anything to do with the positive changes in international affairs. To the contrary, it is more likely that these changes were only made possible by the elimination of forced "moralistic extremism" and the elaboration of a more sober and realistic approach to international affairs and a more realistic view of the United States' present status in the world. For this reason, the frequent

warnings that the role of "moral" policeman may prove to be as difficult and dangerous for the United States as the role of "military" policeman, which it at one time attempted to assume, seem completely justified.²¹

The primary cause of the positive shifts in world affairs may be found in the fundamental change in the balance of power in the international arena during the last 60 years. It is interesting that many American politicians and analysts are now becoming fully aware of the major results of the 60 years of competition between the two social systems. Even inveterate "cold war professionals" have had to admit: "The communist movement has achieved great successes since 1917; 13 countries have gone communist in the last 30 years. The global trend in world politics is a 'leftward' trend toward 'progressive' regime and left-wing parties. The global trend in the economies of the developing countries is socialist and not capitalist. Faced by this prospect, the Soviet leaders can be optimistic about the development of world events and about whether society will travel the capitalist or the socialist and communist path. Their optimism is based on the actual events of the last 20 years.... The lessons of modern history are self-evident: the Soviet Union cannot be contained either by an increase in the American military budget or by a onesided, if not naive, political and military strategy of anticommunism."²²

It is precisely the successes of worldwide socialism in its competition with the capitalist system that have become the objective basis of the recent changes in the international situation. The all-round development of the cause of peace and democracy also represents the way to new victories in the historical struggle between socialism and capitalism. "We do not conceal the fact that we see detente as a way of establishing more favorable conditions for peaceful socialist and communist construction. This only proves that socialism and peace are indivisible,"²³ the Accountability Report of the CPSU Central Committee to the 25th Party Congress states.

This fundamental premise of the Soviet Union's foreign policy activity represents the practical realization of the Leninist program of struggle for peace, democracy and socialism. The struggle for peace has now become an integral part of world politics. Successful progression toward the majestic goal of lasting and inviolable peace throughout the world--this is the result of the land of socialism's 60 years of foreign policy.

FOOTNOTES

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4. Ibid., vol 36, p 457.
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JOHN REED IN REVOLUTIONARY RUSSIA

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 10, Oct 77
pp 14-22

[Article by A. S. Dangulov]

[Summary] John Reed, progressive American journalist and writer, gave his entire life to the revolutionary struggle. He took part in the largest American strikes, he fought with the legendary Villa and Zapata in Mexico, he was on the battlefields of World War I and, finally, he witnessed the storming of the Winter Palace in Petrograd.

In September 1917, John Reed came to Petrograd as a correspondent for the New York magazine, the MASSES. On the eve of the assault on the Winter Palace, Reed was with the soldiers and sailors and was present when they resolved to overthrow the Provisional Government. Reed visited the Winter Palace not long before it was stormed and witnessed the last hours of the Provisional Government's existence. The luxurious rooms and halls were filled with dirty rags, broken bottles that had once held expensive French wine, empty cans and cigarette butts.

Another unforgettable event for John Reed was the Second All-Russian Congress of Soviets. It was here that he first saw and heard V. I. Lenin, the leader of the Russian proletariat.

Reed's news reports from Russia were informative and moving and made quite an impression on the American public. Naturally, his activities affected the fate of the magazine which had sent him to Russia and had tried to publish his reports as regularly as possible. A slanderous campaign began in the United States against the magazine and several members of its editorial board were put on trial. When Reed learned of this, he decided to return to his native land immediately.

John Reed's book--"Ten Days That Shook the World"--was published at a difficult time for American progressives. The Wilson and Harding administrations did everything they could to instigate counterrevolutionary actions in Russia. Nonetheless, Reed's work was the first in an entire series of documentary

accounts and books about the revolutionary events in Russia, written in the United States and in other countries.

At the end of 1919, John Reed came back to Russia, not knowing that he would never see his native land again. During his last years, he had frequent meetings with V. I. Lenin. He also worked on a new book, which was to be a sequel to the first.

In September of that year he decided to return to the United States to assist the labor movement. A warrant had been issued for his arrest. On his way home, the Finnish police recognized him and arrested him. The Soviet Government arranged for his release but he never recovered from the trials he was subjected to in the Finnish prison. He died in 1920 and was buried near the Kremlin Wall.

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FIRST SOVIET SPUTNIK

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 10, Oct 77
pp 23-32

[Article by G. S. Khozin]

[Text] There are certain events in the history of civilization that are accomplished by the will and energy of one people or one state but are of worldwide historic significance. These events represent important milestones along mankind's ascent to the heights of progress.

The launching of the first artificial earth satellite by the Soviet Union on 4 October 1957, which began the space age of mankind, is unanimously regarded as one of these worldwide historic events by researchers, political figures and representatives of the general public in all nations. The satellite was launched 40 years after the volley fired from the "Aurora" informed the entire world about the first socialist revolution in history that had overthrown exploitative dominance. The Great October Socialist Revolution, a glorious milestone in the life of all mankind, became the major precondition for the formation of an alliance of "representatives of science, the proletariat and technology" in our state, an alliance which, as V. I. Lenin said, "can vanquish any evil force."¹

And now the first step had been taken into space. It was accomplished by the talent and labor of the Soviet people, who had made a reality of the dream of their compatriot K. E. Tsiolkovskiy, author of the theory of space navigation, that mankind would not remain on earth. In pursuit of light and air, the great scientist believed, mankind would begin by timidly crossing the frontier of the atmosphere and would then explore other planets of the solar system.

It did not become possible to turn K. E. Tsiolkovskiy's scientific predictions into reality until a high level of scientific and technical development had been reached. But the main parameter used by many analysts of contemporary scientific and technical progress to assess the worldwide historic achievements of Soviet space travel is precisely its sociopolitical aims. While American space exploration has been carried out mainly for the purpose of satisfying the needs of the war department and elevating American political prestige, Soviet space travel has been conducted from the very beginning for the purpose of creating a material and technical base for communism.

Therefore, the major goal of the development of astronautics, just as the goal of the scientific and technical revolution as a whole, depends on the sociopolitical structure of the state.

The results of the second decade of the space age are now being summed up. They are quite eloquent. In addition to the two leading space powers--the USSR and the United States--several other countries have also developed their own satellites. These include socialist states belonging to "inter-cosmos"--the PRC; developed capitalist states--France, the FRG, Canada, Australia, Holland and Spain; and developing nations--India and Indonesia. Information derived from space, which is so necessary for the resolution of many vitally important problems on earth, is being made accessible to dozens of states on all continents. The same is true of applied cosmic systems--in the areas of communications, navigation and so forth.

In our state, activity connected with the study and practical utilization of outer space has already become one of the conventional areas of scientific and technical progress, which is particularly attested to by the statement in the "Basic Guidelines for National Economic Development in the USSR During 1976-1980," envisaging "the further study and exploration of outer space and more extensive research on the use of cosmic means for the study of natural resources on earth, in meteorology, oceanology, navigation and communications and for other national economic needs."² Library of Congress experts had good reason to make the following statement, which did not please everyone in the United States, in the latest survey of Soviet space research: "The Soviet economy is now sufficiently well developed, it is strong enough and, in spite of difficulties, could finance the most extensive space program in the world."³

The selfless labor of the Soviet people on behalf of the progress of mankind has been commended throughout the world. It is true that the problem of developing a national economy over a vast territory, perfecting science and industry and ensuring defense potential is not a simple one for any state, particularly for a nation which was subjected to a Nazi invasion and which made the biggest contribution to the victory over fascism in World War II.

In setting themselves the task of ensuring the development of interplanetary navigation according to plan, the Soviet people realized that this difficult job would also be one of the elements in the construction of a material and technical base for communism and in the struggle for a bright future for the citizens of the new society. The passage of time has proved that the Soviet people chose the correct course on earth and in outer space. Their successes in the development of the national economy, science and technology constantly multiplied, and new satellites and spaceships moved into outer space. American experts evaluating the present status of the Soviet Union's scientific and technical potential admit that "the Russians are capable of the greatest achievements in any area they choose."⁴

After the first Sputnik was launched, America seemed to rediscover the nation in which socialism had been constructed. Delegations traveled to the Soviet Union to learn about the educational system, the methods used to train professional personnel, the structure of the Soviet economy and the achievements of our scientific community. After all, these were precisely the conditions that had ensured the successful development of Soviet astronautics. On his return from a trip to the Soviet Union, Admiral Rickover, one of the initiators and organizers of the program for the construction of nuclear submarine missile carriers, announced that the real competition with the Soviet Union was going on in the field of education. Researchers from the California Technological Institute then sorrowfully admitted that the Soviet Union had outdistanced the United States and was training (at the end of the 1950's) twice as many scientists and engineers. Besides this, only two-thirds of the qualified specialists in the United States could work efficiently in their field. They also pointed out the fact that around a third of the Soviet engineers and technicians were women. The general educational system in the United States began to be restructured and school and university programs were hastily changed. President Eisenhower began to set up a federal scientific staff.

It was precisely then that the idea of treating the Soviet Union as an equal partner took root in the American mind.

A Rigid Stereotype

Space exploration cannot begin until many complex scientific and technical problems have been solved. The very fact that a program of space research has begun to be carried out attests to the presence of comprehensive scientific and technical potential in a state, potential based on a firm foundation of high achievement in such areas of science and technology as mathematics, physics, chemistry, biology, medicine, automation and administration. The study of outer space cannot begin until a solution has been found for several energy problems, connected primarily with the design and production of powerful launch vehicles and with the development of complex processes and equipment for their prelaunch preparation. The development of complex tools for cosmic experiments--tools with a high degree of precision in measurement and exceptional reliability under the effects of all of the external factors of outer space, can only be accomplished by a state which has been able to train highly skilled scientists, engineers, technicians and workers. These new professional personnel ensure the manufacture of products meeting the highest standards--products which are something completely new in the field of experimental design and in the activities of the most progressive branches of industry.

The launching of the Soviet Sputnik caused a great sensation in America. Although the heads of the USSR Academy of Sciences had announced the Soviet Union's intention to launch artificial earth satellites within the framework of the International Geophysical Year research program, the Soviet Sputnik came as a complete surprise to the United States. This event shook the Americans' faith in the unlimited possibilities of their own technology; the United States also lost its prestige as the

"technological leader," which caused a noticeable change in the relations between the United States and its partners in regard to various kinds of international technical and economic programs.

The American space program, which was just being elaborated at that time and had not yet been officially announced, began to be feverishly reconstructed. As American scientists occupying leading posts in the national space program admit in looking back at that time, the program took shape "in an atmosphere of lost confidence in the reliability of national security, it grew out of the humiliation and lack of self-confidence felt by the United States in the fall of 1957, when the first Soviet satellite was successfully launched."⁵

The author of the report, "United States Foreign Policy, the USSR and Eastern Europe," which was published in 1960, said: "The launching of the first Sputnik forced the United States to engage in self-analysis. The majority of Americans were totally unprepared for the news that the Soviet Union, which they still regarded as a nonmechanized, peasant nation, was actually able to perform this kind of astounding technical feat, which the United States itself was incapable of performing. Our self-confidence burst like a soap bubble."⁶

The space age began at a time of cold war. It was precisely under these conditions that the rigid stereotype of American reaction to the crises it had encountered in the last few decades became particularly obvious: the reestablishment of American imperialism's shaky position in various regions of the world by the application or demonstration of superior military strength was regarded as a wise course of action. The emergency augmentation of military potential was also regarded as a way of correcting the United States' backwardness in the fields of science and technology.

The political leaders of the United States ignored the statements made in the official TASS press release: "With the successful launching of the artificial earth satellite, science and technology are taking a new qualitative leap by carrying the direct methods of scientific research over to the previously inaccessible expanses of outer space." They also attached no significance later to the words heard throughout the world from the announcement made by the CPSU Central Committee, the Presidium of the USSR Supreme Soviet and the Soviet Government on the occasion of Yuriy Gagarin's flight: "We regard this victory in space exploration as the achievement of all mankind and not only of our population. We are pleased to place it at the service of all nations in the name of progress and the happiness and welfare of all people on earth. Our achievements and discoveries are not being placed at the service of war, but at the service of peace and security."

American ruling circles saw the first Sputnik and all of Soviet astronautics primarily as a military threat.

We must also remember that American space exploration was being developed at that time under the constant control and with the direct participation of the war department, the experts of which were studying the possibility of developing an artificial earth satellite for the resolution of military problems (within the framework of the RAND Project) and had concluded that the development of satellites for military purposes could give rise to changes in international relations, comparable in their nature to the explosion of the atom bomb. Besides this, at the end of the 1950's the U.S. national economy was already submerged to a considerable extent in the arms race and the demand for space technology was in many ways, as some American economists put it, "symmetrical" with the demands for better weapons systems, including nuclear missile systems.

Many American scientists who took part in the organization of the first steps in the national space program realized that it would be impossible in a political atmosphere of confrontation and rivalry to organize space research without the support of the Department of Defense. Renowned American expert on astronautics, K. Ehricke, wrote the following in his book, "Space Flight": "If a rocket has not been developed as a weapon, it would have to be developed as a means of space flight. In this case, however, there is a question as to who will pay the many billions of dollars involved."⁷

Three operational groups studied the causes of the United States' backwardness in space research and submitted proposals to the government on ways of correcting this situation. The Gaither Commission, the Subcommittee on Military Preparedness of the Senate Armed Services Committee, chaired by Senator Lyndon Johnson, and a group of experts from the Rockefeller Foundation essentially came to the same conclusion. They recommended the faster dispersion of strategic aviation bases, the development of an antimissile defense system, the reinforcement of civil defense, the ascription of greater significance to fundamental and applied studies and the fortification of the regular armed forces intended for use in so-called limited warfare.⁸

C. Roberts, WASHINGTON POST diplomatic correspondent, wrote in reference to the conclusions of the Gaither report that the United States "has fearfully sensed that it is moving to the status of a secondary power."⁹ Fifteen years later, the WASHINGTON POST again printed an article by C. Roberts, in which he reevaluated the Gaither report from a contemporary vantage point and sorrowfully admitted that he would have to reemphasize "how dangerous it is to make unequivocal and hasty conclusions about the Soviet Union on the basis of fragmented intelligence data. This report accelerated the arms race, at first to a moderate degree under Eisenhower and later at a vigorous pace under Kennedy."¹⁰

President Johnson later reaffirmed the United States' desire to connect the space program as closely as possible with the augmentation of military potential: "The British had naval supremacy and led the world. We (the United States--G. Kh.) were supreme in the air and were the leaders of the free world from the time this supremacy was established. Now this position will be occupied by whoever gains cosmic supremacy."¹¹

When we consider the exceedingly far-reaching intentions of the American political leaders of that time in our day, when mankind has commemorated the tenth anniversary of the Outer Space Treaty, which declared outer space an area closed to nuclear weapons and was endorsed by 72 states, we must recognize the contribution made by the persistent and consistent actions of our nation, which proposed that this measure, so important to the progress of mankind, be instituted.

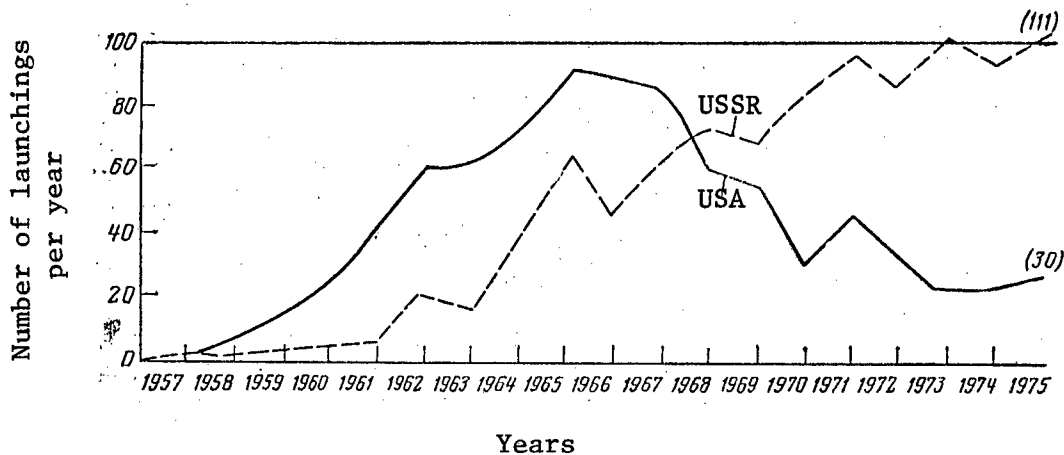
America's reactions to the first Sputnik and the subsequent steps taken by the Soviet Union in the development of its space program according to plan reflected many of the specific features of the formation and development of the major areas of scientific and technical progress under the conditions of state-monopolistic capitalism.

After the "Lunar Launching"

Let us look at a graph illustrating one of the basic indicators of the development of space programs in the USSR and the United States--the annual number of launchings. While our nation has continued to perfect the scientific and technical base of its astronautics according to plan, constantly carrying out more extensive scientific and applied experiments in space, the American space program has been characterized by obvious cycles, reminiscent of the total picture of national economic development. In other words, the uncontrolled nature of the development of the capitalist system also affects the scales of the U.S. space program.

Prominent American sociologist D. Bell had already admitted in 1973 that the United States had no centralized scientific research budget, no system of priorities and no long-range planning in regard to areas of particular interest. He went on to write: "Beginning with the 'Manhattan Project'... U.S. policy in the area of scientific research has been aimed at the resolution of concrete problems.... In response to new demands, emergencies and new priorities, new research facilities, a new organizational structure and new laboratories are set up, and the necessary measures are taken at universities for the resolution of these new problems."¹²

An American astronaut walked on the moon. The performance of this exceedingly complex task, however, required a high degree of political priority which attached exceptional importance to the space program to the detriment of many important socioeconomic problems in the United States; it required considerable funds from the federal budget, comparable only to defense expenditures; it required a special mechanism of federal regulation for the new field; and it required new professional personnel, laboratories and industrial facilities. All of this was established in response to President Kennedy's appeal for a moon landing, which was declared a national objective of supreme importance. The significance of the Apollo Project flights would be difficult to overestimate. They also became an important stage in world astronautics.



Number of annual launchings of space vehicles to the moon and the planets and into orbit close to earth in the USSR and the United States in 1957-1975.

Compiled on the basis of: "Uspekhi SSSR v issledovanii kosmicheskogo prostranstva" [Soviet Successes in the Study of Outer Space], Moscow, Nauka, 1968, pp 450-490; "Osvoyeniye kosmicheskogo prostranstva v SSSR" [The Exploration of Outer Space in the USSR], Moscow, Nauka, 1971-1975; "Most v kosmos" [A Bridge to Space], Moscow, Izvestiya, 1976 (Appendix); "NASA Authorization for Fiscal Year 1977," Committee on Aeronautical and Space Sciences, U.S. Senate, S. 2864, pt 2, Washington, 1976, p 953.

Now, however, many Americans who look back on the past admit in one way or another that President Kennedy's decision, which was primarily dictated by political motives, contradicted the logic of the progressive development of technology. And it is no wonder that after the Saturn carrier rockets and the Apollo spaceships were developed (even before the last flights to the moon), no opportunities arose for the "loading" of scientific research centers and enterprises of the aerospace industry to full capacity and for assigning them projects comparable in complexity and scale to the Apollo Project. All of this led to production cuts, reduction in the amount of scientific research and mass unemployment in regions dominated by the aerospace industry.

On the threshold of the 1970's, the United States began to feel the acute effects of the serious error that had been made at the end of the 1950's, when the space program was made an object of military and political rivalry with the Soviet Union. In the heat of this game of "follow the leader," the United States neglected the planned development of the space program, and new economic, social and political problems required the reduction of space research and exploration at the beginning of the 1970's. The first victims of this were those whose labor had won America its cosmic glory. Many of the "nation's finest"---scientists, engineers and workers capable of developing the most complex technical equipment and controlling the flight of space vehicles---joined the ranks of the unemployed. In describing the state of affairs at that time, a well-informed economic weekly

reported: "At the height of the season in 1966, around 300,000 of the 420,000 civilian NASA personnel (including civil servants as well as the blue- and white-collar workers of contracting firms) were involved in operations connected with the manned space flight program. Today, however, only 218,500 persons are working on this program."¹³

The employee cuts in the U.S. space program continued into the beginning of the 1970's as well. The number of NASA scientists, engineers, technicians and workers was reduced to almost 150,000 at that time. It should be pointed out that just the number of unemployed alone does not reflect the total picture of the depression that struck regions in the United States which were involved in the space program. American economists have pointed out the direct connection between the rate of employment in the main industry of a region and the general state of the regional economy. Experts from the North American Rockwell Corporation analyzed the records of a local branch of the chamber of commerce in the Downey District in Southern California. Here are the results of their analysis: "If 1,500 employees of aerospace industry firms lose their jobs and leave the region, the consequences are the following: the region loses a total of 4,200 persons (counting the members of the employees' families); the number of schoolchildren is reduced by 1,400; the employment rate in the nonproduction spheres drops by 1,000; the number of small retail stores is reduced by 50; and retail sales are reduced by 5 million dollars a year."¹⁴

In June 1971, the Committee on Science and Astronautics of the U.S. House of Representatives admitted that many of the scientists and engineers who had entered the aerospace industry 20 years before and who had been promised "great things" by the government had now been "thrown overboard." This change in the labor market evoked a reaction from American youth as well: the number of students enrolling in technical colleges and the number of graduate students majoring in technical fields related to the aerospace industry decreased by almost 15 percent in 1970.

American astronautics began to be blamed for many defects and weaknesses which were characteristic not of astronautics itself but of the socioeconomic system, which was incapable of ensuring efficient scientific and technical development. As an influential aerospace weekly admitted, it was true that an American had actually "touched the moon's surface, but the launching platform from which he took off turned out to be built on a garbage heap. It has become extremely fashionable to talk about paying for the removal of this garbage by demolishing the launching platform."¹⁵ The magazine went on to state that the tremendous "overreaction" to the launching of the Soviet Sputnik motivated the reassessment of the educational system and attitudes toward science and changed the "national psychology"--and all of this occurred because of another state's remarkable achievement in a specific area of technical engineering. Voicing an appeal for careful planning (and it is precisely this factor that became one of the main reasons for the progressive development of the Soviet space program), the magazine

stated that "it is no longer practical from the economic or sociological standpoint to base national policy on spasmodic reflexes."¹⁶ The magazine further stated that even when NASA does draw up long-range plans for space research and exploration, their realization is postponed until such time as Congress and the public are again stunned by some kind of new challenge on the part of the USSR or any other state.

The leaders of the aerospace industry, NASA representatives and some congressmen tried to somehow save the prestige of American astronautics by representing it to the public as a truly progressive area of scientific and technical progress. At hearings before the abovementioned Committee on Science and Astronautics in 1971, Congressman J. Miller said: "I feel that many people do not understand the importance of constant research in space and on the earth. When you look back on history, it becomes obvious that it was precisely because of researchers of bygone days, particularly the little-known Portuguese researchers, that ships began to sail around Africa and the system of navigation that is so widely used even today was later established. It is also interesting to note that Columbus spent almost a year on the Azore Islands, learning about the sea from the Portuguese.... Where would the world be today if there had been no ambition for research? I feel that we are now living in a new Columbus era."¹⁷

Wernher von Braun, former director of the Marshall Space Center, upheld this line of reasoning. This was the same von Braun, now deceased, who had taken part in the development and military use of the V-2 missile by fascist Germany in World War II and had then gone over to the United States and began to develop ballistic missiles. He stated that the actions of the Portuguese prince who had gathered the world's best sea captains in his palace, providing them with ship models, maps, navigational instruments, reference books and weather prediction means were just as important to the progress of mankind at that time in history as the actions of NASA are in our day.

All of the arguments raised during the course of the debate were quite eloquent, but one extremely important fact was ignored: all that NASA had done during the first years of the space age was actually a repetition and duplication of the activities of the Soviet school of space navigators. It only took a few decades for the theoretical works and projects of K. E. Tsiolkovskiy, F. A. Tsander and Yu. V. Kondratyuk, which were regarded as mostly fantasy by their contemporaries, to become a reality in the Soviet Union's cosmic feats. The talent and labor of the Soviet workers, engineers and technicians, in conjunction with the most progressive scientific discoveries and under the guidance of such renowned contemporary scientists and designers as S. P. Korolev, M. V. Keldysh, M. K. Yangel' and V. P. Glushko, created vehicles that had never been seen before: artificial earth satellites, automatic interplanetary stations and manned spaceships. It was precisely these feats that led to the celestial flights of Yuriy Gagarin and other astronauts, laid the first routes for automatic vehicles to the moon and the planets and are now continuing their peaceful advance on the universe.

The developed potential of contemporary astronautics at the disposal of two states--the USSR and the United States--on the threshold of the third decade of the space age now represents a strong material basis for more extensive cooperation in the field of space research and exploration for peaceful purposes.

The Major Result

Science is summing up the results of 2 decades of the space age. They are impressive and promising. Some thought is also being given to this in America, which naturally has not forgotten those days in October 1957 when mankind's celestial hours began to be counted.

"Developed socialism," the decree of the CPSU Central Committee "On the 60th Anniversary of the Great October Socialist Revolution" states, "is characterized by the unification of scientific and technical achievements with the advantages of the socialist economic system, a decisive move toward intensive methods of economic development and qualitatively new levels and dimensions of production, providing for the immediate construction of a material and technical base for communism, a continuous rise in the welfare of the workers and important successes in the economic competition against capitalism."¹⁸

It was precisely socialism's ability to make use of scientific and technical achievements in the interest of economic and social progress that became one of the reasons for the Soviet Union's growing prestige in the international arena and the expansion of international programs and projects for international cooperation with Soviet participation. "The USSR's passion for planning ensures more consistent and stable scientific development than in our nation, since the principles of investment in scientific research and engineering, on which Soviet policy is based, have never been recognized here,"¹⁹ the organ of the American Association for the Advancement of Science stated. The promotion of lasting peace, mutual benefit and the safeguarding of the interests of both states and all mankind--these are the major principles making up the foundation on which Soviet-American cooperation has been based. And space is no exception to this, but is an integral element of this kind of cooperation.

At a mass-meeting commemorating the rendezvous of the crews of the Soyuz-6, Soyuz-7 and Soyuz-8 spaceships, General Secretary of the CPSU Central Committee L. I. Brezhnev said: "The Soviet Union regards space research as an important way of understanding and mastering the forces and laws of nature in the interests of the workers and in the interests of peace on earth.... We also respect the achievements of other nations in this field. Not long ago, the Soviet people sincerely saluted American astronauts on their remarkable flight to the moon. We advocate international cooperation in the exploration of outer space."²⁰ These words completely characterize the Soviet Union's approach to international cooperation in space.

Mankind is continuing its course toward the heights of the progress of civilization, in which all peoples and states are making their own contribution. Contemporary capitalism is trying to make use of the achievements of scientific and technical progress for the development of new production branches and the improvement of its administrative structure. The uncontrolled nature of the capitalist economy, however, runs counter to the truly scientific organization of administration. For these reasons, even the greatest technical achievements, including today's comprehensive technical projects, cannot change this nature. At the same time, these comprehensive projects "fit into" the socialist method of production quite well. This is precisely the reason for the remarkable success achieved in economic, scientific and technical integration by the states of the worldwide socialist community.

The increasingly impressive scales of contemporary scientific and technical projects and the need to involve substantial elements of national scientific, technical and economic potential in their accomplishment create objective prerequisites for international cooperation, shared effort by states and the careful joint planning of extensive scientific and technical programs based on the principles of equality and mutual respect for the interests of the participating states.

Plans are being made for the future of astronautics in the United States as well. In 1974, NASA created a special group to examine the long-range prospects for the development of the space program. The major goals of this study consisted in the compilation of a list of possible space projects and the classification of these projects; the calculation of the volume of scientific research needed for their accomplishment; the coordination of space projects with national needs and the determination of their possible effect on social problems. The criteria for assessing the objectives that might be set for American astronautics during 1980-2000 are based on its contribution to such fields as the development of the natural and social sciences, the elevation of the American consciousness (the arousal of public interest), the satisfaction of the material demands of the United States and other nations, the development of the U.S. economy, an increase in its international prestige and the promotion of international cooperation.²¹

The recommendations made by this group are of a clearly defined pragmatic nature and attest to the growing significance of the space program in the attainment of economically important goals. Here are some of these recommendations: astronautics might aid in the resolution of many future problems in the sphere of physical production and in the sphere of knowledge; the space program should be reoriented in such a way that more resources will be used to attain practical objectives on earth, including the use of solar energy; NASA should transmit its scientific and technical experience to other areas more actively; man must continue to take an active part in experiments on spaceships.²²

As we can see, America intends to continue its efforts to master outer space. The United States' plans also envisage more extensive cooperation with the Soviet Union in this field, which is attested to by the intergovernmental agreement signed in June of this year by both nations for a new 5-year period.

The orbits of cooperation are multiplying throughout the world. One of the most important objectives of the Soviet Government's activity on earth and in space is to liberate science and technology from militarism and place them at the service of all nations and peoples. This objective completely corresponds to the peaceable course our nation has followed for the 60 years of its existence.

FOOTNOTES

1. V. I. Lenin, "Poln. sobr. soch." [Complete Collected Works], vol 40, p 189.
2. "Materialy XXV s"yezda KPSS" [Materials of the 25th CPSU Congress], Moscow, 1976, p 215.
3. "Soviet Space Programs, 1971-1975. Staff Report...", Committee on Aeronautical and Space Sciences, U.S. Senate, Wash., 1976, vol 1, p 482.
4. FOREIGN POLICY, Summer 1976, No 23, p 144.
5. FOREIGN AFFAIRS, April 1972, p 533.
6. "United States Foreign Policy. USSR and Eastern Europe," A Study Prepared at the Request of the Committee on Foreign Relations, U.S. Senate, Wash., 1960, p 23.
7. K. Ehricke, "Space Flight," Moscow, 1963, p 82.
8. "Theory of International Relations. The Crisis of Relevance," ed by A. Said, New Jersey, 1968, pp 132-133.
9. THE WASHINGTON POST, 20 December 1957.
10. Ibid., 24 February 1973.
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12. D. Bell, "The Coming of Post-Industrial Society," N.Y., 1973, p 247.
13. BUSINESS WEEK, 17 May 1969, p 76.
14. "The National Space Program. Present and Future. Committee on Science and Astronautics. U.S. House of Representatives," Wash., 1970, p 60.

15. AVIATION WEEK AND SPACE TECHNOLOGY, 22 March 1971, p 62.
16. Ibid.
17. "1972 NASA Authorization," Hearings Before the Committee on Science and Astronautics, U.S. House of Representatives, Wash., 1971, p 73.
18. PRAVDA, 1 February 1977.
19. SCIENCE, 19 November 1976, editorial page.
20. PRAVDA, 23 October 1969.
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BANKRUPT ARGUMENTS OF OPPONENTS OF DETENTE

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 10, Oct 77
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[Article by Yu. F. Oleshchuk]

[Text] Recently not only detente itself but the history of its emergence and development have become the object of attacks by the opponents of relaxation of tension in Soviet-American relations. Many publications have appeared in the West offering a sham "biography" of detente. It is depicted in them in the form of an undertaking based on dubious prerequisites, an undertaking whose entire subsequent path has been littered with obstacles--unforeseen and allegedly insurmountable. However, attacks on detente by means of historical, or rather quasihistorical excursions are no more sound than any other attacks on it. The true, undistorted picture of the genesis of the normalization of relations between the USSR and the United States and the positive shift in them is evidence of the law-governed nature of this phenomenon.

From Confrontation to Normalization of Relations

Soviet-American detente started rapidly and powerfully. It is hard to think of a shift of similar significance and depth in mutual relations between two large, socially opposite states which has taken place at such a rapid pace. There is clearly no analogy in world history, at any rate in its latest period.

The coming of detente took American international affairs specialists by surprise. Only 1-2 years before the ice of confrontation first broke they were expecting the cold war to last. And if there were arguments on this score, they were certainly not about whether such confidence was justified or not, but about whether the end of the cold war was possible in principle and, if so, at what time in the remote future. When this vague future suddenly turned into reality, many of them were in the position of a modern-day Rip van Winkle, the character from American literature who slept for many years and, on waking up, did not recognize the new world which unfolded about him.

And it is this period of rapid changes which is the primary object of the tendentious historiography of detente, the primary target of the attacks by certain Western political scientists. That such substantial changes should take place in such a short time is impossible--such is the logic of their arguments: After all, we are talking about an improvement in relations between two states which epitomize two opposite socioeconomic systems. It is not so easy: Consequently, something is clearly "wrong."

Two versions have been created which are false explanations of the power of the initial burst of detente. According to the first, both sides had genuinely been under a misapprehension concerning the possibility of the improvement of their relations and were in a rush to advertise the end of the cold war, and they believed, with unwarranted enthusiasm, in their capacity for mutual understanding and mutual accomodation. So the belief in the possibility of warmer relations was misinterpreted by many people as an actual improvement. According to the second version, there was no misapprehension; there had been a deliberate deception, either by one side or by both.

Either the Soviet Union had "conned" Washington by assuring it that it was ready to put an end to confrontation, and its assurances on this score were taken at face value by the Americans (Moscow allegedly effected this "maneuver" for a number of strategic and economic reasons, and many have been fabricated--from the desire to impart impetus to its economy with injections of Western technology to an attempt to lull the West and drive a wedge between the United States and Western Europe). (Note 1), ("The United States and the Demands of Detente Diplomacy, a Conference Report," Philadelphia, 1973) Or, Washington was participating in the game. And its motive? R. Nixon's desire to gain prestige as the man who had made a fundamental foreign policy achievement. And once he had rushed into advertising detente, it became difficult to back off. "...The American policy-makers were so tied to the course of cultivating closer relations with the USSR that, for conveniences' sake, and too hastily, they played down the tensions and dangers" (Note 2), (A. Rubinstein, "The Elusive Parameters of Detente," ORBIS, Winter 1976, P 1346) Allegedly connected with the Soviet Union.

If you approach detente from these positions, the authors of these versions contend, both ends meet: The powerful initial burst of detente [detant] did not occur at all, it was invented, voluntarily or not. There was no actual large-scale shift in such a short period of time. Only the political leaders said so.

Both versions are wrong, of course.

There is a third--and correct--reason why the reduction in tension did occur and occurred quickly. The truth is that it was overdue. And the surprising thing is that those who opposed the shift managed to delay it for so long, not that it actually occurred. Detente had clearly been knocking at the door in the sixties and had even broken through to the policy level for short periods of time. As for the broad public, it supported detente consciously and quite sincerely, not mistakenly, as the authors of the above-mentioned versions tell us in retrospect, because lasting peace has always been attractive to the ordinary person, especially in the nuclear era. And it can confidently be said that full support from below explains in many respects the progress of detente [detant]. Unity between the will of the government and the wishes of the masses may be usual in socialist countries, but it is rare in the United States. But when it is present, as in this case, the conditions are created for rapid transformations in policy.

In other words, detente was in keeping with the fundamental interests of the peoples of the USSR and United States. Both states were vitally interested in insuring that their relations moved in a direction away from thermonuclear conflict. It is equally clear that that reorientation had to embrace a very wide range of problems because Soviet-American relations by no means amount merely to bilateral problems but are bound up with a multitude of most diverse questions of world politics. And both states felt a need to enliven economic, technical, scientific and cultural ties--both because they are mutually beneficial in themselves and because their presence substantially reinforces normalization,

creating an additional mutual interest in maintaining it. Finally, the urgent general human problems of peace-time (the acceleration of scientific and technical progress, the rate of which now depends increasingly on the coordination of corresponding developments on an international scale; ecological measures; exploration and utilization of the world ocean and outer space and so forth) demanded collaboration. And it is clear, of course, to any bourgeois researcher who is not specifically concerned with discrediting "detente" [detant] that Soviet-American normalization is motivated by objective necessity, not by arbitrary decisions or manipulation by politicians.

In an article entitled "Pluralism and Policy" S. Rosenfeld stresses, for example, that "this policy stems not merely from the world outlook of statesmen and the art of diplomats but from the political process, that is, from the needs of the state." (Note 3), (S. Rosenfeld, "Pluralism and Policy," FOREIGN AFFAIRS January 1974 p 263).

At this point one could ask the question (and it is asked with a touch of skepticism by some American political scientists): But why did the embodiment of these interests and needs in policy take place, and so quickly, specifically at the beginning of the seventies? It had not happened before, although these needs had been around for some time. The fact that the time when detente started is unclear means, they say, that it was chosen arbitrarily, and this militates in favor of the superficial nature of detente as a politico-diplomatic maneuver.

Indeed, there was a quite definite law-governed pattern in the fact that the turn toward normalization came at the beginning of the seventies. It was precisely at the turn of the sixties and seventies that there developed in the U.S. ruling circles and American society as a whole a clear understanding of the fundamental fact that there was no U.S. military superiority over the USSR and that the overall correlation of forces between socialism and capitalism was not shaping up in favor of the latter. Had it not been for this realization, the abatement in tension would not have begun. And the fact that this realization took hold at precisely this time is also perfectly explicable. Figures and facts relating to this question which Americans had known before made a particular impression on them under the influence of the defeat of the American military machine in Indochina. The country received a dramatic lesson in the restricted nature of its potential for force. A critical attitude toward globalism became widespread. The need to seek a "modus vivendi" with the major world force--the socialist states and primarily the USSR--was highly pressing and unabiguous in light of these insights.

Let us add that there was yet another "green light" for this insight. During this period a figure whom no one could suspect of excessive pliability vis-a-vis the Soviet Union was in power. The reputation as a 100-percent conservative which R. Nixon enjoyed was a factor which stressed once again the urgency of the turn toward detente ("Well, if Nixon is doing this...").

The person of the president also facilitated the turnabout in another way: Resistance to detente by the fiercest anti-Soviets was also slowed down because many of them were "traditionally" entrenched in the Republican Party; and the party greatly valued its president: He was one of the few figures who had succeeded in bringing it to power in the last few decades.

It can be assumed that if the administration had been headed by a man who did not inspire such trust among conservative circles--these traditional champions of anti-Sovietism in foreign policy--the normalization of Soviet-American relations would have been more difficult.

Bankrupt Criticism

The starting dash rapidly and organically developed into the next phase--the introduction of detente into a broad spectrum of the relations between the two countries. This phase is also the focus of polemics. The opponents of any improvement in Soviet-American relations attempt to contend that the start of the detente process was its highest point, because the prospect of eliminating the cold war evoked broad enthusiasm and "euphoria."

But later on, as the transition to the practical implementation of the initial accords proceeded, detente, it is asserted, effectively subsided and its failures considerably outweighed its achievements. "Over the last year or a little longer the restricted nature of detente [detant] has become more apparent," (Note 4), (A. Hartley, "American Foreign Policy in the Nixon Era," London 1975 P 25) political scientist A. Hartley asserts in a work published in 1975.

Just how is a verdict which is so at variance with reality substantiated? By what logic are the indisputable manifestations and successes of cooperation in which 1972, 1973 and 1974 abounded misinterpreted as proof of the opposite? True, it is possible to understand the surprise of C. Yost, a high-ranking American diplomat in the past, when he wrote in 1974: Precisely at the time when there have been concluded between the USSR and the Western countries "an unprecedented series of agreements, there is an increasing number of eloquent opinion-makers in the United States who doubt whether the detente expressed by these agreements is real."

The most common device is elementary. It is merely the interpretation of all the specific manifestations of detente as either being "empty" or not testifying to any improvement in relations at all. There are downright nihilist critics in whose view there is nothing good to be said for any talks between the two sides; they declare such talks to be "exercises in diplomatic maneuvering mainly aimed at achieving advantages over the rival."

Even accords such as the 1972 interim agreement on certain measures with respect to the limitation of strategic offensive arms, which are indisputably mutually advantageous and generally recognized to be so, are interpreted in this spirit. For instance, H. Bull asserts that under this agreement the USSR achieved advantages to the detriment of the United States and improved its military position. (Note 5) (Quotation from A. Hartley, op cit, p 26). "The distribution of the economic advantages of detente is perhaps being effected in such an unbalanced fashion that it is threatening detente itself," (Note 6) (FOREIGN AFFAIRS, January 1974, p 250) economist R. Vernon asserts. Others go further, declaring that economic cooperation with the United States is helping the USSR to build up its military potential.

Of course, objections of this kind are nothing more than a propaganda device. And a pretty naive one. Indeed, how does it happen that the United States concludes important agreements with the USSR--agreements which, of course, have been carefully thought out--and yet remains greatly disadvantaged? We are not about to belittle the skill of Soviet diplomats, but here supernatural qualities are being ascribed to them (while the Americans are denied elementary wit). Furthermore, does the USSR need some kind of Western "levers" to create the necessary military potential when it is coping with this independently and, in the opinion of Western military specialists, brilliantly?

However, there are also devices which are a little more subtle. Another version of the same position of total denial consists in the following: It is admitted that accords and cooperation have really taken place between the USSR and the United States and that definite practical results have been achieved on a number of questions of mutual interest. But all this, it is alleged, has nothing to do with detente and cannot be an indicator or manifestation of detente because in each specific case the sides have been guided by considerations of advantages and would have embarked upon the corresponding agreements and joint steps in any case--under conditions of detente or without it. And since the latter is quite irrelevant here, it remains an "empty word." For instance, (R. Kanet), political scientist at the University of Kansas, has asserted that all the positive shifts in Soviet-American relations in the seventies are merely short-term compromises with whose appearance detente was in no way involved. (Note 7), (CURRENT HISTORY, October 1972 p 159).

This argument is based on perfectly absurd logic. Those who use it are essentially attempting to place detente and its materialization, its practical embodiment, in different categories. And if anyone seriously believes that the numerous accords of the seventies have appeared spontaneously, irrespective of the new climate of relations, let him attempt to answer the question: Why did these accords not appear earlier, in the fifties and sixties? For if you proceed from their logic, the cold war ought to have been no obstacle to them, but it is obvious that it did impede this to a very great extent.

A third dishonest interpretation of the achievements of the Soviet-American normalization consists in comparing them with non-legitimate, nonexistent, far-fetched tasks for detente. They are compared, and the conclusion is reached that in practice detente has been implemented quite unsatisfactorily since these tasks have not been achieved. In the view of this category of detente's opponents, detente ought to mean both the social rapprochement of the two sides (of course, not through the transformation of the United States into a socialist country but through the embourgeoisement of the USSR) and unclouded relations between them based on the "unity" of their approaches to virtually every international problem and so on and so forth. This device is designed for those supporters of detente in the United States and beyond its borders who, while sincerely approving the improvement in the relations between the USSR and the United States, do not realize that detente does not and cannot abolish either the sociopolitical differences between these countries or the definite forms and modes in which they are manifested, even in the foreign policy sphere (in one of his articles political commentator R. Bultens wrote that some people in the United States interpreted detente as a "political alliance" with the USSR and were disappointed when this did not happen.)

Of course, a clear understanding of what detente is, is of decisive importance for the correct assessment of what it has achieved. And a considerable proportion of the complaints about it now being voiced in the West is explained simply by the absence of a correct and broad enough idea of its essence. Detente has a clearly defined sphere of action: The relations among states which remain irreconcilably socially alien to one another. The path which it has traveled should be measured only by the successes which it has achieved on questions within its sphere of action, namely: the removal of the threat of a clash and the development of cooperation wherever possible.

Finally, one more method of discrediting the normalization of Soviet-American relations is to blame it for events for which it is not responsible. There are figures who just specialize in compiling a list of the annoyances and complications which, they allege, are either directly caused by detente or are an indirect consequence of it. And almost every flareup of tension in any corner of the globe since 1971-1972 is declared to be connected with Soviet-American detente [detant] has the most direct bearing on the "oil crisis" and, on the other, that the fact of the swift growth of the national liberation movement in Angola and southern Africa "refutes detente." Political commentator C. Sulzberger sees detente as the source of many of Washington's foreign policy complications; the unsatisfactory relations with India, the difficulties with Japan and much more besides. Even the Portuguese events of 1974--they too, as can be understood, testify "against detente." (Note 8), (The New York TIMES, 6 August 1975)

The artificiality and invalidity of all this criticism of detente is obvious if you just recall what detente has really yielded and face the real facts. It is necessary here to note first of all the considerable expansion of political cooperation at every level. And it is not just a matter of the quantity of official contacts and talks, but also of their productivity. This is enshrined in the adopted documents and has found expression in the practical measures to implement these documents. Subsequent events have confirmed that detente was not frozen at the initial stage. The full importance of the interim agreement as a real advance can be assessed if it is recalled that, not long before it was signed, many political commentators and military specialists in the West were firmly declaring that coordinated American-Soviet steps in this sphere were totally ruled out.

What about the economic sphere? Here the reality of the practical shift in relations is recorded as precisely as can be--in numerical indicators. It is hardly necessary to cite these figures. Everyone knows of the almost tenfold increase in trade turnover by comparison with cold war times. This leap attests to fundamental and real change, which is not confined to the expansion of economic relations alone. The expansion of trade has been an important component part and motive force of the improvement of political relations, if only because it required measures to liberalize trade which contributed to eliminating the cold war. And what about the scientific and technical cooperation which has developed, the increase in which cannot be measured because it did not exist at all before? And the cooperation in the sphere of space exploration, which is immeasurably more than just one more practical achievement of the detente policy, since it was an extension of cooperation to a sphere which even recently had seemed absolutely excluded from joint efforts. And so here we have not only cooperation as such; it is also an indicator of the potential for American-Soviet collaboration and the potential for the sharp, qualitative expansion and deepening of it.

Finally, what was proved by the very possibility of Soviet-American dialog and collaboration must be included among the substantial achievements of detente at that time. All the links which have been created, apart from the direct benefit they have brought, have added another important, constructive effect--they have destroyed the skepticism concerning the prospect of cooperation between the USSR and the United States which was produced by and inherited from the era of confrontations.

Thus, the impressive but, of course, by no means complete list of the indisputable achievements in the improvement of mutual relations between the USSR and the United States leaves no doubt concerning the progressive or regressive nature it had in the initial period.

Another equally weighty aspect of detente (which is sometimes left out of consideration) is the obstacles--difficulty and numerous--which have been overcome in the course of rebuilding Soviet-American relations.

Above all, detente has proved to be a technically complex measure, if it can be so expressed. The introduction of businesslike cooperation in almost every sphere has demanded not only good will but also a certain set of instruments, methods, usages, mechanisms of collaboration and understanding of the practice adopted by the other side in various specific cases, and so forth. Such a set of instruments often did not exist, and it was necessary to seek and create it. Even such a thing as trade and economic cooperation--which would seem to be known throughout the world and is not a new field of activity--also teemed with obstacles of a purely technical order and demanded great joint efforts to eliminate them.

A more serious obstacle was that the numerous and influential opponents of the improvement of relations with the USSR quickly began to become more active in the United States. It must be said at this point that some initial inactivity by the opponents of detente in the United States was caused not only by the fact that on the U.S. side it was led by a conservative but also by disbelief in the stability of detente and hopes that nothing substantial would be obtained from it.

However, in quite a short time both these brakes ceased to function. First, the thaw [potepleniye] proceeded with great scope and speed, which convinced the opponents of detente that there were no grounds for complacency. Second, the drop in the President's prestige caused by the Watergate scandal and his increasingly obvious political doom freed the rightwing forces from their "obligations of respect" toward him. Moreover, the anti-Soviets attempted to mold the distrust of Nixon which appeared in the country into distrust of his policy toward the Soviet Union. The course of normalization being pursued began to be portrayed in particular as Nixon's "move", designed to distract the country's attention away from "Watergate" by "ostentatious successes" in Soviet-American relations (the despairing President even supposedly gave unilateral concessions to Moscow to support detente). And a certain section of the American public believed these accusations.

And yet, even taking into account all these unfavorable circumstances when evaluating the process of increase of positive elements in Soviet-American relations, it is impossible not to hold more to a conclusion directly contrary to the one drawn by the opponents of detente [detant]. This is namely that detente has not demonstrated weakness or unsoundness but lasting viability. Viability which is only accounted for by the fact that it was vitally necessary. No artificial political maneuvering could possess such stability and durability.

Surmountable Difficulties

Some tendentious biographies of detente also open up a third period in its history-- "the period of its final disappearance." It is dated partly in 1975 and mainly in 1976. A. Rubinstein, summing up Soviet-American relations in recent years, finds no signs of viability in detente and concludes that it has come to a "constant repetition of banalities." (Note 9), (Op. cit. pp 1356-1357). The authors of the work "The Great Detente Disaster" pose the question of whether it is not simply "a new synonym for the cold war." (Note 10), (E. Friedland, P. Seabury and A. Wildavsky, "The Great Detente Disaster," New York, 1975; p 24)

There is a variety of this funeral service for detente which is a somewhat milder verdict-- that in the aforementioned period it did not cease to exist but acquired a "realistic" aspect and became so shrunken that it virtually disappeared.

To listen to what these funeral orators say, it quite quickly becomes clear that they are not mourning detente but something completely different.

This is what can be heard. The United States, it is claimed, has become completely convinced in recent years that the normalization of relations has not led to the results on which it was counting and which would justify normalization from its viewpoint. Hence the disenchantment with detente [detant] on the American side and the inevitable search for some other model of relations with the USSR. It discovers, for instance, complete disparity ("asymmetry") in the aims pursued by the sides (claiming at the same time that it is precisely the USSR which is deviating from the "proper goals"). (Note 11), (ORBIS, Winter 1976, pp 1354-56)

Now, in the judgement of these critics of detente, has normalization "betrayed" American hopes? If their statements are summarized, there is evidence of at least four hopes which were not realized.

First, detente did not lead to a radical reappraisal by the Soviet Union of its foreign policy aims, a repudiation of class orientation in its foreign policy or its "deideologization." Since this is so, there supposedly can be no firm basis for Soviet-American normalization. A. Hartley, for example, states bluntly that detente was slowed down because the USSR damaged it with its foreign policy in the Near East in 1973 (when our country supported the Arab states in the war against the Israeli aggressors-- Yu. O.) and because Moscow demonstrated its reluctance to begin "ideological disarmament." (Note 12), (A. Hartley; op cit, p 26)

Second, detente [detant] has led to no political changes within the USSR. No "open society" has emerged and there has been no widening of "civil freedoms" as they are interpreted by the West--in a word, to translate these anti-Soviet euphemisms into more understandable and frank language, no transformation of Soviet society into a bourgeois society has appeared. And this circumstance, it is stated, also "emasculates" detente.

Third, Soviet-American detente as a whole is "unbalanced" and "all the benefits" are received by the USSR.

Fourth, the Soviet Union has powerful armed forces and is improving them. This circumstance is declared unfavorable for detente [detant]. And so A. Hartley writes bluntly: "Insofar as Moscow has a powerful and growing military might, detente suffers." (Note 13), (Ibid) Others attempt to exaggerate by saying that the distribution of the Soviet armies is a threat, that they are aimed at Western Europe and that the Soviet Navy is ready to cut the sea arteries of the West and so forth. The culmination of these attempts is the claim put into circulation that the USSR is not satisfied with military equality with the United States but is trying to achieve superiority.

Obviously, this register of the accidents suffered by detente [detant] is totally fabricated. There is no sense in lingering over a refutation of such irritating distortions of reality as the statement concerning the increased "Soviet threat" and the fact that the USSR needs Western economic "crutches." Let us merely note that it would be advisable for those who disseminate them to remember that the military parity which the socialist community has achieved with the NATO countries has led not to the intensification of tension (as should have happened, according to their logic by which the stronger the Soviet Union and its allies become, the greater the threat they present), but to detente (tension, let us note, occurred precisely when the West considered itself to be the stronger). It can clearly be seen from this elementary fact what is the function--offensive or peace-keeping--of the armed forces of the socialist states. As for "economic crutches," here again there is a complete discrepancy with commonsense. It transpires that when the USSR was weaker, it was strong enough to reinforce itself independently but now that it has become an economic and military giant it cannot do without outside aid.

It is more interesting to draw attention to the thesis of those who want to bury detente--the thesis of the lack of changes in the Soviet Union's domestic and foreign policy, a lack allegedly fatal to detente. Not, of course, because these theses are closer to the truth, but because they make it possible to understand better the real meaning of the above-mentioned "funereal" assessments of detente.

Detente has not implied and does not imply any of the changes of which its critics speak, and you will find no Soviet-U.S. document containing the remotest hint that normalization requires anything of the sort from the USSR. And those who speak of this do not, of course, have in mind the fact that the processes of normalization have deviated from their officially proclaimed aims. They are grieving over something completely different: the improvement in Soviet-U.S. relations has not justified their own special calculations. One expressor of this approach, Yale political scientist W. Leonard, believed, for instance, that there can be no question of embarking on cooperation with the USSR unless it undertakes the "liberalization" of its internal systems. (Note 14), (W. Leonard, "The Domestic Politics of the New Soviet Foreign Policy," FOREIGN AFFAIRS, October 1973, p 73)

It must be said that the position of nonacceptance of detente is expressed not only in open and indiscriminate disagreement with the idea of cooperation with the Soviet Union in any field. Most frequently this position is turned into the acceptance of cooperation, but under definite conditions and in a definite form. To wit: Relations with the USSR must become an instrument for influencing it in order to engender social and political restructurings advantageous to imperialism and to encourage "changes in the USSR and the ensuing embourgeoisement of Soviet foreign policy." (Note 15), (A. Hartley, op cit, p 23)

G. Nutter lends a more specific form to this general description by stating frankly that "the United States should not give economic and technological aid to the Soviet Union (let us leave to Nutter's conscience this interpretation of cooperation--Yu.O.) until we obtain political concessions from it." (Note 16), (G. Nutter, "Kissinger's Grand Design," Washington, 1975, p 23) In recent years many reactionary political figures and theorists have elaborated and propagandized proposals couched in this spirit, indeed they have not only propagandized them but have done everything in their power to steer U.S. foreign policy into the appropriate course. But while there has sometimes been a feeling that U.S. foreign policy is responsive to such efforts, naturally, not the slightest compliance with this interpretation has ever been detected on the part of the USSR. The hopes which the above-mentioned figures nurtured on this score gradually lost their lustre. R. Rosecrance, a specialist on international problems, writes that there are many people in the United States now who are disappointed that they have not succeeded in obtaining "important political concessions" from the USSR through detente. (Note 17), (FOREIGN AFFAIRS, April 1975, p 472)

And it is this failure of plans for a subversive anti-Soviet version of normalization which certain U.S. circles are now making out to be the failure of detente itself. From the viewpoint of these circles, detente lost all meaning and content as soon as it emerged that their calculations to "transform" the Soviet Union were not justified.

Of course, they have the right to give vent to their emotions. But it is a completely different matter to try to make out that their own disappointment is the disappointment of the whole country and to depict the collapse of their own unrealized projects as the "death" of detente. Neither the state of Soviet-U.S. relations nor political feelings in the United States correspond to this exasperated verdict.

The researcher who sets the task of assessing objectively and uniformly what has taken place from 1975 to 1977 in these spheres and not of incorporating hatred for cooperation between the two states in his arguments cannot bypass at least three main conclusions: Soviet-U.S. relations have undoubtedly been conducted within the framework of detente, and neither side has declared its wish to leave this framework, that is, to return to confrontation, or resumed confrontation in practice; at the same time the development of cooperation has proceeded more slowly in this period than in the preceding one, and in some spheres no important progress has been achieved at all; the study of the obstacles causing the delay shows that they are not fatal or insuperable.

The first conclusion is simply confirmed by the sum total of mutual relations. If we are speaking of the initial positions of the sides, the USSR has favored, as before, and continues to favor further Soviet-U.S. normalization as the only sensible course for the two states. All the Soviet side's official statements have emphasized this idea or proceeded from it. The Soviet Union has also made persistent efforts to intensify and accelerate detente. Let us note that the subject of inadequate speed was raised during these years precisely by the USSR, and this was one of the manifestations of its desire for the further normalization of international relations. The U.S. policy was far from being so consistent. It was affected by the galvanization of U.S. rightwing forces and opponents of detente of all stripes, as a result of which Washington's hitherto quite consistent advance along the path of the improvement of relations with the Soviet Union acquired a stumbling nature.

But these irregularities--for all the negative influence they exerted on bilateral relations--nonetheless, as is obvious, did not signify that the United States had decided to give up detente as a bad job. Even President G. Ford's well-known statement concerning the rejection of the use of the word "detente" ["detant"]--the terminological culmination of the administration's retreat in the face of pressure from the right--even this was accompanied by reservations that Washington intended to continue to adhere to the line of negotiations with the USSR.

The second conclusion is also obvious. There is no need to prove that there were difficult obstacles on the path of cooperation--and not through the fault of the Soviet Union. But with regard to polemics with the "buriers" of detente, it is another aspect of this phenomenon which is interesting: Can this reticence be described as signifying the virtual cessation of "detente?" Of course, the slowing down of cooperation and particularly the marking time in the SALT talks has in no way strengthened detente. It has suffered a loss, time has been let slip, faith in detente has been impaired (it was still far from everyone who had come to believe irrevocably in its viability). But this damage in no way meant the death of detente. It is absurd to adhere to such a fatalist interpretation when cooperation has existed, albeit on an unsatisfactory scale, when the two sides have continued to regard it as essential, and when finally, this view has not been of a voluntarist nature but reflected the sides' most important national interests and requirements.

The third conclusion, concerning the surmountable nature of the obstacles causing interruptions in Soviet-U.S. relations is also undoubted. Of course, this conclusion should not be understood to mean that the obstacles are insignificant. On the contrary, they are extremely serious, as is borne out by a certain tactical success for the counteroffensive of the opponents of detente. Nonetheless this conclusion must be drawn very responsibly, taking fully into account the nature of these obstacles and assessing sanely their size and roots.

The opponents of Soviet-U.S. normalization have succeeded in stirring up a real "antidetente wave" in the United States, powerful enough to influence the administration's policy and the mood of the public. But this sorry "achievement" is not only the result of skillful propaganda work (although the latter has undoubtedly played a part) but of the operation of a number of other, more important factors.

Above all in recent years there has been a clear weakening of the positions of the United States and the West as a whole, caused not by cunning anti-U.S. or pro-Soviet "moves" but by objective factors. It is these factors which have led to the growth of the influence of the Soviet Union and the entire socialist world. But this fact is very hard to take for a certain (and quite large) section of U.S. society, since it entails a very serious, a fundamental, it may be said, rethinking of the realities of our day. And frequently it is the simplified and even recently so customary interpretation which prevails--"the Soviet Union is to blame for everything," all the more so since in many cases the USSR and the United States have been on different sides of the barricade.

Further, the extent to which the course of confrontation has established and entrenched itself is now becoming clear (previously it was possible only to make conjectures on this score). Reality has perhaps somewhat surpassed expectations. The circles interested in cool Soviet-U.S. relations have proved more influential and the resistance of a section of the public to anti-Sovietism less steadfast. The heritage of the cold war is slow to be eroded.

Finally, one more factor which has already emerged in 1977 and which cannot be overlooked is connected with certain actions by the present Washington administration. The idea that detente can "withstand" a burden made up of steps aimed at interfering in our internal affairs and of attempts to insure one-sided advantages for the United States and so forth has evidently gained currency among U.S. ruling circles. These incorrect notions, even if we subscribe to the view that they are no more than transient aberrations in foreign policy affairs on the part of the Democrats, undoubtedly complicate the process of easing tension and improving Soviet-U.S. relations. At the same time, to judge by President J. Carter's recent statements, as before Washington is aware of the need to maintain normal relations with the USSR and to intensify the process of detente. This has not gone unnoticed. Speaking at a Kremlin reception on 16 August this year, L. I. Brezhnev, general secretary of the CPSU Central Committee and chairman of the USSR Supreme Soviet Presidium, said: "We are all familiar with the U.S. President's recent statements. In particular, he speaks of the desirability of developing Soviet-U.S. relations in the interests of strengthening world peace. These statements have a positive ring against the background of the U.S. administration's previous steps. Well, if there is the intention to translate them into the language of practical deeds, we will eagerly seek mutually acceptable solutions." (Note 18), (PRAVDA 17 August 1977)

The slowing down of detente has been conditioned by a number of important causes. And when it is said that this slowing down can be overcome, what people have in mind is not the easy elimination of the obstacles encountered, but the fact that the circumstances dictating detente are weightier than those slowing it down. Detente [detant], let us repeat it once more, is not engendered arbitrarily: It is the result of the imperious natural laws of world development which are being manifested increasingly powerfully with every passing year.

I should also like to express another general consideration reinforcing the positive assessment of the path traveled by Soviet-U.S. detente. This is a youthful phenomenon which only started recently. But the required restructuring of relations is complex and laborious and it cannot be effected at a moment's notice. To point out this fact does not of course mean agreeing directly or indirectly with the slow rate of restructuring, still less with procrastinations and red tape. It is precisely the opposite: Complexity and laboriousness require that the maximum speed be attained. But at the same time in voicing opinions concerning the results and paths of detente over the course of its existence, which has so far been a little over 5 years, we must not forget to compare periods of time and tasks. The tendentious "biographers" of detente proceed essentially from the premise that only a few years were allotted to it for the full emergence of its potential. In fact it is a lengthier process.

Thus, if we are speaking of conclusions to be drawn from the survey of the path which the Soviet Union and the United States have traveled in the direction of the normalization of bilateral relations, they evidently consist in the fact that they confirm the power of the imperative of detente, the seriousness of the obstacles which it encounters, and at the same time the surmountability of these obstacles. History teaches us optimism, but optimism based not on complacent faith in automatic success but on an understanding of the possibility of liquidating tension fully and irreversibly if the sides make the necessary efforts for this. This optimism is demanding, it does not tolerate red tape, and it is imbued with sensible impatience to achieve more rapidly the desired aim.

CSO: 1803

CHARACTERISTIC FEATURES OF INVESTMENT PROCESS IN UNITED STATES

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[Article by L. S. Demidova]

[Text] The postwar development of the American economy has been characterized by contradictory tendencies. On the one hand, this development has been more rapid, particularly in comparison to the two or three decades before the war and, on the other, it has seriously lagged behind the economic development of some of the other leading capitalist nations, not to mention the states of the socialist community. At the same time, the United States, energetically making use of scientific and technical discoveries, has not lost its role as the leader in the capitalist economic system and is far ahead of its rivals in labor productivity, production volumes and the technical level of production.

The nature and rates of economic development are primarily influenced by the investment process, since the accumulation of fixed capital, as we know, is the most important stimulus for production. The fate of each "cell" of the capitalist economy and the stability and fate of firms in the competitive struggle depend directly on investment policy. On the scale of the entire economy, the rates and proportions of capital accumulation, which are the final result of a multitude of investment decisions made by firms, determine the level of economic development, rates of economic growth, the structure of the economy and its prospects for the near and more distant future. Such acute problems as unemployment, inflation and the cyclical nature of economic development are interconnected with the dynamics of investments, and these dynamics determine the entire course and prospects of interimperialist rivalry as well as the economic competition between capitalism and socialism.

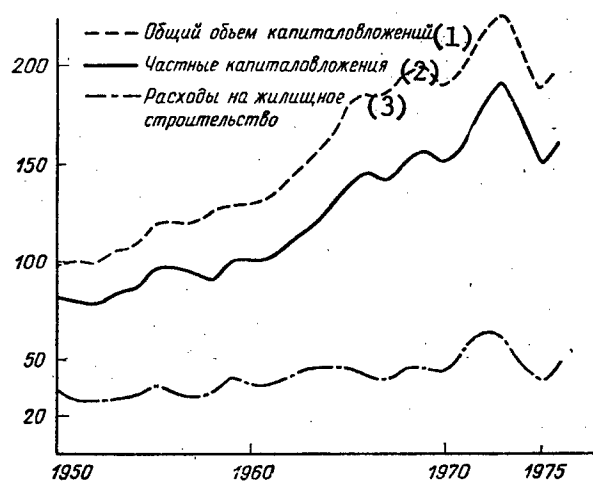
In this connection, it is of great interest to examine tendencies of long duration in the investment process and the strategies to which American state-monopolistic capital has resorted in this area to consolidate its own dominant position in the domestic and world markets.¹ This kind of examination can explain the basic directions and distinctive features of postwar

economic development in the nation and reveal some of the features of the accumulation of fixed capital that are characteristic of a highly developed capitalist economy at a time of scientific and technical revolution.

The Volume, Dynamics and Factors of the Growth of Capital Investments

In the mid-1970's, capital investments (private and government expenditures on the acquisition of machines, equipment, instruments and mechanisms and on the construction of buildings, structures and so forth--that is, on the replacement of depreciated assets and the augmentation of fixed capital) in the United States amounted to around 25 billion dollars. In this respect, the United States is far ahead of its rivals. Calculated in American dollars, investments in 1973 totaled 86 billion dollars in the FRG, 149 billion in Japan, 34 billion in England and 61 billion in France in comparison to 236 billion in the United States; in other words, the total capital investments of the four nations only exceeded U.S. investments by one-third.²

During the period being examined (postwar), the growth of capital investments in the United States was relatively rapid--an average increase of 3.35 percent a year during 1950-1973 as against 2.95 percent in 1910-1929 and 2.7 percent in 1900-1920 (in real calculations--that is, with consideration for changing prices).



Dynamics of investments in U.S. economy, in billions of dollars, in 1972 prices.

Key:

- | | |
|--------------------------------|---|
| 1. Total capital investments | 3. Expenditures on housing construction |
| 2. Private capital investments | |

The rates, nature and areas of capital investments have been determined by internal factors as well as by an increasing number of external factors, both stimuli of long duration and specific circumstances. After their

sharp decline at the beginning of the 1930's as a result of economic crises, capital investments remained on a low level for a long time. During World War II, they were affected by the needs of a war economy. After the war, the obsolete and worn-out production system urgently required augmentation, renovation and structural reorganization. The large profits accumulated by monopolistic capital during the war were used in the performance of these tasks by means of the productive implementation of the most important scientific discoveries of the 1930's and 1940's. By the mid-20th century, the United States had a multisectorial, technically mature and large production system. The internal features of its reproduction require the constant physical replacement and liquidation of obsolete assets--that is, they require constant capital expenditures.

The scientific and technical revolution has an enormous effect on the investment process. Expenditures on scientific research and engineering rose from 2.9 billion dollars in 1950 to 34.3 billion in 1975 in current prices. The ratio of these expenditures to the volume of capital investments is different in each specific case and is difficult to calculate, but on the average, judging by the experience of several branches, we can assume that each dollar spent on scientific research on matters pertaining to production gives rise to the demand for 3-5 times as much in capital investments. The combination of scientific research and engineering and investments has produced several new branches, without which a contemporary economy could not exist (radioelectronics, the aerospace industry, nuclear power engineering, new means of communication, the organic synthesis industry, etc.) and which now make up the leading links of the industrial structure. Scientific and technical progress has also nurtured the material base of traditional branches and has become the basis for the extensive modernization of steel casting, the automotive industry, the textile industry, machine building, several types of transport and so forth. The effect of this progress on investments is multifaceted, diverse and not always direct. The accelerated obsolescence of fixed assets due to the influence of this kind of progress often makes it necessary to replace these assets long before they have worn out.

It is also important that fixed assets are becoming less costly in comparison to the cost of manpower because of the rise in labor productivity during the course of the scientific and technical revolution. This creates an additional stimulus for businessmen to incorporate new equipment on a broader scale and to substitute this equipment for manpower more intensively. This stimulus has become more significant during the postwar period due to the American workers' more active struggle for higher wages.

The regulation of the investment process became a permanent function of state-monopolistic capitalism in connection with the intensification of the internal and external contradictions of imperialism and the growing strength of worldwide socialism. In addition to participating directly in the accumulation of fixed capital, the bourgeois government instituted a system of measures (tax and credit measures and a depreciation policy)³ to

regulate private investments. With the aid of these measures, it tried to alleviate the cyclical nature of economic development and to stimulate economic growth.

The intensification of rivalry served as a general cause of growth in investments. In their struggle for markets, businessmen tried to raise the technical level of production. The U.S. monopolies attached great significance to "protective" investments, motivated more by the fear of losing their advantages over their competitors than by a recognition of internal requirements for the renovation of the production system. Larger capital investments were also required by new forms of competition, including the production of new commodities, the improvement of products, the augmentation of the product assortment and so forth.

The situation in the world market intensified this process. After the war, monopolies in the Western European countries and Japan made use of world technical experience and scientific discoveries to threaten the dominant position of American goods in the steel, automobile, radio and television, textile, footwear and other markets. The products of these nations successfully took firm hold in the domestic American market as well. The competitive positions of the American monopolies, with their comparatively higher level of wages and, consequently, production costs, could be reinforced best by a rise in the technical level of production and the replacement of live labor with cheaper embodied labor.

These important stimuli, in a state of complex interaction, interdependence and constant change, caused an increase of 130 percent in the real volumes of capital investments in the U.S. economy during the 1950-1973 period (an annual average of 3.35 percent), in which the rise in private investments was also 130 percent and the rise in government investments was 150 percent.

But these stimuli, as we can see from Table 1, could not neutralize the effect of the deep-rooted contradictions of capitalist reproduction on the investment process. Its characteristic features have been irregularity and instability. During the period being examined, changes in annual volumes of capital investments ranged from +10.3 percent to -12.2 percent depending on the phase of the cycle, conditions in the defense market or the direct involvement of the United States in military operations, inflationary spurts, etc. For example, the economic crisis of 1973-1975 led to the most severe disruption of the investment process of the postwar years: capital expenditures decreased by 7.6 percent in 1974 and by an additional 12.2 percent in 1975.

Quantitative parameters of the investment process, regardless of their importance, cannot reveal all of its features. Its significant characteristics include the structural changes determining the basic guidelines of economic development and the internal reorganization of the economy in accordance with new conditions. The socioeconomic, sectorial, reproductive and technological structure of capital investments is of great significance.

Table 1

Dynamics of Capital Investments

Годы (3)	(1) Цены текущие			(2) Цены 1972 г.					
	всего	частные	государ- ственные	всего (4)		частные (5)		государственные (6)	
	(4)	(5)	(6)	(4)		(5)		(6)	
	млрд. долл. (7)	млрд. долл. (7)	млрд. долл. (7)	млрд. долл. (7)	% к 1950 г. (8)	млрд. долл. (7)	% к 1950 г. (8)	млрд. долл. (7)	% к 1950 г. (8)
1950	55,0	47,0	8,0	97,8	100	83,2	100	14,6	100
1955	74,9	62,5	12,4	117,7	120,3	96,3	115,7	21,4	146,6
1960	91,2	72,7	18,5	129,2	132,1	101,0	121,4	28,2	193,2
1965	129,5	102,5	27,0	178,4	182,4	138,8	166,8	39,6	271,3
1970	172,0	137,0	35,0	189,7	194,0	150,4	180,8	39,3	269,2
1973	240,7	202,1	38,6	226,9	232,0	190,7	229,2	36,2	247,9
1975	246,4	198,3	48,1	184,3	188,4	149,8	180,0	34,5	236,3
1976	—	222,7	—	—	—	162,8	195,9	—	—

If no other source is indicated, the data on capital investments presented in this and subsequent tables and in the text have mainly been calculated by us. The data in tables 1, 2 and 4 were calculated on the basis of the following publications: SURVEY OF CURRENT BUSINESS, January 1970, February 1973, January 1976, July 1976, April 1976; "The National Income and Product Accounts of the United States, 1929-1965," Washington, 1966; "Fixed Non-Residential Business Capital in the United States, 1925-1970," Washington, 1971.

Key:

- | | |
|-------------------|--------------------------|
| 1. Current prices | 5. Private |
| 2. 1972 prices | 6. Government |
| 3. Years | 7. Billions of dollars |
| 4. Total | 8. In percentage to 1950 |

Government Capital Investments

The degree of direct participation by the government in the accumulation of fixed assets is a significant feature of the economic system. In the United States, the percentage accounted for by government investments--even though it has been considerably lower than in some of the other capitalist nations⁴--indicates a definite tendency toward increase in spite of noticeable fluctuation in the total volume of investments: during 1950-1960, it rose from 14.5 percent to 20.3 percent and stayed within this range until the end of the 1960's. It decreased during the 1970's, but was higher than during the first postwar years.

The dynamics of this indicator depend directly on the phase of the cycle, general market conditions and the specific objectives of the government at any given moment. For example, the greatest rise in government investments--from 14.5 percent in 1950 to 19.4 percent in 1954--was primarily

related to the militarization of the economy during the years of the United States' aggressive war in Korea. A later rapid ascent was a reaction to the launching of the first artificial earth satellite in the USSR in 1957, which revealed the United States' backwardness in several of the decisive areas of scientific and technical progress. Substantial government funds were spent on scientific research and engineering and the development of the material base of the educational system and social programs. Since the mid-1950's, federal highways have been built and remodeled on a broad scale. As a result, the government's share in the capital investment process did not drop below 20 percent until the end of the 1960's. The slight drop of the 1970's was related to the crisis in government finances, the intensive inflation and the general disruption of the reproductive process. Besides this, it is apparently also indicative that the U.S. Government has relied less in recent years on direct investments in the economy for the purpose of anticyclical regulation, giving preference to other types of allocations, particularly the appropriations for social programs and scientific research, which are less dangerous from the standpoint of inflationary consequences. Washington circles expect these federal expenditures--naturally, in conjunction with the government's tax and credit measures as an exceedingly important means of state-monopolistic regulation--to produce more perceptible and, mainly, more rapid results: the lengthy bureaucratic procedure involved in the implementation of government decisions on direct investments can reduce their value in the stimulation of market conditions.

The largest item of federal expenditures on fixed assets is represented by appropriations for the transportation system, primarily freeways. In 1972, for example, 35 percent of all investments went for this, the educational system absorbed 20 percent, 8 percent went for the protection and development of natural resources, 7 percent went for local municipal services (water supply systems, sanitation facilities, etc.) and 3 percent went for public health care.⁵ These proportions can vary in any given year, but the priority areas of capital investment remain the same. The most important function of the government has been and remains the militarization of the economy and the maintenance and augmentation of military strength. Providing the defense industry monopolies with a guaranteed market for their products, the government spends huge amounts on the purchase of equipment and the construction of facilities for military purposes. In the strictly economic sense, these expenditures are not capital investments, but they do make up an important part of federal appropriations, supporting the investment activity of the corresponding branches and production units. Government purchases of military equipment, ammunition and construction projects during the 1950-1975 period remained on a stable, high level, averaging 16.5 billion dollars a year in the 1970's.⁶

A list of the chief objects of federal investment clearly indicates the social aims of this process--these are primarily the areas that do not attract private capital because of their low level of profitability, their high degree of risk or their lengthy period of capital turnover. The government finances the development of several branches of vital importance for

the functioning of the entire socioeconomic system of capitalism, leaving the more profitable areas of investment to private companies. This division of functions completely suits monopolistic capital, since it counteracts the tendency toward reduction in profit norms in the private economic sector.

The Branch Structure

The proportions of capital investment distribution among individual branches constantly change under the influence of a multitude of factors, primarily scientific and technical progress, changes in consumer demand, the degree of maturity of the given branch, the specific conditions of its development, the state of its finances, the nature and degree of federal regulation of branch activity, etc.

During the postwar period, the breakdown of capital expenditures by large branches of the U.S. economy was distinguished by perceptibly constant tendencies.

Table 2

Branch Structure of Capital Investments %			
	1950	1960	1973
Total	100	100	100
Breakdown			
Industry	27.9	30.8	28.8
Agriculture	9.0	5.1	5.9
Transportation	11.7	14.8	13.8
Communications			
Trade	5.9	4.7	3.7
Service sphere	9.6	21.8	26.0
Housing construction	35.2	26.0	20.1

The data in Table 2 show that the production sphere consistently absorbed more than half of all investments. The implementation of elements of scientific and technical progress in its branches ensured a constant rise in their technical level and the intensification of all economic operations. The proportion accounted for by agriculture, which decreased sharply in the 1950's, was stabilized later. The flow of investments into the branches of transportation and communications reflected their growing role in the promotion of economic efficiency. The industrialization of construction led to a relative rise in capital investments. This was accompanied, however, by a sharp decline in the proportional amount of housing construction. The large volumes of this kind of construction immediately after the war were connected with the great demand for housing that had not been satisfied during the 1930's and the war years. After this, real expenditures, despite noticeable annual fluctuation, did not rise significantly, and their share in the total volume of capital expenditures dropped from

one-third to one-fifth. At the beginning of the 1970's, housing construction experienced a temporary revival, but by the end of 1973 it had been struck by a severe crisis, from which it essentially has not emerged as yet. The rising prices of land and homes, the high rate of interest on real estate loans and other factors have given rise to a permanent housing crisis in the United States.

Branches of the service sphere, particularly social services (public health care, education and recreational and tourist services), gained a much stronger position in the structure of capital investments. Their material base was rapidly expanded, modified and augmented by new technical means, particularly electronic computer equipment.

The most dramatic changes in proportions in the branch structure of investments have occurred during periods of accelerated growth and can best be traced in a breakdown of the smaller sectorial groups. As branches grew larger, opposite tendencies toward change largely compensated for one another and fluctuations were smoothed out, ensuring the relative stability of the total branch structure of the economy. For example, the stabilization of the position occupied by transportation occurred at a time of considerable redistribution of the positions of individual types of transportation in the total volume of investments: during the 1950-1973 period, the share of the railroad decreased by 50 percent, the share of air transport rose by 600 percent and the share of highway transport rose by approximately 33 percent. In industry, the share of the extractive branches decreased, the share of power engineering increased and the processing industry maintained its position despite intensive internal reorganization (see Table 3).

Under the influence of scientific and technical progress, changes in public demand and changes in the characteristics of the United States' world economic ties, investments grew most dynamically in the branches determining the technical level and efficiency of the economy. The main areas of investment were the machine-building complex (general and transportation machine building, electrical engineering and the instrument-building industry) and the group of branches with a chemical technology (the chemical industry, the industrial rubber industry, oil refining and the pulp and paper industry). At the beginning of the 1970's, these areas attracted approximately two-thirds of all investments. The particularly noticeable relative expansion of the machine-building complex--from 18.4 percent in 1950 to 27.8 percent in 1973--occurred at the expense of the food industry and light industry, the total share of which decreased from 22.4 percent to 15 percent.

The Reproductive Structure

From the standpoint of the reproduction of fixed capital, day-to-day investments are divided into those for the replacement of withdrawn assets (as a result of obsolescence or physical wear) and "pure" investments used for the augmentation of assets. The reproductive structure of capital

expenditures is primarily affected by the size of the inventory of fixed assets, its increment, rates of scientific and technical progress and the degree of competition in sales markets. According to estimates, 52 percent of all capital invested during 1950-1975 in the private sector of the American economy was used for the replacement of withdrawn fixed assets and 48 percent was used for the augmentation of assets. During the same period, expenditures on replacement accounted for 58 percent of all investments in the inventory of machines and equipment and for 44 percent of all investments used for buildings and structures.

Table 3

Dynamics of Capital Investments in Processing Industry

	1950		1960		1973	
	Millions of Dollars	%	Millions of Dollars	%	Millions of Dollars	%
Total	5,110	100	10,070	100	26,976	100
Metallurgy	649	10.7	1,615	16.0	2,334	8.7
Metal-processing industry	317	6.2	483	4.8	1,735	6.4
General machine building	337	6.6	700	6.9	2,344	8.7
Transportation machine building	343	6.7	725	7.2	2,530	9.4
Electrical engineering	195	3.8	616	6.3	1,996	7.4
Instrument building	64	1.3	170	1.6	636	2.3
Chemical industry	603	11.8	1,283	12.7	3,186	11.8
Petroleum refining	332	6.5	485	4.8	1,107	4.1
Industrial rubber	80	1.5	299	3.0	1,305	4.8
Glass and china	223	4.4	541	5.4	1,391	5.2
Pulp and paper	299	5.9	655	6.5	1,530	5.7
Wood processing	192	3.7	320	3.3	953	3.5
Furniture	58	1.1	80	0.8	344	1.3
Food	649	12.7	1,042	10.2	2,414	8.9
Tobacco	18	0.3	47	0.5	180	0.7
Textiles	420	8.2	326	3.2	1,092	4.0
Clothing	63	1.2	84	0.8	387	1.4
Other branches	368	7.3	598	6.0	1,516	5.7

"Statistical Abstract of the United States, 1954" p 827; 1968, p 735;

"Annual Survey of Manufactures: 1973. Expenditures for New Plant and New Equipment, Washington, 1975, pp.3-10. Current prices.

The peculiarities of the reproduction of the active (machines, equipment, tools, instruments, etc.) and inactive (buildings, structures) parts of fixed capital were reflected in the dynamics of the reproductive structure. The beginning of the postwar period was a time of intensive replacement of production buildings and structures, but later these were replaced fairly

regularly in accordance with their relatively long service life. The percentage accounted for by replacement expenditures in total investments in buildings and structures decreased from 64 percent in 1950 to 40 percent at the beginning of the 1970's.

The replacement of worn machines and equipment, however, occurred more rapidly and in waves; the percentage of these expenditures in the total capital invested in the inventory of machines rose from 40 percent in 1950 to 70 percent in 1959, decreased to approximately 50 percent by the end of the 1960's and rose again to around 60 percent in the 1970's. And because the replacement assets consisted more and more of active elements (one-half in 1950 and three-fourths in 1974), the changes in the percentage accounted for by these in total capital investments were also irregular: The figure was 50 percent at the beginning of the 1950's, 60 percent at the beginning of the 1960's and around 50 percent at the end of the 1960's and the beginning of the 1970's. During periods of intensive investment activity in the economy, the proportional amount of pure investments usually increased.

The percentage accounted for by expenditures from the replacement of withdrawn fixed assets (that is, on modernization) in total capital investments is higher in the United States than in the other capitalist countries.⁷ In the American processing industry as a whole, expenditures on modernization amounted to an average of 50-60 percent during the period being examined. This indicator varies noticeably from one branch to another. As a rule, it is considerably higher in the traditional branches, where the production machinery is more in need of renovation and improvement (metallurgy, the food industry, the textile industry, the garment industry and others). But the level of this indicator is not always directly related to the age of the branch--it is also high in new branches with intensive obsolescence of equipment: In the mid-1970's, two-thirds of capital investments in the aerospace industry were used for the modernization of capacities and one-third went for expansion.⁸

Within each branch, the relationship between expenditures on the augmentation and renovation of fixed assets varies greatly depending on the specific conditions of development--the phase of the cycle, market conditions, scientific and technical progress, the financial status, etc. For example, during crises and depressions, when production capacities are substantially underloaded, most investments are used for modernization for the purpose of reducing production costs and increasing competitive potential.

Despite all of these differences and fluctuations, however, the investment policy of American companies is characterized by unremitting concern for the renovation of the material and technical base of production and for the forms of intensification. "Any product, process or piece of equipment that has not been changed or replaced during the last 2 years must be studied with a view to its modernization,"⁹ this order, issued by Henry Ford II, is upheld by most businessmen. The government encourages this kind of technical and economic development by granting various types of depreciation

and tax incentives and instituting programs to aid individual branches (the coal industry, the textile industry, railway transport). The modernization and remodeling of production capacities have been the main form of technical and economic reform in metallurgy, the automotive industry, branches of machine building and other industries.

The Technological Structure

During the production process, the physical elements of fixed capital perform different functions. Active elements--the machines, equipment, tools and mechanisms with the aid of which the worker creates the product--are directly involved in production. Inactive elements--buildings and structures--establish the general conditions for production processes. All other conditions being equal, the larger the share of capital invested in active elements, the greater the potential will be for an increase in production output per unit of capital expenditures.

In postwar America, the division of capital expenditures into active and inactive elements of fixed capital has been in favor of active elements, although this process has not been direct or uniform and has only represented a tendency.

Table 4

Dynamics of Technological Structure of Capital Investments, in % to Total

Годы (1)	Все хозяйство (2)		Частный сектор, кроме жилищного строительства (3)		Государственный сектор (4)		Обрабатывающая промышленность (5)	
	машины и оборудо- вание (6)	здания и соору- жения (7)	машины и оборудо- вание (6)	здания и соору- жения (7)	машины и оборудо- вание (6)	здания и соору- жения (7)	машины и оборудо- вание (6)	здания и соору- жения (7)
1950	35,2	64,8	65,6	34,4	14,7	85,3	72,4	27,6
1960	36,9	63,1	61,9	38,1	19,7	80,3	72,2	27,8
1970	40,9	59,1	62,5	37,5	19,0	81,0	72,3	27,7
1975	42,3	57,7	64,6	36,4	16,0	84,0	77,7*	22,3*

* 1973.

Key:

- | | |
|---|-----------------------------|
| 1. Years | 4. Government sector |
| 2. Total economy | 5. Processing industry |
| 3. Private sector, with the exception of housing construction | 6. Machines and equipment |
| | 7. Buildings and structures |

The data in Table 4 are based on calculations of capital expenditures in current prices. If we eliminate the effect of changes in prices--and construction work has risen the most in cost¹⁰--the shift in favor of active elements will be more apparent: in the private sector of the economy, their share in capital investments rose from 55.2 percent in 1950 to 65.3 percent in 1975.

The most common cause of this has been the large amount of accumulated fixed assets. The demand for new construction is relatively reduced when there is an increased demand for machines, equipment and so forth. The accelerated obsolescence of machinery intensifies this process: some generation of machines can be used in old production facilities with little reconstruction. Although a great deal of work has been done in America in the remodeling of buildings and structures, average expenditures on this work have been lower than expenditures on new construction.

Changes in the branch structure of capital investments also contributed to the increase in the percentage of expenditures on active elements of fixed capital. The considerable reduction in the percentage of housing construction, where expenditures on equipment are small, was part of the cause of the redistribution of capital in favor of production equipment. It is true that the objectively caused expansion of the positions of the production and social infrastructure increased the percentage of expenditures on inactive elements. But the effect of this factor on total indicators was minimized by the more important role played by active elements in the branches of the infrastructure itself.

Despite the general positive nature of tendencies toward a reduction in the percentage of expenditures on inactive elements, it would be wrong to regard any rise in this percentage as negative. In each specific production unit, the relationship of active elements to inactive elements is technically determined and the violation of these proportions can have negative consequences. When there is an excessive amount of machinery, the working conditions of employees deteriorate and the movement of products and materials becomes more difficult, which has an effect on total production results. Even though the expansion of the infrastructure can increase the percentage of expenditures on buildings and structures, it has a positive effect on final national economic indicators.

In the structure of expenditures on construction projects, funds spent on the construction of trade and administrative buildings, public service enterprises and infrastructure facilities grew intensively while expenditures on housing construction decreased.

The changes in the structure of expenditures on machines and equipment were also quite stable over the long range. There was a rise in the percentage of expenditures on the purchase of equipment for the industrialization of several branches and the mechanization of processes and operations (for example, construction techniques, equipment used in the service sphere, machinery for the intraplant transport of materials, etc.). The most dynamic increase took place in expenditures on new types of investment commodities, such as computers and office equipment, monitoring and testing equipment, means of communication and others.

All of this contributed to the accelerated technical equipping of the operations and types of activity in an intermediate relation to basic production processes. At the same time, there was a rise in the technical level and economic parameters of the major types of production equipment. The combination of these exceedingly important tendencies in the development of the material base contributed to the greater technical homogeneity of the production system, higher labor productivity, more complex technology, production intensification and improved qualitative characteristics.

Main Results

The flow of capital investments into the U.S. economy was the cause of the growth of fixed capital from 1.785 billion dollars in 1950 to 4.05 billion in 1975 (in 1972 prices), the incorporation of technical innovations as part of this capital and the internal reorganization of fixed capital in accordance with changing public demand. Despite the higher rates of increase in investments in other capitalist nations, the United States is still ahead of them in terms of total accumulated fixed assets: according to estimates for 1973, the amount of fixed assets in the United States was 150 percent higher than in Japan, 270 percent higher than in the FRG and 400 percent higher than in England and France. In terms of per capita accumulated fixed assets, these nations have noticeably approached the U.S. level during the postwar period; now the FRG and Japan are only 10-15 percent below the U.S. level and France and England are 25-30 percent below. Nonetheless, the United States has maintained its technical superiority because of its greater absolute and relative amounts of new technical equipment and the latest equipment as well as the higher technical level of its auxiliary processes and the greater technical homogeneity of its entire production system.

As a result of the increase in investments, the capital-labor ratio in the U.S. economy rose by an average of almost 50 percent during the period being examined, and this was the basis for a rise of 60 percent in labor productivity. Capital investments per each new worker amounted to 40,000-50,000 dollars--and the number of persons employed in the U.S. economy increased from 58.9 million in 1950 to 84.8 million in 1975.¹¹ Almost three-fourths of the entire increase in the gross national product resulted from rising labor productivity, and this increase in the GNP was 130 percent during the 1950-1975 period (in 1972 prices).

The scales of the expansion of production capacities differ depending on the specific developmental conditions of each branch. According to estimates, the increase in capacities during 1950-1974 was 260 percent in the processing industry, 470 percent in the chemical industry and electrical engineering and 330 percent in general machine building. Capacities were expanded less in the traditional branches, the markets of which are characterized by a high degree of saturation, and investments were used primarily for the reduction of production costs, the mastery of new types of production, the enlargement of the product assortment and the improvement of product quality. Production capacities grew by 230 percent in the food industry, 180 percent in the automotive industry and 150 percent in the textile industry.¹²

By guaranteeing the continuous replacement of live labor with embodied labor, the investment process contributed to production growth with a relative reduction in the demand for manpower--and, in some branches and production units, even with an absolute reduction in this demand. The most telling example was the situation in agriculture. Here, mechanization and automation, in conjunction with progress in the fields of chemistry and biology, played a decisive role in reducing the number of employees by more than 50 percent--from 6.2 million in 1950 to 3.4 million in 1975. During the same years, the number of employees decreased by 17 percent in the processing industry, increased by 20 percent in the processing industry and increased by 12 percent in transportation, communications and public utilities (power engineering, the gas-supply system).¹³ Some branches are still relying largely on an increase in manpower for their development (trade, some of the branches of the service sphere, some areas of government, etc.).

In virtually all branches, the most important functions of capital investments were the production of new commodities, the improvement of product quality and the better correspondence of demand to a specific market. For example, in the steel casting industry, 11 hot rolling mills were built during the 1960's at a cost of more than 120 million dollars each for the production of sheet metal of higher quality to be used in the manufacture of motor vehicles, household electronics and packing materials.¹⁴ The motive here was not philanthropy but the thrill of competition: This is the price companies must pay if they wish to hold on to their clientele, protect their profits and ultimately increase their profits.

As the national economy develops, the functions of capital investments are multiplied and grow more complex. In recent years, expenditures on environmental protection and improvement have increased. Predatory exploitation of natural resources on a private capitalist basis has resulted in a severe ecological crisis, and the government has had to institute standards for the use of resources and require businessmen to install purification equipment. In 1973, the amount spent for this purpose was 6.6 billion dollars in the private sector and 3.7 billion in the government sector, or only 4.3 percent of total capital investments.¹⁵ The functions of capital investments have also been affected by the active struggle of the workers for improvement in labor conditions: employers have been forced to invest more in means of accident prevention and labor safety.

The assessment of the results of the investment process presupposes the existence of a collective, "global" indicator. But in the case of the economies of the capitalist nations, particularly the United States, with their sharp fluctuation in production growth due to a multitude of factors (in addition to the dynamics of investment volumes), the measurement of the impact of capital investments--the ratio of capital expenditures to the increase in production--does not produce any kind of complete or precise description. Other, more general indicators must be used for this purpose.

During the postwar period, the percentage accounted for by capital investments in the gross national product, that is, the part used for the augmentation and replacement of fixed capital in the United States, remained fairly stable despite noticeable fluctuations: the average figure was 17.5 percent for the 1950's, 17.9 percent for the 1960's and 17.4 percent for the 1970's. The expansion of the production system and the intensive technical, economic and structural changes in this system did not lead to a rise in this indicator in the United States, in contrast to the other leading capitalist nations. Capital investments in the United States during the 1960-1973 period amounted to 17.5 percent of the gross national product as against 35 percent in Japan, 25.8 percent in the FRG, 24.5 percent in France and 18.5 percent in England.¹⁶ (It is true that the investments in these countries were secured by their higher rates of economic growth.)

The relative efficiency of the investment process in the United States is also attested to by the dynamics of the capital coefficient (the ratio of fixed productive capital to the size of the gross national product). It decreased from 2.2 in 1950 to 2.0 in 1973. And in this respect, the United States also had an advantage over its rivals: the increase in fixed capital has been greater than the increase in the GNP for the entire postwar period in England and since around the beginning of the 1960's in the FRG, Japan and France.

The greater efficiency of investment activity in the United States is due to several causes. These include factors that have already been mentioned--the favorable dynamics of the technological structure, changes in the branch distribution of capital expenditures in favor of the last capital-intensive branches, and the economically substantiated practice of modernizing and remodeling a mature multisectorial production system. There is no doubt that a positive influence is also exerted by such organizational factors as the relatively short duration of construction work and the minimization of incomplete projects.¹⁷ The technical level of new machines and equipment and the correspondence of this level to scientific achievements are of great significance. Some other factors also affect investment activity.

On the whole, the investment process in the United States is approaching the intensive type in terms of its nature and parameters. Primary significance is attached not so much to quantitative parameters as to qualitative indicators, which include various structural changes, the rise in the technical level and the economical use of new and existing fixed assets, along with the general orientation of monopolistic capital toward the attainment of the maximum impact and profit from each unit of capital invested with consideration for the time factor.

Problems and Contradictions

The comparatively favorable general indicators of investment policy in the United States during most of the postwar period do not mean that this process has been a smooth one without any obstacles, contradictions or difficulties.

Above all, we must remember that the 1950's and, in particular, the 1960's were a relatively prosperous period in American economic history. The severe upheavals in the economic organism of the 1970's have already affected the course and results of the investment process. Even during the two postwar decades, however, latent contradictions and disproportions were accumulating--the same contradictions and disproportions that have taken extreme forms in the present decade.

Neither the development of the state-monopolistic nature of capitalism and the augmentation of the role of federal regulation nor scientific progress is capable of eliminating anarchic elements from capitalist production and accumulation. Just as in the past, capital is directed into the most profitable fields in a search for profits and errors and omissions in the investment policy give rise to structural disproportions.

During the postwar period, American monopolistic capital has relied to an increasing degree on the world markets for the satisfaction of the demand for raw materials and semifinished products and has gained substantial profits from this. Limited investments in several of the capital-intensive raw material and power engineering branches have made it more and more difficult to satisfy internal demands. The sharp rise in prices in the world energy market as a result of the struggle of the developing countries revealed the erroneous nature of this reliance, had a severe effect on the state of the U.S. economy and aggravated the raw material and energy crises.

During the 1960's, capital was extensively invested in several service branches in anticipation of favorable prospects for increased demand. By the end of this decade, however, the overaccumulation of capital in this area was made evident in the form of unused administrative buildings, hotel complexes, trade centers and so forth.¹⁸ At the same time, the shortage of capacities for the production of nonferrous metals, chemicals and cellulose became noticeable. Due to the general overaccumulation of fixed capital at the beginning of the 1970's, these acute disproportions prolonged and complicated the American economy's escape from the latest economic crisis (1973-1975).

In general, the overaccumulation of fixed capital constitutes one of the distinctive features of the investment process in postwar America, but it has taken different forms during various stages and in various branches. Although the excess of accumulated fixed assets has almost always been camouflaged by the militarization of the economy and by other factors, particularly those connected with U.S. military operations, the cyclical crises of overproduction have revealed its actual dimensions and have temporarily equalized the proportions of production and consumption. The degree to which production capacities in the processing industry were used was 12 percent lower during the crisis year of 1954 than during the preceding year, in 1958 the figure was 11 percent and, during the 1970-1975 period, approximately 25 percent of the production capacities were unused.¹⁹ This indicates a tremendous waste of public labor and reduces the efficiency of the entire investment process.

The experience of even the most powerful monopolies, which rely on large staffs of highly skilled specialists, econometrics and the latest technical means when they develop their technical and economic strategy, attests to the fact that even they are not insured against serious errors. The error made by the Dupont Company in the production of the synthetic simulated leather "Corfam" is well known. According to the plans of company heads, this material was to play the same kind of revolutionary role in the footwear industry that nylon played in the textile and garment industries. But the grandiose plans failed and the losses amounted to 100 million dollars. Even greater losses were suffered by General Electric and the Radio Corporation of America on the production of electronic computers--212 million and 250 million dollars.²⁰

The probability of this kind of error is immeasurably greater in the small and medium-size firms and their ability to survive the blows of the hazardous nature of capitalism is much more limited. Their fate in this kind of situation is either bankruptcy or subordination to their more successful partners.

Serious errors in the investment process can also affect entire branches. During the 1960's, when a 16-billion dollar program for the modernization of ferrous metallurgy was being carried out, little attention was paid to technical and technological progress and firms continued to invest their funds in old systems of organization and technology at a time when combustion converters, continuous steel casting and automated rolling mills were already being used in world practice. In conjunction with other factors, this led to the loss of large foreign markets (steel exports decreased by 30 percent during the 1955-1972 period) as well as a considerable portion of the domestic market (the percentage accounted for by imports in domestic use rose from 1.5 percent in 1955 to 16 percent in 1976).

Although the postwar renovation of production capacities has been more rapid, the actual demand for modernization is far from completely satisfied. According to businessmen, the scales and rates of technical renovation in the production of transportation equipment, the automotive industry, the pulp and paper industry and railway transport are obviously inadequate. While the necessary expenditures on the required modernization of capacities throughout the entire private sector of the U.S. economy were calculated at 145 billion dollars at the end of 1970, the figure had already reached 236 billion at the end of 1976.²¹

Unemployment is still the main socioeconomic and political problem giving rise to the accumulation of capital. During the postwar period, the manpower pushed out of production by the growth of the organic composition of capital has been able to find work in new branches born of the scientific and technical revolution, in the service sphere and in the government sector. But the scientific and technical revolution is setting limits on the amount of manpower that can be used in the service sphere by creating opportunities for the mechanization and automation of these branches. The

government sector also has limited potential in this respect. In addition to this, the overstaffing of the civil service, which requires a heavier tax burden, will, without a doubt, ultimately limit the resources for accumulation. In turn, this will restrain production expansion and the demand for manpower. The unemployment rate of the 1970's, which has set a postwar record, and the exceedingly slow correction of this problem indicates that unemployment must have existed in a latent form previously--at the time of comparatively favorable conditions for economic development during the 1960's. Basing their actions on the forecasts of bourgeois economists, which proved the existence of good prospects, employers did not hasten to rid themselves of surplus manpower, expecting to use it in the future. The crises of the 1970's revealed this process and restored the temporarily camouflaged relationship between labor and capital, thereby proving once again the truly indissoluble tie between the accumulation of capital and unemployment.

The deep-seated contradictions of capitalist accumulation became evident in other areas as well. The overaccumulation of fixed capital as a result of a fairly lengthy period of intensive investment activity conflicted with limited purchasing power and became apparent as early as the production decline in the crisis of 1969-1970. The proportions of production, accumulation and consumption were again severely disrupted at the end of 1973, in 1974 and in 1975, when the complex interaction of the cyclical crisis, the energy crisis and the raw material crisis led to the most significant and prolonged reduction in investments of the postwar period. The revival of investment activity at present, during this phase of economic upsurge, is proceeding more slowly than during the same phase of any other cycle since the crisis of 1929-1933. The factors stimulating increased capital expenditures are limited by vague prospects, continuous inflation, the uncertain nature of the government's energy policy, etc. The serious state of confusion in the system of federal finances is limiting the growth of government investments. In turn, the sluggish nature of investment activity is slowing down the alleviation of the unemployment problem, reinforcing feelings of uncertainty and instability and decelerating the process of economic recovery.

Therefore, the postwar investment process in the United States has its internal contradictions. On the one hand, it can result in the augmentation of fixed capital, the elevation of technical levels and the reconstruction of capital in accordance with changes in technical, economic, social and international conditions. On the other hand, it is indelibly marked by the antagonistic production relations of capitalism: the growth of productive forces is accompanied by the accumulation of internal contradictions in production. Despite the externally favorable quantitative parameters, the accumulation of fixed capital, particularly in the 1960's, has not only failed to aid in the resolution of such acute problems in contemporary America as unemployment, inflation and environmental pollution, but has actually aggravated the situation and given these problems a chronic nature. Consequently, the investment process undermines the strength of capitalism at the same time that it aids in the reinforcement of its socioeconomic system.

FOOTNOTES

1. The author has not taken on the task of explaining how companies make decisions on investments or of discussing the financing of capital investments and the subject of portfolio investments.
2. "National Accounts of OECD Countries," 1974, vol 1, "Main Aggregates," Paris, 1976, p 119. All data include the cost of commodity stocks.
3. These matters are discussed in detail in Yu. I. Rigin's article on "Government Stimulation of the Economy: Depreciation Allowance" in No 8 of the magazine for 1976.
4. The proportional shares of these states during 1953-1971 were an average of 27.3 percent for Japan, 27.8 percent for the FRG, 41.9 percent for England and 29.8 percent for France as against 18 percent for the United States ("National Accounts of the OECD Countries").
5. "Statistical Abstract of the United States," 1974, p 247.
6. SURVEY OF CURRENT BUSINESS, February 1973, p 9; July 1976, p 37.
7. In 1960-1971, the figure was 62 percent for the United States, 52 percent for Canada, 54 percent for France, 53 percent for the FRG and 31 percent for Japan (CONGRESSIONAL RECORD, 12 May 1975, p S-7883).
8. Data of a survey conducted by the McGraw-Hill firm (BIKI, 3 July 1976).
9. "Businessmen Speak for Modernization," Wash., 1966, p 43.
10. During 1950-1973 the prices of production construction projects rose by 120 percent and the prices of machinery and equipment rose by 80 percent (SURVEY OF CURRENT BUSINESS, January 1976, pt 1, pp 84, 85).
11. CONGRESSIONAL RECORD, 12 May 1975, p S-7882.
12. Calculated according to data published by the McGraw-Hill firm.
13. "Statistical Abstract of the United States," 1975, pp 343-353; "The Handbook of Basic Economic Statistics," May 1977, Wash., 1977, pp 12-17.
14. FORTUNE, March 1971, pp 77, 134.
15. SURVEY OF CURRENT BUSINESS, February 1976, p 30.
16. CONGRESSIONAL RECORD, 12 May 1975, p S-7882.
17. In comparison to pre-war practices, the amount of time required to construct enterprises in the United States was reduced by 50-65 percent.

The average amount of time required to construct an enterprise of the processing industry is 18-20 months.

18. FORTUNE, February 1973, p 78.
19. "Economic Report of the President, 1976," p 211. Calculated according to indices published in the FEDERAL RESERVE BULLETIN.
20. WALL STREET JOURNAL, 28 January 1974.
21. ELECTRICAL WORLD, 1 March 1977, p 68.

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'INFORMATION SOCIETY'--JUBILATION AND ANXIETIES

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 10, Oct 77
pp 60-66

[Article by A. G. Shchelkin]

[Summary] There is no doubt that electronic equipment has become a constant attribute of the way of life in modern society. The United States, according to some observers, simply could not exist without computers. The post-industrial society is becoming "technotronic"--in other words, it is a society which is culturally, psychologically, socially and economically formed under the influence of technology and electronics, particularly computers and the media. The concept of the "information society" has been one of the basic premises of American ideology of the 1970's. This doctrine, by recognizing technology as the major factor bringing about changes in society, naively implies that technical methods can be used to solve economic, social and ideological problems as well as purely technical ones.

According to the technical predictions of American futurologists, the computer will soon become as common in the American household as telephones and television sets are now. The home computer will assist its owner by holding consultations with his doctor, taking care of all of his checking operations and financial transactions, playing chess with him, preparing his meals and ordering his groceries, which, in turn, will be automatically delivered to his home by another computer. These predictions are remarkable not only because they completely ignore existing social contradictions (for example, a computer which takes care of checking operations will not alleviate the problem of poverty in the least) and because they imply an American monopoly on the development of progressive technical equipment. They do not take the developed socialist society into account, even though technical research is being carried out in the socialist society on a broad scale, the potential of this society is immeasurably greater and its scope for the incorporation of technical improvements is significantly broader.

The actual development of technical equipment in the American society reflects all of the groundlessness of technocratic optimism: Present problems will not only be retained but will also multiply. It is with good reason, therefore, that the first wave of jubilation with which the American public greeted all

of the signs of the coming "information society" in the 1960's was rapidly succeeded by anxiety in the 1970's. Their joy gave way to suspicion, and then to protest.

Part of the protest was due to the real danger that all of these technical innovations might doom the general public to an idle way of life without a hint of the joy of creative labor. The majority would be unable to escape depression, apathy and feelings of alienation, would fall prey to various forms of human degradation and would become recluses, vagrants, alcoholics, or--even worse--narcotics addicts or criminals.

A further protest came in response to the rumors of a central information bank. The Americans were naturally disturbed and angry about the prospect of a gigantic "all-seeing eye" which would observe their every action and keep records of the behavior and thoughts of private individuals.

The capitalist use of technical information equipment, therefore, gives rise to two incompatible courses of action and thought. On the one hand, it gives rise to technocratic "euphoria" and the deification of technology and, on the other, to technophobia.

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THE ARMS RACE BUDGET

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 10, Oct 77 pp 67-73 LD

[Article by S. I. Baranovskiy]

[Text] Although the bookkeeping ledgers for fiscal 1977, which has just ended in the United States, have not yet been fully closed, the Pentagon has already gained access to the funds for its next record budget--for fiscal 1978. The preparation of the U.S. draft military budget for 1979, which, according to established tradition, the President is to submit for consideration to the Congress in the second half of January next year, has also entered its final stage. To judge from what the U.S. press is writing and what representatives of the Defense Department are saying, the new draft budget will beat all previous records.

Despite the shift which has occurred away from the confrontation of cold war times toward relaxation of international tension, U.S. military spending is continuing its rapid growth, and this trend has noticeably intensified in recent years. Many U.S. press organs, public figures and politicians expressed the hope that the new Washington administration would halt this growth, particularly since J. Carter had promised during his election campaign to cut the military budget by \$5-7 billion. This has not happened, however. The draft military budget for fiscal 1978 (it began 1 October--S.B.) which he submitted soon after taking over the presidency, is a colossal sum--\$112.3 billion, which is approximately \$11 billion more, not less, than the previous budget. It should be pointed out that the final sum has not yet been determined. The Congress, where a paragraph-by-paragraph discussion of the government draft has now been going on for many months and obviously will not end before the congressmen start to disperse for the Christmas vacation, also has to have its say.

However, taking present sentiments in the Congress into account, it can hardly be doubted that it will approve everything the Pentagon is demanding. Experts of the Brookings Institution, one of the leading U.S. "brain centers," state in their report "Determination of National Priorities for Fiscal 1968": The new buildup of the U.S. Armed Forces begun by the Ford administration is being continued by the Carter administration, and the military budget which it has requested provides for a net increase in military spending of more than 16 percent compared with 1975, which, as the experts believe, marked a "turning point in U.S. military policy."

It is necessary to emphasize in this connection that the United States is not only continuing the arms race but also raising it to a qualitatively new level. The most graphic evidence of this is provided by Washington's decision to develop the production of cruise missiles and allocate funds for the neutron bomb.

The U.S. military budget provides for the financing of Defense Department programs, military aid (the President's fund), the military program of the Energy Research and Development Administration (utilization of nuclear energy for military purposes), the creation of stocks of strategic materials and the activities of certain civilian departments of a military nature, particularly measures to enhance the "mobilization readiness" of the economy. The expenditure on NASA's space programs, which used to figure as military spending, has not been included in the military budget total in the seventies with a view to "reducing" it somewhat, even though the military thrust of a certain portion of the space programs has not changed. [paragraph continues]

The bulk of the military budget comprises the Defense Department budget, which accounts for 97 percent of total military expenditures in fiscal 1978. Its growth has determined the dynamics of the U.S. budget in the seventies:

U.S. military expenditures in the fiscal years 1971-1978, in billions of dollars is as follows:

FY 1971--76.8; FY 1972--77.4; FY 1973--75.1; FY 1974--78.6; FY 1975--86.6; FY 1976--90; FY 1977--100.1; FY 1978--112.3.

The drawing up and ratifying of the military budget is a lengthy process taking a total of approximately 2 years. Thanks to this, and also thanks to the permanent composition of the federal departments (the same individuals are frequently involved) participating in formulating the budget items, there is naturally a certain continuity in the ideas contained in the budget and in the nature and scale of the planned programs. This continuity is also achieved because the Congress annually approves 5-year programs for the building of the armed forces, amending them and extending them for a further 5-year period. Since the U.S. President is elected for 4 years, each new Washington administration finds itself in a kind of procrustean bed of previously approved programs, which it is obliged to fulfill. All this insures the "inertia" which U.S. authors are sometimes inclined to cite as accounting for the arms race in the United States.

However, it is obviously not only nor even mainly a matter of this irrational "inertia." The U.S. President possesses wide powers. He can slow down the fulfillment of the military programs which he has inherited or secure their abolition altogether. And many people in the United States believe that the Carter administration would take this path, taking into account both his election promise and his appointment to key posts of people with the reputation of sober-minded politicians, aware of the disastrous consequences of the arms race and understanding well the essence of the processes occurring in this sphere (U.S. opinion includes among such people Secretary of State C. Vance, Defense Secretary H. Brown and P. Warnke, director of the Arms Control and Disarmament Agency, who previously held important posts in the Pentagon.)

The new administration inherited from its predecessor an extensive program for building the U.S. Armed Forces and raising the country's readiness for nuclear and conventional warfare. The main points of this program were expounded by President G. Ford in his last budget message and provided for the following measures:

Modernization of the strategic forces (ground and sea-based missile forces and strategic aircraft); particularly the implementation of a program to create a new system of weapons--the MX ICBM;

Enhancement of the combat readiness of general-purpose forces and of their ability to conduct lengthy military operations by means of additional purchases and an increase in the size of stocks of arms; continuation of the current program to modernize the arms of the air force, ground forces and the navy by replacing "obsolete" weapons and military equipment;

An increase in stocks of military materials designed to support troops conducting combat operations of high intensity;

Enhancement of the readiness of general-purpose forces for military operations in the European theater;

Broadening of the scale of scientific research and experimental design work in the military sphere to insure the growth of the U.S. military potential in the eighties;

Renewal and replenishment of stocks of strategic materials and important types of raw materials essential to meet wartime requirements;

Strengthening of cooperation in the military sphere with allies and countries friendly with the United States; providing, in particular, for insuring arms standardization, the fulfillment of joint combat training programs and increasing the strength of the allies' armed forces.

The facts indicate that this program of accelerating the arms race has been taken over by the new administration. There have been no significant changes in it. Its revision by the new U.S. leadership has been minimal--only the usual gesture in such cases has been made toward the Congress and the taxpayers. Defending before congressmen the increase in the military budget for fiscal 1978, Defense Secretary H. Brown tried to prove that it was necessary "chiefly in view of the planned capital investments in the production of a large quantity of better arms, and also in view of the greater stress than in the past on combat readiness and increased reserve stocks in case of war."

The thrust of the building of the armed forces characterizes in the greatest degree the distribution of expenditures for different purposes and military programs.

Distribution of Pentagon Expenditures for Different Purposes in the Fiscal Years 1971-1982 in Billions of Dollars (at Current Prices)

Items of Expenditures	Fiscal Years						
	1971	1977	1978 (Estimate)	1979	1980 (Planned)	1981	1982 (Planned)
Personnel Maintenance	22.6	26.2	26	26.2	26.4	26.5	26.2
Combat Training and Operating Costs	20.9	31.1	33.6	35.2	37	38.8	40.8
Purchases of Weapons and Military Equipment	18.9	18.7	23.8	28.8	34.2	39.1	43.9
Scientific Research and Experimental Design Work	7.3	10	11.4	12.5	13.9	14.8	15.3
Other Items	4.8	12.1	14.7	18.1	21.8	26	29.4
Total	74.5	98.1	109.5	120.8	133.3	145.2	156

The expenditure totals indicated in the table are unprecedented for peacetime conditions, and the nature of the change in their dynamics is more typical of a period of exacerbation of the international situation than of detente. In the fiscal years 1977-1982 it is planned to increase spending on arms purchases 2.4 times, on scientific research and experimental design work 1.5 times, and on combat training, repair work and material and technical services 1.3 times. The size of the armed forces' personnel and expenditure on their maintenance will be kept at roughly the same level.

In addition to the changing trends of military expenditures, there is also another important indicator in the U.S. budget--appropriations. Expenditures reflect spending on different programs under the relevant budget items in the course of each year, while appropriations are funds which can be spent on a particular program throughout a 5-year period. Each year's expenditure is made up of amounts which are proportions of several years' appropriations. Thus the draft military budget for fiscal 1978 defines expenditures to the tune of \$112.3 billion, whereas a total of \$120.3 billion is being asked for in terms of appropriations.

The Defense Department's current plan provides for an increase in the total of appropriations in the fiscal years 1977 through 1982 from \$108.3 billion to \$165.7 billion, or 1.5 times. This means that the Pentagon's expenditures will grow not only in the next 5 years but also after 1982, when a significant part of the funds appropriated earlier will be spent.

It can be seen from an analysis of the main U.S. military programs that the Pentagon's plans devote special attention to modernizing the strategic and general purpose forces, to improving military intelligence and the communications service and also to raising the level of combat readiness and armament of the National Guard and the Armed Forces Reserve with modern types of weapons and military equipment.

It is planned to modernize all three chief components of strategic offensive forces, that is, to deploy by the mid-eighties 300-500 MIRVed MX-type ICBM's, each with 10 or more nuclear warheads (a final decision has not yet in fact been taken on this system by the new administration), and the naval Trident missile system based on submarines carrying 24 ballistic missiles each. It was also planned to purchase 244 B-1 supersonic strategic bombers. Even though J. Carter has declared that the United States will not now deploy this weapons system, its fate has not yet been definitely decided. The financing of trials of the existing experimental models of this aircraft has not been ended, and it is not hard to see in this the desire of the U.S. administration to leave the question of the B-1 bombers open for the future.

J. Carter's administration, despite the Soviet-U.S. talks on the limitation of strategic offensive arms which are being held, has introduced a new destabilizing element into the existing strategic balance of the world powers by taking the decision to create a fourth component of the strategic forces--cruise missiles. The press has reported that the U.S. Air Force intends to purchase about 2,300 missiles and the navy about 1,300 such missiles in a modified form. It is assumed that cruise missiles will also appear in the arsenal of the ground forces, with the subsequent deployment of a large number of units of this type of weapon in Western Europe.

As a result of the equipping of Minuteman-3 missiles with MK-12A type warheads and of the deployment of Trident and missiles with MIRVed warheads, the quantity of strategic nuclear material which can be delivered against targets in a single strike will be considerably increased. The enhancement of the accuracy of missiles and the creation of maneuverable warheads is envisaged. This means that the United States, which is reacting negatively to the Warsaw Pact countries' proposal for the renunciation of first use of nuclear weapons against each other, is seeking, as before, to enhance the likely effectiveness of a nuclear strike. President J. Carter stressed that the United States has never renounced the possibility of making a nuclear first strike.

Purchases of tanks, aircraft, anti-tank and air defense missiles, combat helicopters and ships are being increased for the modernization of the general purpose forces. About 1,000 tanks will be supplied annually to the U.S. ground forces. About 132,000 anti-tank shells have been ordered for the 1976-1979 fiscal years. The number of orders for tactical fighters and attack aircraft is increasing (it is planned to order about 500 in the 1979 fiscal year). The 5-year program provides for the construction of 172 ships and other vessels for the navy. The production of air defense missiles has increased sharply--whereas 660 were ordered in the 1976 fiscal year, in 1979 there are plans to place orders for 5,650 Chaparral, Stinger and improved Hawk missiles.

The number of fighter wings in the U.S. Air Force is being increased from 22 to 26. The number of navy ships in the eighties will be raised to 600 (only counting regular navy forces). The number of combat-ready divisions of ground forces has increased in recent years from 13 to 16. According to statements in the Senate by U.S. Army spokesmen, reserve units and formations of ground forces (eight divisions and a substantial number of individual brigades and battalions) are ready for combat. In 1977 the U.S. Defense Department adopted a decision to increase division manpower and the number of guns in division artillery, tanks and armored carriers in ground force units and formations.

Steps are being taken to increase the armed forces' potential for transporting troops by air and by sea. Numerous maneuvers by the armed forces of the United States and the NATO countries have the aim of raising the combat readiness of the aggressive bloc's armed forces.

At the same time that reequipment is taking place the program of modernizing the military industry is continuing and the stocks of strategic materials and important kinds of raw material (petroleum products in particular) are being increased. In his time President Nixon adopted a decision to sell a substantial part of the stocks of strategic materials created in the United States, whose cost exceeded \$3 billion. It was revoked by President Ford, who decided to increase the volume of stocks of strategic materials (their cost will increase to \$6.5 billion).

Despite the U.S. Government's official repudiation of biological weapons, work in this sphere is continuing and was reported recently by the West German magazine DER SPIEGEL, for instance. Reports also appear intermittently in the world press on the work of U.S. research centers in the sphere of chemical weapons.

Particular attention is paid in the United States to nuclear weapons, to which there is an ambivalent attitude--officially it is pronounced anathema, while equally officially the accumulation and elaboration of new nuclear devices are continuing.

President Carter, when embarking on the execution of his duties, declared his intention to reduce the "dependence of the world community" on nuclear weapons. Thus, in an interview with the journal U.S. NEWS & WORLD REPORT in May 1977 he said: "I assume that everybody is aware that the first state to use nuclear weapons thereby takes a major step toward the whole world condemning it." That is the statement. What are the facts?

On 11 July 1977 in a letter to J. Stennis, chairman of the Senate Armed Services Committee, he called on Congress to allocate funds for the manufacture of the neutron bomb, pointing out that the creation of this new kind of weapon "is in accordance with the national security interests" of the United States.

The scale of work carried out in the United States on nuclear weapons has reached enormous dimensions. It is possible to say that the neutron bomb is only the "tip of the iceberg." According to testimony in the House of Representatives by A. Starbird, assistant administrator for national security in the Energy Research and Development Administration, it is planned as early as 1978 to start the manufacture of neutron warheads for Lance missiles and 800 mm. artillery shells, intended for use in Europe. At the same time there are plans to continue developing the enhanced radiation nuclear bomb, nuclear warheads for cruise missiles, the ICBM Minuteman-3, the Trident SLBM, the Pershing-2 and Harpoon operational-tactical missiles, the general purpose FU-FO nuclear bomb and other nuclear warheads. Expenditure on the design and manufacture of nuclear weapons is continuing to grow. In the 1971 fiscal year it amounted to \$1,385 billion; in 1977 \$1,829 billion; in 1978 a figure of \$2,162 billion is planned and in 1979 \$2,459 billion. There are also plans to increase the production of enriched uranium.

(What has given rise to such extensive military preparations? What are their final aims? The designs of the supporters of this policy were expressed quite clearly by the not unknown Harvard Professor R. Pipes. Writing in the New York TIMES on 6 February 1977 he called on the U.S. ruling circles to strive to attain strategic supremacy over the Soviet Union by means of a further qualitative and quantitative arms race. "It must be remembered," this scientific "hawk" argued, "that strategic supremacy can be used as a unique shield in waging conventional war, a means of achieving political and economic concessions, to intimidate people, and to force the other side always to agree to everything." We are put on our guard by the fact that a number of government committees which have studied the possibilities of enhancing the effectiveness of U.S. foreign policy and of strengthening the United States' shaky positions in the world have drawn conclusion which have a great deal in common with R. Pipes' statements. These are extraordinarily dangerous and blatantly unrealistic calculations. The experience of the not so distant past is highly instructive in this respect.

Much has been said and written recently about the fact that the situation in the world has grown more complex. This is indeed the case. The tempo of the most important talks on questions of limiting the arms race has slowed down. The myth of the "Soviet threat" has been dragged out again and is being strenuously exaggerated. Certain imperialists circles have unleashed a hostile propaganda campaign against the socialist countries-- a campaign essentially couched in a spirit of the cold war which in no way promotes the strengthening of trust among states and peoples. "Of course, it is not a question of propaganda," L.I. Brezhnev, general secretary of the CPSU Central Committee and chairman of the USSR Supreme Soviet Presidium, said in the Kremlin on 16 August 1977. "We do not fear it because we are convinced of the correctness of our ideas. The point is that the hostile campaign is used as a smokescreen for a new twist in the arms race. This connection became particularly obvious after the United States had decided to develop the production of cruise missiles and to earmark funds for the neutron bomb.

"This decision alarmed the public throughout the world, including the countries which are U.S. allies. There are serious grounds for this alarm. It is important, however, to insure that matters are not restricted to the expression of regrets.

In our time the destiny of the world depends increasingly on the possibility of creating in the world a healthy international climate, an atmosphere of resolute condemnation of homilies in the spirit of the cold war. And to insure that the danger of war does not grow and that its specter is driven forever from human society, it is extremely important to put an end to the arms race. Unfortunately, although sober opinions on this score are sometimes heard in Washington, they are not being translated into the language of practical politics.

CSO: 1803

INTERNATIONAL FINANCE AND HUMAN RIGHTS

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pp 73-75

[Article by I. N. Mosin]

[Text] Around the middle of this year, R. McNamara, president of the International Bank for Reconstruction and Development, officially informed the U.S. Department of the Treasury that the funds received by the bank from the United States could not be used if they were to be offered in the capacity of loans or credit to bank clients on the condition of involvement in the "human rights" campaign. What caused the president of the bank to send this kind of message? Before we examine this question, several remarks must be made.

International finance is related in the most direct way to intergovernmental economic relations, whether these involve expansion and the exploitation connected with this or assistance and cooperation. Therefore, in the broadest sense, international finance is directly related to human rights. The way in which the finance is used is another matter.

The struggle for human rights acquired international scope long ago. Most of the nations on our planet, for example, signed the initial documents on human rights that were drawn up under the aegis of the United Nations; it is true that the signature of the U.S. Government does not appear on some of them. But this does not mean that the documents themselves are less universal and does not weaken their connection with the problem of the development of international finance on an equitable basis.

In Washington, however, judging by recent events in particular, the problem of human rights is being given a unique interpretation. The current administration in the United States has turned the issue of human rights into a pretext for attempts at overt intervention in the domestic affairs of other nations, aiming the spearhead of this campaign at the socialist countries and the national liberation movements.

In Washington they are saying that the United States' campaign "in defense of human rights" is not specifically directed against the socialist nations

or any other states. This is supposedly a global issue that does not depend on the specific socioeconomic system to which the states belong. And this is being done, they say, exclusively to ensure that mankind as a whole realize the significance of this problem for the "fate of democracy."

The hypocrisy of such statements has long been apparent to everyone. It is also reaffirmed by Washington's policy in the sphere of international finance and by its attempts to make use of various international organizations--at least those in which the United States occupies decisive positions--as a "flexible" economic lever for the realization of specific political goals. In an attempt to camouflage this aim of Washington's policy in the sphere of international finance in some way, the administration started a complex political game.

At the beginning of the year, Congress discussed the allocation of funds in excess of 5 billion dollars for the financing of the forthcoming activity of the International Bank for Reconstruction and Development, the International Development Association and the International Finance Corporation as well as regional banks--the Asian Development Bank and the African Development Bank.

By this time the atmosphere surrounding the "issue of human rights" had become so tense in Washington that people there began to fear that this campaign might go out of control.

The House of Representatives passed a resolution by T. Harkin (Democrat, Iowa), demanding that U.S. representatives in these organizations always vote against the extension of loans to "all countries" in which "human rights are violated."

This "inflexible" position did not suit the administration, however, since it could seriously complicate the continued implementation of Washington's policy of all-round support for regimes, including the most reactionary, with domestic and foreign policies corresponding to the interests of the United States and imperialism as a whole. Besides this, in many of the international finance organizations, the United States does not have enough votes to automatically enforce its own views. Consequently, it could find itself in an isolated position that might endanger its already undermined prestige.

After hearing an explanation of the issues connected with U.S. participation in the international finance organizations, which was made by President J. Carter himself, the Senate "corrected the error" of the House of Representatives and passed a resolution restoring the U.S. representatives' freedom of action in these organizations. This resolution only expressed the wish that they would "use their votes and the authority of the United States" to consolidate human rights. The Senate only took a rigid stand in regard to three nations--the Democratic Republic of Vietnam, Cambodia and Laos--requiring U.S. representatives in international finance

organizations to automatically vote against the extension of credit and loans to these nations. R. Dole, the author of this amendment, made an exceedingly bombastic speech, saying in particular that: "We left enough of our own blood in Southeast Asia. Let us not send our dollars there." As if someone had forced the Americans to spill their blood there, and as if it had not been the United States but someone else who had committed aggressive actions against the people of Southeast Asia!

Soon afterward, the House of Representatives supplemented this list by adding Cuba, Angola, Mozambique and, for "balance"--Uganda.

At the same time, the administration illustrated its "serious intentions" and "objectivity in the struggle for human rights" by cutting off military aid to Argentina, Uruguay and Chile as well as--also for "balance," but from the opposite side--Ethiopia.

The dictatorial regimes falling under the restrictions of the administration and Congress had externally harsh reactions to Washington's action and declared that they would no longer permit interference in their internal affairs and, for this reason, were rejecting U.S. military aid in general. Both sides took advantage of this situation. The dictatorships demonstrated their "independence" of Washington and Washington demonstrated its "negative attitude" toward the dictatorships, particularly since the job had been done for the time being--the armies of the regimes preparing to fight against the national liberation movement had been re-equipped with the assistance of the United States long before.

The United States simultaneously stepped up all kinds of aid to the nations in which the violation of human rights takes the most flagrant forms, including Israel, South Africa and the Seoul regime.

In those cases when Washington feels that it is "inconvenient" for it to render direct assistance, it makes use of the channels of the international finance organizations to avoid any excessive accentuation of the lack of correspondence between its verbal concern for human rights and its actions. It was precisely because of this that the administration insisted on a "flexible" position for the U.S. representatives in these organizations.

In this connection, let us consider the activities of the largest international banking organization in the capitalist world--the IBRD. According to data in a report of the Center on International Politics (a private research organization), 15 of the most repressive governments in the world will receive approximately one-third of the largest IBRD loans during the 1979 fiscal year. The report also attests to the fact that the nations to which American aid is no longer being sent will receive twice as much in loans from the bank during this same year as during previous years. Therefore, the "flexibility" of American diplomacy consists in demonstratively condemning the dictatorships during the course of the "struggle for human rights" and simultaneously ensuring that they receive the funds necessary

for their existence through international organizations controlled by American capital. International monopolies, primarily American, which are interested in the best possible "climate" for their capital investments, constitute another important source of financial means for the maintenance of reactionary regimes.

This is not the first time that the IBRD has been used for such purposes. Chile can serve as an exceedingly graphic example of this. When the government headed by Salvador Allende assumed power in this nation, the bank not only failed to refuse every request for loans, but even curtailed the payment of loans which had been agreed upon with the previous government. These payments were only resumed after the fascist military junta had seized power in the nation. The explanation for the refusal to grant credit to the Popular Unity Government was Chile's "poor credit rating," while the extension of funds to the fascist regime was justified by the fact that the IBRD is, according to its charter, "beyond politics." The junta also receives considerable funds from other sources, including Washington and the transnational monopolies.

The U.S. Administration verbally expresses concern over the flouting of human rights by the junta. The U.S. secretary of state, for example, spoke approvingly of the report of the Pan American Human Rights Commission which pointed out the violation of basic human rights in Chile (the report was submitted to the General Assembly by the Organization of American States). Nonetheless, the facts speak for themselves. After 1973--that is, after the assassination of Salvador Allende--American "aid" to Chile amounted to 252.3 million dollars in 1974, 273.3 million in 1975 and 129.3 million in 1976. This, as they say, needs no comment.

Washington's policy in the sphere of international finance does not correspond in any way to the present administration's passionately expressed concern for human rights. It does, however, completely correspond to the United States' attempts to "regulate" the domestic state of affairs in the nations in which, according to American diplomats and businessmen, economic and financial control can function to Washington's advantage.

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TAPPING OFFSHORE OIL AND GAS RESOURCES

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[Article by V. A. Fast]

[Summary] The United States, the largest producer and consumer of energy, is the leader in the development of offshore energy resources. It has accumulated a great deal of productive experience in this field, has established the required technical facilities and has the West's most modern offshore drilling technology at its disposal.

Offshore energy resources have become the object of greatly increased attention during the 1970's in connection with the severe energy crisis in the United States. Although the new energy program of the American Government concentrates on the need for energy conservation and increased coal production, the tendency toward an increase in the U.S. economy's demand for oil and natural gas still exists and will probably remain in existence for a long time. The known resources of these types of fuel, however, are rapidly being depleted, and imports are becoming an increasingly heavy burden for the U.S. economy and finance.

According to the U.S. Geological Survey, the nation's potential offshore resources could amount to 15-16 billion tons of oil and 19-20 trillion cubic meters of natural gas. The offshore tapping of these resources is now being carried out in three regions--the Gulf of Mexico, the coast of California and the Cook Inlet of Alaska. The work is being done with more than 1,000 permanent and floating drilling platforms, which, according to the author, constitute more than half of the total number of these platforms in the capitalist world. The U.S. Bureau of Land Management and state and local governments are investigating the possible environmental effects of this work, but all thought of environmental protection usually vanishes under the pressure exerted by the monopolies and the desire of the authorities to increase energy production and fill their own treasury.

The development of offshore energy resources requires huge capital investments. For example, the discovery of a single offshore deposit can cost from

6 million to 40 million dollars, another 80 million will be spent on the construction of a drilling platform and the drilling itself can cost up to 160 million dollars. Total investments in the development of a single deposit can exceed 900 million dollars and operational expenditures (over 20 years) will amount to at least 700-800 million.

U.S. Government policy is not distinguished by its accuracy or consistency; it is constructed without the proper regard for the interests of coastal states and without any kind of detailed analysis of the possible environmental consequences of offshore drilling. The uncontrolled and haphazard nature of economic development in the United States calls for a precise and efficient energy policy.

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CANADIANS FOR DETENTE

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[Interview with Ivan L. Head, personal adviser to the Canadian prime minister on foreign relations]

[Text] Ivan L. Head, personal adviser to the Canadian prime minister on foreign relations, visited the Soviet Union as the guest of the Institute of U.S. and Canadian Studies of the USSR Academy of Sciences. At the request of the editors, I. Head shared his impressions of his trip to our nation and discussed the prospects for Soviet-Canadian relations. I. Head's responses to our correspondent's questions are printed below, along with excerpts from his lecture entitled "Thoughts About the Future," which he presented at the Institute of U.S. and Canadian Studies.

Question: What can you say about your impressions of the Soviet Union?

Answer: They are most favorable and they are not only based on this visit. This is not the first time I have been in your country and I have been able to travel around it quite a bit. This time I was kindly given the opportunity to visit some regions I had never seen before. In particular, I spent 3 extremely memorable days in Georgia, where I was given a friendly and cordial welcome. When I visit your nation, I am always particularly struck, as a Canadian, by the ethnic diversity of your people, the differences in their life styles, customs and cultural traditions. It is even more striking than in Canada, where, as you know, one-third of the population is of English origin, one-third is of French origin and the rest are immigrants from many other countries. It seems to me that it is extremely important to bear this fact in mind when relations between our two nations are being discussed. Our people are not all the same either: They have different ways of life, different national values and ambitions. A profound understanding of this is important if we are to live together as good neighbors and cooperate better with one another. I will always remember my visit to

Georgia as a good example of precisely this kind of mutual understanding from a people striving for peace and friendship. As a family man and father, I was also deeply moved by the obvious evidence of love between parents and children and the strength of family ties.

Question: Relations between the Soviet Union and Canada are developing successfully and have become increasingly richer in content in recent years. What is your assessment of the progress that has been achieved and the prospects for the future?

Answer: First of all, I would like to remind you that the interrelations between our two nations entered a new phase in 1971 after Prime Minister P. E. Trudeau's visit to the Soviet Union and Premier A. N. Kosygin's return visit to Canada. As a result of summit meetings, new agreements were concluded which will simplify business contacts, mutual ties and cooperation. One of these is the Protocol on Political Consultations, which will permit Canada and the USSR to inform one another of their views on old and new problems of an international and bilateral nature. The consultations will be of indisputable value to both sides, since I am deeply convinced that nothing bad can come of close consultations and, conversely, nothing good can come from mutual suspicion, mistrust or secrecy.

One of the areas of increased mutual cooperation is, naturally, trade. It was just a comparatively short time ago that one product prevailed in this area--the wheat exported by Canada. We hoped to diversify our exports to the Soviet Union to include industrial goods with a high technological content. We also understood that our trade should ultimately become balanced, since, otherwise, it would not be of value to both partners. The study of the export possibilities of our nations by joint commissions of representatives of the business community and experts contributed to the attainment of this goal. As a result, we now have a much better idea of the kinds of commodities each of us produces and can offer to its trade partner. Besides this, in May 1975 the Canadian Government granted the USSR Government commercial credit in the amount of 500 million dollars. In this connection, I would like to stress the fact that we extended this credit at a time when the U.S. Congress placed limits on the crediting of American-Soviet trade.¹ A limit of 50 million dollars a year. In other words, Canada, which is approximately one-tenth as rich as the United States, offered ten times as much credit to the Soviet Union. These measures made it possible to considerably diversify the assortment of goods in our bilateral trade and to increase its volume.

Another area of successful cooperation is the fishing off Canadian waters. I am mentioning this because it was a difficult problem for a long time. The agreement worked out around 2 years ago put an end to the tension in this area. And this serves as a good example of our ability to work together. In my view, cooperation by our nations in the exploration of the Arctic could be extremely promising. We have a great mutual interest in this area because of our geographic and climatic conditions. I feel, however, that we have still

1. In 1974 the U.S. Congress imposed a limit of 300 million dollars for the next 4 years for the crediting of American exports to the USSR--Ed's note.

not really begun to make mutually beneficial use of our potential advantage: the organization of an exchange of our knowledge and experience in dealing with the problems of the North, particularly the problem of populating these bleak regions.

The future of Soviet-Canadian relations will largely depend on the evolution of the total international situation. The Canadians want peace and are extremely disturbed by the continuous growth of defense budgets. Canada is a member of NATO and the Canadians are naturally worried about the possibility of military confrontation between the NATO countries and the Warsaw Pact nations. In my view, this makes negotiations on the reduction of armed forces and weapons in Central Europe, to which Canada and the Soviet Union are party, particularly important and urgent.

Question: What is the present attitude in Canada toward the policy of international detente?

Answer: I would like to answer that question in this way: The Canadians do not believe in any other policy but the policy of detente, a policy of detente with all nations. Canada has never had colonies. Because of our geographic position and good luck, our territory has never actually been threatened with aggressive actions by anyone. The Canadians have no reason to dislike anyone because of his past or present, just as no one has any reason to dislike the Canadians for anything they have done or are doing. For this reason, in our relations with the Soviet Union or with the United States--just as with all of the other members of the United Nations--Canada, you might say, automatically chooses the path of friendship and cooperation. And we are doing everything possible to support this policy. There can be no doubt that the government of Prime Minister P. E. Trudeau is striving for the normalization and reinforcement of Soviet-Canadian relations much more, although in a different form, than the previous government of Prime Minister L. Pearson. And in this we see a lasting transfer of these relations to a friendly and mutually beneficial basis. This is a normal and natural desire for the Canadians and the present Canadian Government.

In conclusion, I would like to emphasize the fact that there is tremendous potential for the development of bilateral contacts between the Soviet Union and Canada--both on official and unofficial levels. And it goes without saying that better mutual understanding between our nations can only lead to good things.

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PERCEPTIONS AND PERSPECTIVES

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[Report of a lecture, "Thoughts About the Future," presented at the Institute of U.S. and Canadian Studies of the USSR Academy of Sciences by Ivan L. Head, personal adviser to the Canadian prime minister on foreign relations]

[Text] "It is completely obvious that it is not the size of the state that is important in our day, but the effectiveness of its policy, that is, its ability to consider the realities of our planet and the attitudes of the people inhabiting it, as well as to understand the limits of its own potential," I. Head began his speech. Effective government today "should not only consider the lessons of the past," but also "concern itself with constructing the bases for a better future."

"One of these bases is our environment, which we are still not treating with the proper respect. The sea, this important element of nature, is in a particularly critical state. Its resources and utilization are of economic, political and military significance. We must stop believing that these resources are unlimited and inexhaustible and that they can be exploited by some states and not by others simply because, for instance, the latter do not have direct access to the sea. The realization of this and several other new facts has complicated the work of sessions of the UN Conference on Maritime Law and has required more intensive efforts by its members to find a harmonious decision which will correspond to the interests of the coastal states as well as the entire international community.... We have a responsibility to future generations. A responsible and effective government policy must also reflect the state's understanding of the present scientific and technical problems of oceanic development and the degree to which it is concerned about the observance of international interests."

The second prerequisite for a "better future"--in this case, political--is, according to I. Head, the establishment of "purposeful interrelations between the nations that have attained a certain degree of industrialization and those that have not." Reminding his listeners that "80 percent of the world's population lives in nonindustrial countries," I. Head stressed the fact that

almost half of them are in a desperate plight.... We must understand their present needs and their hopes for a better future." Noting the growing involvement of the developing countries in world politics and their stronger unity in their statements on such issues as, for example, the struggle against apartheid and minority rule in South Africa, I. Head underscored the fact that, "as the colonial regimes disintegrate, the dissatisfaction of the new independent states is concentrated more and more on their common pitiful economic position." This "continuous underutilization of so many potentially positive economic units," he said, just as "the constant undernourishment and illness of thousands of millions of people," naturally cannot fail to affect the world economy and international relations. Assistance is now being given to the developing countries--"a task of extreme importance, but far from a simple one"--"by a large number of nations," the speaker said. "Within the last 3 years, this problem has been investigated by two special sessions of the UN General Assembly--the Sixth (1974), on problems connected with raw materials and development, and the Seventh (1975), on 'The New International Economic Order,' and by the Fourth Session of UNCTAD, which was held in Nairobi in summer 1976." In I. Head's opinion, it is still "a bit too early to make any more or less precise predictions in regard to ways of solving the basic problems of the developing countries." "Effective government," he added, "cannot ignore these problems or the consequences of a failure to solve them."

I. Head went on to discuss the need for safeguarding the peace as the third prerequisite for a "better future." "A significant element of peacekeeping consists in the prevention of the use of nuclear weapons; this requires the limitation of their quantitative growth and their proliferation. The nuclear powers have a special responsibility in this connection, since they must serve as an example to other nations in the international community, both in regard to stability and mutual trust. This issue is a complex one, much more complex than previous problems connected with weapons. For this reason, the non-nuclear states must also have a sense of responsibility and display initiative. An effective government will not avoid these issues, regardless of the form its participation takes."

In discussing the existing Treaty on the Nonproliferation of Nuclear Weapons, which, in his opinion, "contains both the solution to the problem and new problems," I. Head called it "discriminatory." Besides this, he said, "some of the states that are party to the agreement agree to this discrimination and voluntarily refuse to acquire nuclear weapons"; others, including "many that are not party to it, oppose the possession of nuclear weapons by any state." I. Head feels that another defect of the treaty is its recognition of the "idea of nuclear explosions for peaceful purposes." "The task of investigating explosions and distinguishing explosions for peaceful purposes from those that can be used for the production of weapons is absolutely impracticable," he asserted. "The problem can only be solved by means of an all-encompassing agreement on the prohibition of nuclear tests with the simultaneous institution of a single set of precautionary measures applicable to all and covering all aspects of the nuclear process."

In the concluding part of his lecture, I. Head discussed Canadian foreign policy in light of his criteria of "effective government," which is precisely the kind of government, as I. Head put it, Canada strives to be. "In recent years," he said, "Canada has deliberately conducted its foreign policy by pursuing specific goals and not by observing the course of events. There are six of these goals, and none of them has exclusive priority over any other. They are peace and security, a higher quality of life, sovereignty and independence, social justice, the harmonious development of the environment, and economic growth. Canadian policy's emphasis during the last 10 years on environmental protection, the nonproliferation of nuclear weapons, the organization of dialog and cooperation with the developing countries and a search for new forms of economic relations with new and old trade partners corresponds to these six goals."

Canada's conscious efforts, I. Head continued, to develop relations with other nations reflect a recognition of the fact that there is no other way of safeguarding peace throughout the world than through its energetic promotion. "Canada is guided by this desire in giving resolute support to the United Nations and its special divisions and by taking part in all of its peacekeeping measures. These considerations also lie at the basis of Canada's course toward the expansion and development of relations with states taking part in the movement for nonalignment and with the socialist countries."

"Canada does not see any contradiction between its tendency toward stronger cooperation with nations of all economic systems and ideological views and its continued active membership in NATO and NORAD," which I. Head called "protective alliances." At the same time, Canada, I. Head noted, "is not only a member of these alliances, but is also party to the Vienna talks on the reduction of weapons and armed forces in Central Europe and the work of the Geneva Disarmament Commission; it signed the Final Act of the Conference on Security and Cooperation in Europe and sent a delegation to Belgrade. Besides this, Canada conducts energetic diplomatic activity within the framework of bilateral relations with all states expressing a desire for this."

"As Prime Minister Trudeau said in 1971 at a luncheon held in Ottawa in honor of Premier A. N. Kosygin: 'We live in a small world, but with big problems. Antagonism flourishes when there is not mutual understanding between nations. If we knew each other well, then, unafraid of our differences, we could concentrate on the achievement of progress in the sphere of common interests. Fear is one of the most insidious human feelings. It gives rise to mistrust and suspicion, which lead to hatred. In our nuclear age, we cannot afford the luxury of hatred.'"

"Canada is conducting an open foreign policy, which, we hope, will be echoed and understood. This policy is aimed at the preservation of dynamic and healthy international relations and the establishment of a peaceful and just world order. Canada realizes that the possibilities of each state in the world arena are limited. Time is one of the most weighty arguments in favor of diplomacy, which cannot be ignored by any state."

BOOK REVIEWS

FROM POSITIONS OF REALISM

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 10, Oct 77
pp 91-92

[Review by A. A. Aleksimov of the book "The Dynamics of Detente; How To End the Arms Race" by Arthur M. Cox, New York, W. W. Norton and Co., 1976, 256 pages]

[Text] Arthur Cox, the author of the book being reviewed, is considered to be an expert on "communist affairs." In addition to his work for the American Marshall Plan administration, his service record includes jobs in the State Department, in the CIA and on the White House staff (during the Truman Administration).

In recent years, Cox has worked as a senior research associate at a famous scientific research center--The Brookings Institution. He has written several books and articles on foreign policy. These include "Prospects for Peace-keeping" and "The Myths of National Security."

In this new work, Cox tries to show that "contacts can and must be made with the Russians" for the purpose of "much more far-reaching" agreements on disarmament than those concluded by the great powers in the past.

In the author's foreword, Cox directs the reader's attention to the need for a correct understanding of the term "detente."

"Although the Russians and the Americans use this word to an equal extent," he says, "the meanings they give to this term are far from equal. While the Russians leave no doubts about their use of the term 'detente' to signify less tension, an end to the state of direct military confrontation and an end to the arms race. For the Americans the term is usually much more vague in meaning" (p 9).

Cox cogently shows the fundamental difference between Soviet and American views on the most burning problem of the present day--the arms race.

While the present Soviet leaders are making it quite clear, Cox says, that they not only wish to stop the arms race but are also ready to begin an

equitable process of mutual military stockpile reduction, the Americans, unfortunately, have not made much progress in this respect as yet.

A. Cox' work was written when President Ford was in office. When the Democrats came to power with J. Carter in the lead, the White House proposed a program of further research and engineering for new, more "qualitative" weapons systems, including neutron bombs.

Military hysteria usually precedes the Pentagon's submission of the draft of its latest defense budget to Congress. Incredible "threats from the East" are cited to frighten the Americans: Various documents, reports, CIA investigations and so forth are dragged out as evidence of these threats; a special "Committee on Present Danger," the members of which included the most prominent American "hawks," was even set up.

Tracing the origins of this course, Cox finds that the first cold war "paper" was drawn up in the White House in 1946 by Clark Clifford, who was first an adviser to President Truman and later the secretary of defense in the Johnson Administration. At that time, Clifford advised the President to talk to the Russians in the "language of military force," to not rely on negotiations on arms limitation or disarmament and to "be ready to wage an atomic and biological war" (p 18).

At present, just as in the past, military-industrial circles in the United States are trying to establish the best possible conditions for congressional approval of a defense budget that grows from year to year. In this connection, Cox correctly declares that the United States is the instigator of the arms race. Defining detente as a process reducing the possibility of a war between the United States and the Soviet Union, Cox concludes that the United States must take the first step to limit the arms race.

One of the chapters in the book analyzes the strategic theory used by the United States, according to which the Soviet Union is regarded as the only nation in the world capable of threatening U.S. security.

In the author's opinion, the current theoretical constructs of Pentagon strategists are hopelessly obsolete, and a policy based on these constructs will cost the American taxpayers tens of billions of dollars (p 79).

Cox cogently shows how the supporters of the military-industrial complex, such as former Secretary of Defense Schlesinger, Senator Jackson and others, are working against the policy of detente by asserting that the United States can allegedly only gain the greatest security by a continuation of the arms race.

Some sections of the book describe the present status of the American and Soviet armed forces and the economic aspects of the detente policy.

In the area of disarmament, Cox believes that the major achievement up to now has been the Soviet-American agreements concluded on anti-aircraft defense systems, which can "save" each nation, according to his calculations, up to 60 billion dollars.

In the concluding chapter, the author makes a series of recommendations aimed at the conclusion of disarmament agreements with the Soviet Union.

He expresses his conviction that progress in this field depends chiefly on the "goodwill of the United States," since the Soviet Union demonstrated its willingness to solve this urgent problem long ago.

On the whole, although Cox' book is not free of certain errors in the interpretation of the USSR's peaceable foreign policy, it still has an advantage over many other books of this kind in the unbiased opinions expressed by the author in his attempt to approach the most burning issues of the day--primarily in the area of foreign policy--from a realistic standpoint.

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BLUEPRINT FOR MODERNIZING THE PRESIDENCY

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 10, Oct 77
pp 92-94

[Review by V. V. Topuridze of the book "Organizing the Presidency" by Stephen Hess, Washington, The Brookings Institution, 1976, XI + 228 pages]

[Text] The prestigious Brookings Institution has published a study of the complex issues connected with the U.S. Presidency. The author of this book, entitled "Organizing the Presidency," is Stephen Hess, former White House associate and now a senior research associate at the Brookings Institution.

The work is precisely divided into two parts. The first, entitled "Evolution, 1933-1974," is a historical account of the presidency's evolution into a powerful political force in the nation. In the second part, "A Reassessment of Presidential Functions," the author suggests ways of modernizing the functions of the President and his staff.

S. Hess focuses his analysis on the internal mechanism governing the actions of the White House staff, which is frequently ignored by researchers, since, as he writes, "few people pay attention to anything that seems to be a technical matter." These researchers, however, do not consider the fact, Hess stresses, that the organization of the President's staff can have a direct effect on events and political decision making (p VII). It is precisely the internal structure of the executive branch that is examined in detail in the book.

S. Hess feels that the Roosevelt Administration marked the turning point in the presidency's metamorphosis into its present ramified and powerful form.

The author recalls that F. Roosevelt had a small staff of assistants when he came to the White House. Forty years later, the White House staff had grown to colossal dimensions. The author points out the fact that it was precisely Roosevelt who began the process of the deliberate isolation of the presidency. The tradition of extensive White House contacts with Congress was broken. "The President's communications with Capitol Hill began to take place almost exclusively through the speaker of the House, the majority whips and committee chairmen" (p 33). For many years, rank-and-file congressmen and Congress as

a whole were essentially excluded from political decision making on the most important domestic and foreign policy issues. This kind of hypertrophy in the federal system caused the range of the President's own activities to increase so dramatically that, the author says, he lost his ability to analyze government actions.

When Truman was in office, the functions of the members of the President's staff were differentiated even more: Advisers on labor and on relations with ethnic minorities were added to this staff; a staff of assistants to the President's chief advisers was formed; the difference between departmental officials and White House staff members in connection with the compilation of budget programs vanished; and the National Security Council--this influential organ--was established. The main difference, the author points out, was the fact that the President, and not the heads of departments, became responsible for the implementation of federal policy, and not only policy as a whole but also all of its minor details.

The next period--the 1950's and 1960's--gave birth to new departments. "The White House continued to grow," Hess writes, "because no one stopped it from growing" (p 88).

By the mid-1960's the federal system had grown so large that President Johnson had to establish a division for program coordination. This coordination, however, did not result in greater efficiency. Johnson demonstrated obvious authoritarian tendencies and dictated policy to the entire overgrown federal machine. It turned out that collective wisdom was a myth, Hess writes. "As the number of special task groups increased, their value to the President became more strictly symbolic" (p 107). This staff not only failed to counsel the President against errors like the Vietnam adventure, but even aided him in conducting an obviously erroneous policy.

R. Nixon also contributed to the enlargement of the central staff. Literally becoming a prisoner of this enormous centralized system, he transferred most of the functions involved in communications with this system to his closest advisers. The transfer of authority to persons like Haldemann accelerated the crisis in the presidency, which manifested itself in the Watergate scandal.

What kind of measures should be taken to restore the health of the federal government and make it "more collective" and more efficient? The American researcher asks this question and suggests several remedies. Firstly, he calls for the restoration of the balance between the executive and legislative branches in the general regulation of internal processes. In this respect, he does not lose his optimism: "The growth of the presidency during the period from Roosevelt to Nixon does not in any way signify that the war between the executive and legislative branches has been won by the executive branch. Under the surface, Congress and, in particular, the heads of congressional committees have retained powerful channels of influence over federal officials, who still depend on the Capitol for their finances" (p 145). Secondly, Congress must regain the positions it has lost. It must make

complete use of its prerogative to sanction decisions proposed by the President. Finally, Congress, and not the President, should be more actively involved in the compilation of the federal budget.

Hess thinks that the functions of the President should be limited. This is the only way to restore a healthy balance in the relations between the executive and legislative branches.

The author sees the assignment of a more important role to the institution of the vice-presidency as one of the ways of limiting the authority of the President and the power of his staff. S. Hess says that the number of Americans supporting this idea is constantly growing, and proposals are being made in regard to the election of not one vice-president, but two or even more.

The changes that have taken place in recent years--the growing importance of the primary elections, the partial federal financing of candidates' campaigns and the growing significance of the mass media in campaigns--have weakened, in Hess' opinion, the influence of lobbyists on the President's choice of cabinet heads. All of this, he feels, should give the President more opportunity to choose "independent-thinking" federal agency officials, which would stop the concentration of power in the White House.

It is the Cabinet, and not a group of faithful men in the White House, that should assist the President in the implementation of his policy. This is the basic tenet of Hess' plan for federal management.

Still, even when we consider the possibility of internal changes, the question of whether the Cabinet can achieve collective leadership remains unanswered. "American history gives us little cause for optimism in regard to the possibility of collective work by the Cabinet," writes the author (p 206). The powers given to a single individual for 4 years are too great and the obstacles to individual decision making are limited. The President himself decides whether he should turn to his Cabinet for advice and assistance. Here the American political scientist reveals the most vulnerable aspect of his theory of the presidency and his remedies for its ills. Hess returns to the vicious circle from which he tried to escape: The President's willingness to share his own power with "independent-thinking" federal officials will depend exclusively on his personality. All of S. Hess' recommendations essentially represent appeals for the wiser use of power, appeals for restraint and self-control. On the whole, the author is a prisoner of his own ideas about the American federal structure and his belief that it is sufficiently exemplary. The "restoration of a balance of authority" must be achieved through voluntary self-limitation, and this, as the American historical experience proves, is a hopeless cause. The American political scientist cannot suggest anything that is sufficiently constructive: Everything depends completely on the personality of the President, his talent for leadership and his style of leadership.

S. Hess' work, which was published in 1976 on the eve of the presidential election, naturally does not discuss the changes made by President J. Carter, who represented himself during his campaign as a zealous advocate of reduction in the federal staff and the regulation of its activities. Certain steps in this direction have already been taken by the new administration. No matter how far the new administration's zeal for reorganization goes, however, it is not aimed at a change in the existing balance of power between the executive and legislative branches in the United States.

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ETHNOLOGICAL AND HISTORICAL ANALYSIS OF THE RISE OF A NATION

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 10, Oct 77
pp 94-95

[Review by I. A. Belyavskaya of the book "Immigrantskoye naseleniye SShA. 1885-1900 gg." (The Immigrant Population of the United States, 1865-1900) by Sh. A. Bogina, Leningrad, Nauka, 1976, 273 pages]

[Text] The monograph being reviewed is a sequel to Sh. A. Bogina's work on immigration in the United States in the mid-19th century. When she began her study of immigration in this new historical era, Sh. A. Bogina set herself the goal of "learning the significance of immigration for the development of the American nationality during the last third of the 19th century, that is, during the period separating the end of the Civil War from the beginning of the period of American imperialism" (p 6). It must be said that Sh. A. Bogina's study has gone beyond the limits of this modest goal.

The reader of the work gradually comes to see the vast panorama of the economic, social and spiritual life of the United States during the complex period of monopolistic capitalism's maturation in this nation. The author has been able to combine the ethnological and historical lines of her analysis and, in her digressions from ethnic problems and interethnic relations, to not only explain the development of the American nationality--which is, in itself, quite important--but also to cogently show how historical conditions affected this development, how the speed of immigrant assimilation depended on certain complex and contradictory factors and how the development of the national consciousness and the nationality as a whole was closely interconnected with the general historical process. The book is structured according to the chronological thematic principle, and this is justified both by the specific features of the research topic and by the nature of the material. The three main chapters examine the largest and most typical immigrant groups of that time: Germans, Italians and Scandinavians, which is the term commonly used to describe immigrants from Norway, Sweden and Denmark. Another chapter discusses some groups with quite distinctive features: immigrants from Great Britain and Ireland, French-speaking immigrants from Canada and, finally, the particularly discriminated against group of Chinese immigrants.

In the final chapter on interethnic relations, the author leads the reader to the sound conclusion that there have been two tendencies in the development of the American nationality: the integration of the total ethnic category and the ethnocentrism of the group (p 234). She correctly stresses the fact that the first of these was the major and decisive tendency. The author's analysis of the process of assimilation and relations between immigrant groups is extremely interesting and profound. Our only regret is that the book says little about the relations between immigrants of European origin and the blacks, the most discriminated against segment of the U.S. population. This issue was an important one in the period examined by the author and it deserves consideration. The chapter on historical literature is of great interest. It consists of several sections, in which many works by bourgeois historians who have analyzed or touched upon the problem of immigration from the end of the 19th century to the present day are subjected to critical analysis. One of the merits of this chapter is the connection established by the author between the origination of certain concepts in historiography (for example, restrictionism or pluralism) and the socio-political situation in the nation, which gives the study indisputable topical importance.

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BOMBER FORCE IN U.S. STRATEGIC PLANS

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pp 95-97

[Review by G. N. Nesterenko of the book "Modernizing the Strategic Bomber Force. Why and How" by Alton H. Quanbeck and Archie L. Wood, Washington, The Brookings Institution, 1976, XI plus 116 pages]

[Text] The oldest component of the trio of U.S. strategic forces is bomber aviation. It was extensively developed as early as World War II, and in 1947 the Strategic Air Command (SAC) was established. By the end of the 1950's, the SAC also had jurisdiction over the two other components of the trio--land-based intercontinental ballistic missiles and submarine-based ballistic missiles.

The U.S. strategic bomber force is now equipped with several types of aircraft. The main one, the B-52 heavy strategic bomber, was developed in the mid-1950's and, according to representatives of the U.S. military-industrial complex, "should have been replaced long ago." The replacement of the B-52, however, has remained a moot point for many reasons.

Military-political circles and the public in the United States have paid more attention to this problem in recent years in connection with the fact that the development of the new supersonic B-1 strategic bomber, which is supposed to replace the B-52, was completed some time ago, but the administration has refrained from making any final decision in regard to the series-production of the B-1. Incidentally, one of President J. Carter's campaign promises was that his administration would make this kind of decision and prohibit the production of the B-1.

Special studies were conducted in 1975 and 1976 in search of a solution. Several works were published about the B-1 and other alternative ways of modernizing strategic aviation. "Modernizing the Strategic Bomber Force. Why and How," a Brookings Institution monograph, occupies a special place among these publications.

The authors, Alton Quanbeck and Archie Wood, are prominent experts in the analysis of military affairs who worked in the Office of Program Analysis and Evaluation of the U.S. Department of Defense (formerly the Office of Systems Analysis) and have been the chief research associates of the Brookings Institution defense analysis group since 1971. A. Quanbeck supervises this group.

A foreword to the monograph, written by K. Gordon, president of the Brookings Institution, points out the fact that the United States has developed the largest strategic bomber force in the world, current expenditures on which now amount to around 6 billion dollars a year, or approximately 35 percent of all U.S. expenditures on the maintenance of strategic forces.

When the defense budget for the 1977 fiscal year was being drawn up, long and fierce debates took place in Congress over whether the United States should produce the B-1 bomber. Many congressmen and senators required preliminary information on "whether the data of this aircraft actually justify its enormous cost" (more than 100 million dollars each, and the Department of Defense proposed to order 244 B-1 aircraft in all--a sum of 22-24 billion dollars even without the inclusion of expenditures on their equipping and maintenance) and a final decision on "whether the production and purchase of the new strategic bomber would actually correspond to U.S. national interests."

The debates over the B-1 raised many questions about the U.S. strategic bomber force as a whole. Some critics of the B-1 program even expressed the view that, in general, "bombers are an anachronism in the missile age." For this reason, the authors of this study have the goal of investigating and substantiating the major aspects of U.S. strategic aviation and the most reliable alternative ways of developing this force.

The introductory chapter presents a brief historical account of the development of U.S. strategic aviation from the development of nuclear weapons in 1945 to the present day. During the years after World War II, bombers were the only means for the delivery of nuclear bombs, but even now the authors feel, "strategic bombers and strategic bombing continue to play a main role in current American military doctrine" (p 1).

In a chapter entitled "Is the Strategic Bomber Force Necessary?" the authors conclude that this kind of aviation is necessary. In assessing its role in various military and political situations, they state: "U.S. strategic aviation fulfills a dual purpose--military and political" (p 4). Great significance is attached to strategic aviation at times of political crisis. Here the authors emphasize the fact that strategic bombers can be transferred to a state of heightened combat readiness, including combat air alert, which makes them much less vulnerable. The authors also consider the "advantages" of using bombers in "limited nuclear warfare."

The chapter entitled "The Present Course" discusses the present status of U.S. strategic aviation and the plans for its development during the next decade. The authors feel that until 1985 this aviation will probably use 255 B-52 heavy bombers and 66 supersonic FB-111 medium bombers and may use 150 B-1 bombers. The number of missiles of the SREM air-to-surface class at the service of U.S. aviation will probably be increased from 1,140 to 2,940 during the 10 years. These will be supplemented by 1,080 winged missiles, also for strategic use. Total expenditures on U.S. strategic aviation, according to the data of this study, will exceed 8-10 billion dollars a year in the early 1980's.

The authors of the monograph are opposed to the B-1 program, but they insist on the need to equip strategic aviation with winged missiles. In their view, it would be much less expensive and more efficient to develop special winged missile carriers on the basis of existing heavy transport planes like the C-5A, the Boeing-747 and others. Quanbeck and Wood summarized the results of a comparative analysis of the cost and efficiency indicators of five alternative future systems of U.S. bomber aviation: 1) 255 B-52 aircraft, modernized and equipped with winged missiles; 2) 200 B-1 aircraft; 3) 80 subsonic winged missile carriers; 4) 100 high-speed winged missile carriers; 5) 120 special winged missile carriers equipped with assisted takeoff units.

According to the results of this analysis, preference is given to the third variant--the replacement of the B-52 not with the supersonic B-1 but with specially adapted heavy transport aircraft which might easily be turned into "flying launching platforms" for the launching of long-distance (up to 3,000 kilometers) winged missiles and which will therefore not require supersonic flight speed or equipment for the penetration of antiaircraft defense systems. Besides this, according to the authors, the program for modernizing and maintaining the combat readiness of strategic aviation for the next 10 years will be "cheaper" in this case. A weapons system using 80 aircraft of the Boeing-747 type with winged missiles will require expenditures of 55 billion dollars, while the system using 200 B-1 aircraft will cost more than 71 billion dollars.¹

The Brookings Institution study had considerable repercussions in the United States. It aided in holding up allocations for the construction of the first B-1 airplane in 1977.

The heads of the U.S. Air Force were quite irritated by this delay. AIR FORCE MAGAZINE, the magazine of the U.S. Air Force (No 4, 1976) gave a negative review to the results of the Brookings Institution study.

After more than a decade of debates, President J. Carter finally made a decision in July 1977 on the cancellation of new allocations in the amount of 1.4 billion dollars for the construction of the first B-1 planes. By

1. According to the data of other studies, expenditures on the B-1 program could exceed 90 billion dollars.

this time, the total sums spent on this program had exceeded 3 billion dollars--an irrevocable loss for the American taxpayers.

The results of the study and the practical steps taken by the present American Administration (with which, incidentally, the Brookings Institution has extremely close ties) attest to the fact that the decision to prohibit the series-production of the B-1 bombers for the present has been motivated by economic considerations as well as military and political factors. Emphasis has now obviously been shifted in favor of the "cheaper and more efficient" system of strategic winged missiles and their means of delivery, which signifies the possibility of a new stage in the arms race in the United States.

The authors' discussion, mentioned above, of the "advantages" of using the strategic bomber force in cases of "limited nuclear warfare" is also disturbing. This kind of discussion attests to the fact that the possibility of this kind of warfare is still being talked about in certain influential circles in the United States, even though many authoritative specialists in the world and in the United States itself constantly point out the fact that any change in nuclear weapons can lead to "full-scale" nuclear catastrophe.

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BOSS RICHARD J. DALEY OF CHICAGO

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 10, Oct 77
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[First part of Russian translation of the book "Boss Richard J. Daley of Chicago" by Mike Royko, New York, E. P. Dutton and Co., Inc., 1971]

[Not translated by JPRS]

CSO: 1803

NEW TRENDS IN FEDERAL PROGRAM MANAGEMENT

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 10, Oct 77
pp 108-116

[Article by L. I. Yevenko and A. A. Voronkov]

[Text] During the present stage in the improvement of the system for the management of national production, great significance is being attached to the special-program approach.

A certain amount of experience in the management of large-scale programs has been accumulated by the Federal Government of the United States. The 1970's have graphically demonstrated the inability of the system of state-monopolistic regulation to cope with the pressing problems of contemporary America. The economic crises, rising inflation, constant employment running into the millions, the growing intensity of fuel and energy problems and environmental pollution are becoming the objects of active but frequently unsuccessful economic intervention by the capitalist government.

The government has direct control over large-scale military and technical programs, making extensive use of the latest systems, methods and means of management. Under the pressure exerted by the working masses, the federal government has had to spend a certain part of its budget on the resolution of urgent social problems as well, since, as the new program of the Communist Party of the United States of America points out, "the shortage of funds for social security and municipal services is becoming increasingly acute."¹

All of this is the cause of the large scales of federal programming in the United States, during the process of which an intensive search is made for ways and methods of managing special programs. An examination of new trends, just as an analysis of the causes of failures and misfortunes in this area, can be instructive.

Federal Programs

Federal programs exist in virtually all spheres in the United States--from space exploration to the development of new weapons of mass destruction, from housing construction to foreign trade, from the fight against drug abuse to the stimulation of economic development in individual regions of

the nation. According to the catalog of federal programs for the 1977 fiscal year, the civic sphere alone has 1,044 programs controlled by 52 federal agencies.² As Senator W. Proxmire remarked, "the fact that government programs (on all levels) have a significant effect on many aspects of contemporary political, social and economic life does not come as a surprise."³ People have already become accustomed to these programs and regard them as one particular way of distributing and utilizing federal funds.

The expansion of the sphere of application of these programs is attested to by the following data. While federal expenditures on civic programs accounted for less than 1 percent of the American gross national product in 1920 and 5 percent during the first postwar years, by the end of the 1960's the figure had risen to 10 percent, and during the 1976 fiscal year it reached 17.2 percent of the GNP, which amounted to 276.5 billion dollars.⁴ According to official American estimates, however, all programs on the federal, state and local levels now account for around 34 percent of the American gross national product (in comparison to 18 percent 30 years ago).⁵

It must be emphasized that the very nature of the government programs in the United States varies substantially. There are subsidy programs, in accordance with which federal funds are allocated for the undertakings of the private sector, local authorities, universities and so forth. These undertakings (for example, road construction, the creation of new jobs or the organization of scientific research) are only under the direct control of the federal government in the most general sense. There are also programs of the "rigid" type, however, for the development and production of arms systems, construction projects of particular importance and so forth, which are actually managed directly by government agencies even in those cases when they are carried out mainly by private firms.

In American scientific literature, the programs are defined as large-scale groups of measures aimed at clearly specified final goals; they cover a long period of time and are of an interdepartmental nature.⁶ In practice, this type of program, which requires the establishment of special complex management systems, includes a relatively small number of defense, space, construction projects and other federal government projects.

In the daily activity of federal agencies, however, the term "program" is given a much broader interpretation; it is extremely vague and essentially can be applied to any form of government undertaking for which the allocation of funds is specified in the federal budget. Special-program methods may or may not be used in the management of these programs.

As the initiator of one of the latest bills on the management of federal programs, Senator E. Muskie, stated, despite the importance of the program concept, "no attempt has been made to define the term 'program' because of the difficulties involved in this."⁷ This fear of excessive "theorizing" and the inclusion of "systemic" terms in government documents is largely a reaction to the unsuccessful attempts at the universal application of the systemic approach to program management in the 1960's.⁸

At present, the federal government is using an approach based on the classification of programs in terms of their functional purpose, in which each "program" must have a clearly formulated final result that satisfies specific "national needs," it must be of a long-term nature, it must cost no less than 2 percent of the total annual federal budget and it must not depend on departmental jurisdiction.⁹

These official instructions and statements, however, are only the external side of the process by which federal programs are established and implemented. As V. Perlo, renowned American Marxist researcher, points out: "In practice, the system of state regulation of the economy is completely subordinate to financial capital, the activities of which are only indirectly affected by the potential resistance of workers and other oppressed population groups."¹⁰

The development and implementation of programs represents a complex political process of interaction and conflict by various forces, primarily the U.S. Congress, agencies of the executive branch, the official "recipients of the program" (for example, urbanites, the unemployed, farmers, etc.),¹¹ and monopolies and other organizations which produce goods and render services with federal funds and, because of this, become "interest groups."

All of these forces (or "pressure groups"), according to American political scientists, are allegedly fully represented by elected officials, federal government agencies, lobbyists and so forth. It is obvious, however, that the underprivileged population groups, the "beneficiaries" of the social programs, have much less opportunity to influence the decisions made on these programs than the monopolistic and political groups of the grand bourgeoisie, the interests of which are frequently closely interconnected. As a result, the U.S. Government "is not capable of resolving the conflict between formal democracy and established practices, which are removing the general public further and further away from any kind of participation in the making of vitally important decisions affecting their future."¹² The first measures taken by the new Carter Administration in regard to such problems as the need to stimulate the creation of new jobs, raise the minimum wage and change the labor laws led to a conflict with the American labor unions. At the same time, the monopolies were immediately granted tax privileges under the guise of "economic recovery."

A constant political struggle is being fought over the federal programs, the principles governing their development, their systems of management, organizational forms and so forth; this struggle is accompanied by attempts to make use of scientific achievements and management practices in the interests of the bourgeois government.

The System of Federal Program Management

When we examine the system of federal program management as a whole, we should note the frequent change in theories and in specific operational modes during the last 5 years. This is closely connected with the restructuring of the budgeting process in the United States, the reorganization of government machinery and the use of modern management methods and technical means of control.

One of the most significant steps in this process was the official cancellation of the "Planning-Programming-Budgeting System" (PPBS) in U.S. civilian agencies in the 1973 fiscal year. Over a decade, this system had come to be regarded as an "administrative fetish" of the 1960's. The PPBS, which reached its height during the Johnson Administration, was the most consistent attempt at the organizational and administrative subordination of all federal programs to nationwide goals and the centralization of program decision-making on the basis of their regular analysis.¹³ The stage of "program budgeting" in the 1960's succeeded the stage of the "executive budget," the characteristic feature of which was the administrative orientation of the budget, connected with the allocation of resources for specific projects and the evaluation of their impact. This latter stage was preceded by the era of the theory of "financial control," which consisted primarily in the structuring of the budget by individual federal agencies and expenditure items. Its heyday covered the period from the beginning of the 1920's to the mid-1930's.

The departure from the principles of the PPBS in the U.S. Federal Government represented a conservative trend arising from an entire complex of political, economic, organizational, scientific and technical factors which reflected both the deep-seated defects of the capitalist economic system and the difficulties that are generally inherent in the introduction of a new approach to the actual practice of government control.

The antagonism and instability of the American political system contribute a great deal to the rejection of many administrative innovations. We must also remember that each new president (or governor or mayor) prefers to propose his own program for the reorganization of government machinery, frequently rejecting the steps made by his predecessor for no substantial reason. As A. Schick, prominent American expert on program management, sarcastically remarked: "It would be amazing if a paper tiger like the PPBS were able to shatter the reinforced positions defended by the armies of interest groups patrolling the arena of budget operations."¹⁴

On the whole, however, the PPBS, despite its formal cancellation, had a strong influence on the administrative measures of the 1970's.

In the first place, even after the formal program structure established by the U.S. President had been formally canceled, the "program approach" to the implementation of government measures retained its importance. The Planning-Programming-Budgeting System, with the appropriate modifications, is presently being successfully used by the Department of Defense. In the civilian departments and agencies, the program orientation of measures, the estimation of their consequences, the analysis of alternatives and so forth have become a common practice in intradepartmental activity.

Comprehensive systems of program budgeting are still being used in many states (Pennsylvania, California, Wisconsin, Michigan and others). In accordance with a procedure that has already been in effect for almost a

decade, the budget of the state of Pennsylvania for the 1978 fiscal year will be structured with a breakdown of program categories and subcategories, combining to make up the "program plans of agencies" and the "program plans of the state," and will also include such documents as "a guide to policy in the area of programs," "requests for program modification" and "budget requests for program resources," each of which will be required to contain a section on "program analysis."

In the second place, staffs of experts on program analysis and evaluation with a knowledge of the latest administrative methods took shape during the heyday of the PPBS and the majority of these are still employed by agencies of the federal government. During the second half of the 1960's alone, more than 800 highly professional specialists in program analysis and evaluation entered the civilian executive agencies of the federal government, and during the 1970's, powerful analytical services were established in the Office of the Budget of Congress and the General Accounting Office (GAO), serving the legislative branch of the United States.

While major emphasis in the 1960's was placed on the use of quantitative methods and "systems analysis," broader methods of research have been developed in the 1970's, particularly "program analysis," which combines the work of experts with the use of mathematical models, and "policy analysis," in which the chief concern is the comprehensive analysis and evaluation of the general (political, legislative, economic and others) conditions for the implementation of programs. On the whole, however, as E. Quade, one of the founders of systems analysis, attests, the methods themselves have not undergone serious changes even though the content of problems has changed perceptibly.¹⁵

The use of modern methods of modeling and analysis in the agencies of the U.S. Federal Government is slowly but surely taking hold. By 1974, 650 mathematical models of socioeconomic processes with a total cost of around 100 million dollars were being used to one degree or another by 11 departments and 50 federal agencies; half of these were developed after 1969.¹⁶

In the third place, the lack of success with program management in the 1960's graphically demonstrated the importance of taking into account all of the organizational, political and sociopsychological aspects that have been ignored during previous stages. Concentrating on planned analytical procedures and systemic methods of budgeting, the founders of the PPBS limited themselves to merely reinforcing the functions of the Office of Management and Budget (OMB), which is essentially only a part of the Executive Office of the President and does not have any direct authority over the heads of federal departments and agencies.

This is precisely why the American experience of the 1970's has been connected with persistent but almost totally unsuccessful attempts to solve the organizational problems of federal program management. During the Nixon Administration, the staff of the Executive Office of the President

grew dramatically, chiefly as a result of the establishment of new agencies concentrating on a specific problem (although the size of this staff was again reduced by almost one-fourth in 1973-1974). Nixon's reorganization plan of 1973 proposed the concentration of the activities of civilian federal government agencies around four classes of global program goals in the area of economics, human resources, natural resources and local development through the establishment of "superdepartments" and the precise delineation of the functions of individual agencies and other subdivisions. This idea is still regarded as an extremely wise one by experts on management in U.S. Government circles, but it was never implemented for many reasons, most of which were political.

The most important trends in federal program management during the first half of the 1970's has been the following: the development and spread of systems (or, more precisely, theories) of management by objectives (MBO); much greater concern for comprehensive program evaluation; the creation of operational potential for experts on program analysis and evaluation in the legislative branch of the United States.

The official introduction of the MBO system in April 1973 was connected with greater emphasis on organizational and administrative matters in the development and implementation of federal programs; primary consideration has formerly been given to the distribution of budget funds among programs.

The MBO system, which has spread to 11 departments and 10 "independent" agencies of the federal government, is based on the idea of special-purpose management and contains elements of previously conducted experiments in the departments of commerce, agriculture, health, education and welfare and others. It consists of the following elements: the specific program goals of each department for the next year or year and a half, expressed in quantitative terms if possible; the operational plans worked out for the attainment of these goals within the limits of the specified cycle; individual responsibility for the attainment of these goals on all levels; systematic analysis and evaluation of ongoing work with the aid of management conferences. As we have already mentioned, the system does not envisage any kind of governmentwide procedure of program management; each agency has the right to use its own approach to the compilation of program documents and to the organization of the procedures for their development and execution. The theory and procedures of the MBO system will not be combined with the compilation of the federal budget until sometime in the future.

On the whole, the MBO system, which has been aptly called an "administrative whim" of the 1970's, represents an obvious departure from earlier attempts to apply the systemic approach to program management. It concentrates on only one element of program methodology, namely the precise formulation of operational goals. In place of the interdepartmental examination of programs, this system proposes stronger goal-orientation in the activities of individual departments and agencies; it places emphasis on day-to-day program management rather on the analysis of development prospects; the key indicators used are not so much criteria for the evaluation of program goal realization as units for the direct measurement of the operations and functions performed, so that program management can be connected to a greater

extent with the daily operations of federal agencies. Some authors regard this as a significant departure from the principles of "program budgeting" and a return to the "executive budget."

At the same time, the MBO system takes the organizational factors of program management into account more fully, precisely relegates responsibility for the execution of various measures and considerably decentralizes the functions involved in the implementation of programs through the stimulation of goal-oriented action by the administrators and subdivisions of government agencies.

In some cases, the use of the MBO system has led to the much more efficient use of federal funds.¹⁷ Even this system, however, as should have been expected, has not made any fundamental changes in the management of U.S. federal programs. The new Carter Administration is experimenting with other ideas on management, although these are compatible with the MBO system.

The growing scales of program evaluation operations have resulted from a complex of administrative, political and socioeconomic causes. As early as 1946, one of the legislative acts of the United States required all congressional committees to conduct "constant supervision" of the programs within their jurisdiction. For a long time, however, program evaluation remained essentially a "blank space in government management"¹⁸ and did not begin to develop rapidly until the 1970's.

While the amounts spent by the federal government on the evaluation of civilian programs during the 1969 fiscal year was only 20 million dollars, in 1975 these expenditures amounted to no less than 200 million.¹⁹ For the 1977 fiscal year, a sum of 68 million dollars was allocated for this purpose just by the General Accounting Office of the United States (45 percent of its budget).

The term "program evaluation" is interpreted in different ways in the agencies of the federal government and the academic community of the United States. These interpretations range from the simple accumulation of information on the course of program implementation to the compilation of special studies to measure all of the actual results of this implementation.

"Program evaluation," as a method and, simultaneously, a mechanism revealing the results and current status of programs, differs from the "program analysis" of new programs and from traditional financial control over the expenditure of government funds on program implementation. In its most developed form, it proposes the use of statistical methods, econometrics, operational research, systems analysis and other methods, all combined on an interdisciplinary basis.

This transfer of emphasis from the analytical substantiation of programs to day-to-day evaluation and control over their implementation arose from the desire to supplement the program management mechanism with an important new element. The Office of Management and Budget published a special instruction, requiring that each program with a cost of over 2 billion dollars envisaged special procedures and methods for the collection of data on the implementation of program measures. An average of 0.5-1.0 percent of program allocations is to be spent for this purpose and the figure can rise to 5 percent in the case of some experimental programs. In the case of programs with a cost of from 100 million to 2 billion dollars, the expediency of setting up this kind of system of data collection is assessed by the OMB, and in the case of programs with total financing of less than 100 million dollars, the decision is made by the agency carrying out the program.

But the growing scales of program evaluation at the beginning of the 1970's were closely connected with the political course of the Republican Administration toward the curtailment of federal programs in the social sphere. "Program evaluation" turned out to be a convenient method for "scientifically" establishing the "low effectiveness" of expenditures on social needs and for curtailing them on this basis.

From August 1974 through September 1976, President Ford vetoed 56 bills envisaging the allocation of federal funds for programs in the areas of job placement, public health, education and social security.

As many American experts have pointed out, even when costly special studies are being conducted, program evaluation is still regarded more as a means of additional support in the political struggle over ongoing and new programs than as an objective instrument for the determination of their effect. Proceeding from this premise, O. Poland, program management theoretician, says that program evaluation "does not have a good future in a world which gives high priority to other values than efficiency and productivity."²⁰

Nonetheless, the tendency toward the augmentation of the role played by program evaluation is quite constant. Proof of this can be found in the passage of the bill on economy in government and expenditure reform and the propagandization of the theory of the "zero-based budget." Both will require regular operations of great scope for the evaluation of programs in federal government agencies. But the executive agencies of the U.S. Federal Government still do not have adequate expert potential in this area or the necessary procedural means.

Until recently, the U.S. Congress had no analytical services. The inability to guarantee the analysis and evaluation of programs for which funds were being requested was regarded as one of the causes of Congress' fierce opposition to the PPBS in the 1960's. The situation changed somewhat after the passage of the 1974 act on budget control and the impounding of funds.

In accordance with this law, the procedure for the compilation of the U.S. budget was precisely delineated and the Office of the Budget of Congress was established to provide congressional committees with financial and analytical information. This office of around 200 persons is frequently called the most powerful and competent agency for the study of programs on the federal level. In the early 1960's this role was played by the systems analysis agency of the Department of Defense in R. McNamara's time, and in the beginning of the 1970's the work was done by a staff of analysts from the Bureau of the Budget (now the OMB).

Prospects for Administrative Changes

The assumption of power by a Democratic Party administration as a result of the presidential election of 1976 was marked by loudly publicized promises to "increase the efficiency of federal management," "do away with bureaucratic confusion in Washington" and so forth.

The key aspects of J. Carter's administrative plans consist, judging by all appearances, of the principle of the zero-based budget (ZBB) and his intention to substantially reorganize the federal government's system of executive agencies.

The theory of the zero-based budget is not entirely new. When J. Carter was the governor of the State of Georgia, he introduced the practice of "zero-based budgeting" under the influence of the ideas of P. Pirr, his administrative counsel, who developed this kind of procedure for two divisions of the Texas Instrument Corporation in 1970.

According to the ZBB procedure, each federal program must be reexamined annually ("from zero"); its administrator prepares a so-called "decision package" for the decisions (decision units) he must make. This package must set priorities, evaluate expenditures, final results and consequences, and contain alternative ways of reaching these goals through various levels of funding, including the reduction or even the complete curtailment of funds.

The head of the agency then prepares his own "decision package," combining all of the information he has on the program under his control and listing them in order of priority. After this, the president of the nation (or the governor of the state) examines the variant allocations for the programs and makes a decision on whether they should be commenced, continued or expanded on the basis of the fixed sum of budget funds.

The use of this procedure in Georgia eliminated the duplication of program measures, reducing their number from 11,000 to 2,000 by means of expansion and combination; in addition to this, although government expenditures were not reduced, this procedure put an end to the augmentation of allocations for most programs, which had previously occurred almost automatically each year: when funds were being allocated for the current year, a percentage increase was always added to the actual expenditures of the preceding year.

The instructions on the ZBB system that were recently drawn up by the Office of Management and Budget indicate that this procedure is an attempt to combine the precise formulation of program goals with the extensive participation of managers on all levels in the elaboration and examination of alternative courses of action, as well as with strict economy in the use of allocations.²¹ This is giving rise to a new system aimed at "management by objectives" (MBO).

During the election campaign, zero-based budgeting was publicized far and wide as a powerful instrument for the reduction of unwise federal expenditures and for a fight against bureaucratism, but a definitely more sober approach was taken to the assessment of this system after the new administration had taken office.

There are several reasons for this. In the first place, the introduction of the ZBB as a governmentwide system will require an enormous amount of "paper work," hundreds of times more voluminous than the analytical work performed in the State of Georgia. For example, the experimental introduction of the ZBB in the U.S. Department of the Navy led to a situation in which the text of the budget submitted to Congress took up 2,000 pages instead of 150. This huge mass of information requires a tremendous amount of work and is not always necessary for the actual making of decisions on the budget.

In the second place, the ZBB will require further expansion of the function of "program evaluation," but experience has shown that the agencies concerned do not have sufficient procedural, informational and personnel potential for this as yet. Consequently, conditions are established for stronger objectivism in program evaluation, which is already prevalent in the U.S. Federal Government.

In the third place, the new attempt to reduce the procedure of program evaluation and approval to nothing more than a formal analytical process will probably encounter serious resistance from "interest groups," departments and agencies, which will not tolerate stronger centralized control over their activity by the Office of Management and Budget.

In the fourth place, the annual review of allocations would require considerable changes in the legislative mechanism of the United States, since in four out of five cases the funds for the implementation of programs are allocated in accordance with earlier laws (in the 1977 fiscal year, allocations "automatically" carried over from one fiscal year to another and spent without a follow-up by Congress accounted for 77 percent of the total federal budget, in comparison to 59 percent a decade earlier).²²

For all of these reasons, even President Carter's closest associates have refrained as yet from making overly optimistic predictions about the efficacy of the new system.

The issue of the reorganization of federal agencies has traditionally occupied an important place in the policy of American state-monopolistic capitalism for more than 4 decades now due to the fact that the constant increase in government intervention in the economic affairs and social life of the nation has caused the federal bureaucracy to grow into an extremely awkward and poorly systematized conglomerate of departments, "independent" agencies, councils, committees, commissions, offices, bureaus and so forth. It is overloaded on the presidential level, the president has jurisdiction over an excessive number of agencies, functions are duplicated and inter-departmental coordination is weak.

At present, 12 departments and around 50 government agencies are directly on the president's level. In all, there are 1,900 separate subdivisions in the federal sphere, including 1,400 advisory committees and around 500 agencies (most of which are part of a larger department).

According to Library of Congress data, 329 new federal subdivisions were established and 126 were dissolved during the 1960-1974 period alone. In 1974, 85 agencies of varying size were established.²³

In 1974, the Advisory Commission on Intergovernmental Relations established that there were more than 4,000 geographic points and regions into which the nation was divided for the implementation of 24 unrelated federal programs being carried out by 11 departments.

There have been two basic trends in the recent reorganization of U.S. Government machinery: 1) the creation of new agencies for the performance of certain new functions, like the Environmental Protection Agency established in 1970; 2) a search for efficient ways of redistributing existing functions and the establishment of coordinative and other organizational-procedural mechanisms as part of existing agencies.

The reorganization plans of the present Democratic Administration are based on a combination of both approaches. When J. Carter was the governor of Georgia in 1971-1975, he was able to reduce the number of state government agencies from 300 to 22 by dramatically enlarging them on the basis of the similarity of their functions, eliminating duplicate operations and simplifying the organizational structure. In doing this, J. Carter took some of his ideas from R. Nixon's reorganization plans, which had remained on paper, and created a department of natural resources, a department of human resources and other similar departments in the State of Georgia; in other words, he accomplished exactly that which R. Ash's committee hoped to do on the federal level.

A study of the general trends in the present stage of the reorganization of federal agencies indicates that it will be carried out in three basic areas. The first of these will involve consolidating the activities of federal agencies performing identical functions; as one measure of this type, a new Department of Energy (headed by J. Schlesinger, the President's former

adviser on energy problems) was hastily created in July 1977 by combining several existing agencies. When this model of functional consolidation is applied to the entire federal machine, it will, according to J. Carter, reduce the number of federal agencies from 1,900 to approximately 200.

The second area is the internal restructuring of existing agencies: the elimination of unnecessary links, the combination of subdivisions and the reduction of administrative expenditures (the latter is the underlying motive for the reorganization of the federal agencies). A great effort will also be made to increase the qualifications of personnel.

Finally, the third area envisages the redistribution of programs and functions among existing agencies, the simplification of the coordinative interdepartmental machinery of program management and the introduction of greater efficiency into the distribution of federal funds and the compilation of the budget; in other words, there will be an obvious return to the systemic approach in this field (evidently, the systems relied upon will be of the ZBB or MBO type--with emphasis on management and control--and not the PPBS with its emphasis on planning).

In April 1977, J. Carter was granted reorganization powers that were virtually identical to the powers of the presidents of 1949-1973, even though many advocates of reorganization demanded the expansion of the President's reorganization powers. The new law only permits the President to redistribute functions among federal agencies and to create new agencies, but not to establish new departments or change their names.

These powers were first implemented in July 1977 for the reorganization of the White House staff, as a result of which the number of administrative subdivisions was reduced from 19 to 10 and the size of the staff was reduced from 1,712 to around 1,440. But the widely advertised plans for a sharp reduction in the number of federal agencies will not be that simple to realize. As J. Lynn, former director of the OMB, pointed out, for example, "no attempt should be made to concentrate all views on the most important issues in a single agency; the truly important political problems of the day will require the coordinated activity of several agencies."²⁴ Reorganization in the federal sphere will certainly encounter strong political resistance, since the structure of the congressional committees, the distribution of authority in them and the system of lobbies in the legislative and executive branches have been designed for the present structure of the executive agencies and any change in the latter could change the balance of political influence.

President J. Carter announced the existence of a 3-year program for the "complete reconstruction of the executive branch," but many believe that "dramatic reorganization" will not take place within the next 4 years and only isolated bills and measures can be expected in this sphere. The need for the restructuring of the system of federal program management in the United States, however, is more acute than ever before and this is one of the signs of the crisis in state-monopolistic regulation.

FOOTNOTES

1. "The New Program of the American Communist Party," SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, No 12, 1970, p 69.
2. "1977 Catalog of Federal Domestic Assistance," Wash., 1977.
3. H. Hovey, "The Planning-Programming-Budgeting Approach to Government Decision Making," N. Y., 1970, p V.
4. "The Budget of the United States Government, F Y 1978," Wash., 1977, p 73.
5. Ibid., p M-3.
6. R. L. Akoff, "Planirovaniye v bol'shikh ekonomicheskikh sistemakh" [Planning in Large Economic Systems], Moscow, 1972, p 59; A. Steiss, "Public Budgeting and Management," Lexington (Mass.), 1974, p 157; and others.
7. "Government Economy and Spending Reform Act of 1976," Hearings Before the Subcommittee on Intergovernmental Relations of the Committee on Government Operations, U.S. Senate, Wash., 1976, p 26.
8. At that time, there were governmentwide guides defining the essential features of programs and the principles of the program structure (see "Novoye v teorii i praktike upravleniya proizvodstvom v SShA" [New Developments in the Theory and Practice of Production Management in the United States], Moscow, 1971).
9. "The Budget of the United States Government, F Y 1978," pp 227-228.
10. V. Perlo, "The Unstable Economy" (tr. from English), Moscow, 1975, p 182.
11. These "program recipients" are called "beneficiaries," that is, those who will "benefit" directly from them.
12. "The New Program of the American Communist Party," SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, No 1, 1971, p 90.
13. A detailed description of the PPBS may be found in the book "SShA: sovremennyye metody upravleniya" [The United States: Contemporary Methods of Management], Moscow, 1971.
14. PUBLIC ADMINISTRATION REVIEW, March-April 1973, p 149.
15. E. Quade, "Analysis for Public Decisions," N. Y., 1975, p 4.
16. "Federally Supported Mathematical Models: Survey and Analysis," Wash., June 1974, pp 3-4.

17. The MBO system made it possible in 1974 to reduce energy expenditures on economic needs in the federal government and to attain 98 percent of the objectives set for the military departments. The municipal government of New York was able to reduce its expenditures on the maintenance of its fire department by 20 percent without any change in operational volumes and efficiency.
18. PUBLIC ADMINISTRATION REVIEW, July-August 1974, p 308.
19. NATIONAL JOURNAL, 22 May 1976, p 707.
20. PUBLIC ADMINISTRATION REVIEW, July-August 1974, p 338.
21. "Executive Office of the President. Office of Management and Budget. Bulletin No 77-9," 19 April 1977.
22. "Government Economy and Spending Reform Act of 1976," Report of the Committee on Government Operations, U.S. Senate, Wash., 1976, p 26.
23. Ibid., p 27.
24. NATIONAL JOURNAL, 1 January 1977, p 7.

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UNITED STATES WILDLIFE: PROTECTION OF ENDANGERED SPECIES

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 10, Oct 77
pp 117-127

[Article by Yu. M. Frolov]

[Summary] When the colonists from Europe came to America, they found that the new land was abundant in forests, fertile soil and wildlife. Early colonial chronicles do not concern themselves with the treatment of wildlife by man. This proves that the colonists did not even consider the possibility of the complete extinction of animal species.

The founding of the colonies marked the beginning of the end for the wildlife kingdom. The fur trade, the lumber industry and hunting all took their toll, particularly near the coast where the colonies had been established. The Civil War did even greater damage; both armies fed themselves chiefly by hunting.

After the Lewis and Clark Expedition opened a path to the Northwest, thousands of hunters, gold prospectors and colonists moved in that direction. There were no hunting limits until the middle of the 19th century. Many species began to die out and some became completely extinct. For example, there were around 60 million buffalo in the prairies when the 13 English colonies were founded, but by 1886 there were less than 600 in the entire West. A campaign to promote the protection of nature began at the end of the 19th century. Only time will tell if the endangered species can be saved.

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