



# ECAAR NewsNetwork

The Newsletter of Economists Allied for Arms Reduction

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*“It is time for the nation to set military priorities, cut forces that are no longer relevant, eliminate programs that no longer make sense, and reward innovation, without regard to the budget shares that the services held during the Cold War.”*

— Cindy Williams  
(see page 10)

## Missile Defense: A Deadly Danger

James K. Galbraith

The new film *Thirteen Days* reminds us that the danger of nuclear annihilation does not come, mainly, from irrational adversaries and rogue states. Instead, the main threat stems from the policies and behaviors of those who are entrusted with the world’s largest and most volatile nuclear arsenal – our own.

Since Ronald Reagan announced Star Wars in 1983, *missile defense* has come to dominate the evolution of strategic technologies and strategic thinking. For the leaders of the nuclear establishment, the propaganda value of this has been immense; it has enabled them to escape the stigma of *Dr. Strangelove* and to portray themselves as guardians of the search for security and survival.

The American debate over missile defense has accepted this self-portrayal -- so much so that Donald Rumsfeld now feels able to describe the pursuit of missile defense as a “moral imperative.” Accordingly, the American argument over whether to proceed has come to depend on technical issues. Opponents make the pragmatic argument that decisions to deploy the system should be delayed until it can be proven to work. In taking this position, they concede the principle that a working system would be a good thing.

But in fact, missile defense in all forms except possibly the most short-range are drastically destabilizing, easily defeated, and globally dangerous whether the system works or not. The new administration may be showing realism in shifting emphasis from a national ballistic missile shield to the more limited theater missile defense (TMD). But TMD has its own dangers, and a decision to move TMD now does not, unfortunately, preclude a decision to move ahead with national missile defense (NMD) later.

Put simply, national missile defense is:

1. A diplomatic disaster. Deployment of national missile defense requires abrogation of the 1972 ABM treaty. The administration claims to regard this treaty as a “Cold War relic” but it is the foundation of the

entire structure of strategic arms control. Without the ABM treaty, neither Russia nor China can feel secure in their *second-strike* capabilities, and neither will comfortably adhere to their longstanding restraint in nuclear offensive weapons. Our allies in Europe and elsewhere recognize these dangers, and for this reason they also oppose U.S. NMD.

2. A technological dead end. *As defense*, national missile defense will not work, for the simple reason that it is easily defeated by decoys and by attacks on the “eyes” of the system. The fact that the technology has not matured after forty years of effort is clear

*Continued on page 6*

## NMD: A Surprising Twist Proposed by ‘Some’ Russians

Victor Mizin

The Bush administration’s push for a wider National Missile Defense (NMD) system will without a doubt worsen U.S.-Russian relations. The question is whether this predictable deterioration will lead to serious international tensions a qualitatively new arms race and shifts in international alliances.

Thus far, Russia backed by China and, to some extent by several European countries and Canada strongly opposes NMD deployment in contravention of the Anti-Ballistic Missile (ABM) treaty, which it considers the cornerstone of strategic stability. The basic Moscow arguments run as follows: NMD development will undermine “comprehensive “strategic stability, sap the entire network of international arms control agreements, provoke a new arms race globally and on regional levels and extend an arms race to outer space.

Russian military leaders do not view the “rogue states threat” as actually menacing and consider the proposed U.S. NMD outline plans excessive for countering any emerging missile capabilities in the developing world. They vow that the proposed plan will have a vast extension

*Continued on page 8*

### inside...

Veiled by Public Comment, Emerging Plan Shows Bush Raising DOD Budget .....	2
Military Transformation Requires Planners to Rethink Priorities .....	3
Beyond National Missile Defense, Bush Team Envisions Space Weaponization .....	4
Take a Stand: Question National Missile Defense .....	7
Holding the Line, U. S. Defense Alternatives for the Early 21st Century .....	10
Missile Defense Promotes Interntional Insecurity .....	11
ECAAR Makes Operational Changes .....	11

George W. Bush's initial military policy actions underline the concerns and some of the ambiguity surrounding the statements he made in last year's presidential campaign. During the campaign, he said he would propose adding \$45 billion to the Pentagon's budget over the next 10 years. Almost no one took that figure seriously because it represents an average increase of only \$4.5 billion per year - an annual rate of increase of about 1.5 percent -- and was much lower than the Pentagon and its leading supporters in Congress were demanding. The figure he has now proposed for next year's (Fiscal Year 2002) military budget is \$310.5 billion, an increase of 4.8 percent over what was enacted for FY 2001. The advocates of a more rapid military build-up were upset that the president did not propose a larger budget, although most government agencies would be pleased with a fraction of such largesse. Moreover, the White House has assured the military establishment that more funds will be forthcoming once a review of military policy is completed.

The accompanying chart is taken from Bush's budget proposal, *Blueprint for New Beginnings: A Responsible Budget for America's Priorities*. It shows that the annual growth in the Pentagon's budget has averaged 4.6 percent since 1998. While the amounts have not been adjusted for inflation, the inflation rate has been low and the figures accurately reflect the military budget trend.

#### **Bush Said to be Exercising Restraint**

Bush is being credited with exercising restraint in his military budget proposal. One reason is that he has proposed less, so far, than what the hardliners would like. Another reason flows from the usual confusion surrounding military budget figures. This time, the mix-up has to do with the difference between official projections of future budgets, called current services estimates, and actual budget proposals. The Office of Management and Budget is required each year to make detailed estimates of future government spending, assuming no changes are made to existing laws. In January, while President Clinton was still in office, the White House issued its budget projections for the next fiscal year and beyond. The FY 2002 projection for the Pentagon was \$306 billion. Neither the President nor Congress is obligated to incorporate these estimates into the final budget. They are made for analytical and informational reasons, to indicate likely future budget consequences for individual programs if policies remain the same.

Nevertheless, when Bush first announced that his military budget proposal would be about \$310 billion (several billion dollars above the Clinton Administration's current services projection), he made it seem that he was simply adopting the former president's budget. Bush himself said that he was leaving the military budget essentially unchanged. The President was praised by some for his moderation, but he set off alarms among advocates of a more rapid build-up. The latter viewed the proposed addition of about \$14 billion to the \$296.3 billion military

budget approved for FY 2001 as inadequate, and there was grumbling that Bush was not elected to enact Clinton's military budget. In Congress, Democrats as well as Republicans rushed to assure the Pentagon that they would add billions to the President's request, as they have done for a number of years. Senator John Warner, chairman of the Senate Armed Services Committee, and eight other Republican members of that committee, sent a letter to Bush urging him to request more money for the military. A group of House Democrats, led by Ike Skelton, the top ranking Democrat on the House Armed Services Committee, quickly introduced a proposal to add \$6.7 billion in emergency funds for the military for the current fiscal year.

#### **Strategy, says Bush, Should Drive Budgetary Decisions**

A second reason for the perception that Bush is moving with restraint is his assertion that strategy should drive decisions about defense resources, not the other way around. Toward that end, he directed Donald Rumsfeld, the Secretary of Defense, to conduct a strategic review of military program. He also stated that he would not consider supplemental requests, or decide the amounts he will propose for future investments, until the strategic review is completed. Bush's approach sounds reasonable on the surface. But if strategy is to drive decisions on resources, it would have been more consistent with that principle to maintain current budget levels, pending the results of the strategic review, rather than increasing the budget for next year by nearly 5 percent before the review is completed. The fact that the administration is already requesting a substantial increase, that Secretary Rumsfeld has stated that he agrees further increases are needed, and that the strategic review is being conducted by Rumsfeld, suggests that

## Military Transformation Requires Planners to Rethink Priorities

Lawrence Korb

During the 2000 presidential campaign, few military people — or congressional supporters of the military — paid close attention to president-elect George W. Bush when he said that if elected, he would transform the military. Rather, they focused more on his statement that he would re-build the military, and that “help [to the military] was on the way.” Many of these people assumed he would add funds to the Clinton budget, enabling the military to buy additional tanks, aircraft carriers and high-tech war planes.

But, not surprisingly, the new president ordered Secretary of Defense Donald Rumsfeld to conduct a top to bottom review of our armed forces in order to transform it to meet the challenges of the 21<sup>st</sup> century. Toward that end, Rumsfeld has established 10 panels to address various aspects on this subject, and expects to unveil the results by mid-May.

According to those who support transformation, the U.S. military, while pre-eminent in the world, is not structured to carry out its new missions, which include: fighting regional wars; providing support for peacekeeping operations; surviving attacks by highly capable missile systems in the hands of potential enemies; being able to strike terrorist bases deep inside enemy territory; and, having the capability to operate over the vast distances of the Asia-Pacific region.

To carry out these new missions, the military will have to transform itself by relying less on heavy armored ground divisions (which are too cumbersome to be moved quickly to the danger zones), aircraft carrier battle groups (which are vulnerable to attack by cruise missiles) and short-range air superiority fighters, like the F-22 (which must rely on overseas bases, not likely to be available in Asia).

Instead, the military should initiate the following changes.

- ? The Army should outfit its brigades with new armored vehicles, much smaller than the M-1 Abrams tank, and capable of being moved quickly into a combat zone.
- ? The Navy should build a new class of small, fast, lightly-manned carriers, missile ships and submarines, including a 6,000-ton aircraft carrier (as opposed to the 90,000-ton Nimitz carriers it currently uses), and a 3,000-ton arsenal ship loaded with cruise missiles (as opposed to 30,000-ton Aegis class destroyers).
- ? The Air Force should devote more money to developing unmanned combat air vehicles—which would take pilots out of harm’s way while destroying early warning radars and anti-aircraft weapons — and re-open the B-2 production line so the United States would have more than 20 planes capable of projecting power long-distances from American territory.
- ? Finally, all the services should develop cruise missiles capable of traveling thousands instead of hundreds of miles.

These changes will result in the cancellation of several on-going programs, like the Nimitz class aircraft carriers, the F-22 Raptor, and the new Joint Strike Fighter. This will be resented by the services, many members of Congress and major defense companies like Lockheed and Boeing. These groups will claim that the military is already being transformed and that without these legacy systems, the armed forces cannot carry out their current missions.

*Lawrence Korb is director of studies at the Council on Foreign Relations in New York City.*

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## Moscow Conference to Address Missile Defense

ECAAR-Russia, the Institute of International Economic and Political Studies and the Russian Academy of Sciences have organized an international conference for June 5 — 7, 2001. The conference topics are: Reforming Natural Monopolies In Russia, The Macroeconomic Situation and Forecast, The Russian Defense Complex, and The National Missile Defense Controversy.

Among the major speakers at the event are Andrei Illarionov who is economic advisor to President Putin, and Viktor Chernomyrdin, vice-chair of the Parliamentary Committee for Energy, Transportation and Communications. Russian academic leaders participating include Alexander Nekipelov, Oleg Bogomolov and Dimitry Lvov, and from ECAAR-US, James Galbraith and Richard F. Kaufman and Lucy Webster.

The session titled, “Is It Worth While Building National Missile Defense Systems?” will have presentations by ECAAR-US and by Alexey Arbatov, Leonid Ivashov, Vladimir Dvorkin and Konstantin Cherevok under the chairmanship of Sergei Rogov.

To participate, contact the organizer, Prof. Stanislav Menshikov <menschikov@globalxs.nl>.

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ECAAR NewsNetwork  
Kelley Bates, Editor  
Suite 1  
39 E. Central Avenue  
Pearl River, NY 10065  
tel: 212-557-2545  
fax: 212-490-6494  
ecaar@mail.ecaar.org  
www.ecaar.org

Kate Cell  
General Director  
Lucy Webster  
Program Director  
Dorrie Weiss  
U.N. Observer  
Catherine Cohen  
Office Manager

Contributing writers  
in this issue:

James K. Galbraith  
Victor Mizin  
Richard F. Kaufman  
Lawrence Korb  
Karl Grossman  
Daryl Kimball  
Charles Knight  
Kate Cell  
Lucy Webster

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It is generally believed that the Bush administration'

for 2020 report of the U.S. Space Command. Its cover depicts a laser weapon shooting a beam down from space zapping a target, and the opening page proclaims the U.S. Space Command's mission of "dominating the space dimension of military operations to protect US interests and investment."

*Vision for 2020*, issued in 1996, compares the U.S. effort to "control space" and "dominate" the Earth below to how centuries ago "nations built navies to protect and enhance their commercial interests." It stresses the global economy stating: "The globalization of the world economy will also continue, with a widening between 'haves' and 'have-nots.'"

#### **Weapons Contractors Behind Effort**

The U.S. Space Command praises corporate involvement in developing U.S. space military doctrine. The *Long Range Plan* opens by saying that the "development and production process, by design, involved hundreds of people including about 75 corporations" and subsequently lists these corporations beginning with Aerojet and Boeing and including Lockheed Martin, Raytheon, Sparta Corp., TRW and Vista Technologies. Some \$6 billion annually — plus monies in the "black" or secret — have been going into U.S. space military activities in recent years. This is expected to greatly increase under the Bush-Cheney administration.

In addition to the new "Space-Based Laser" project, a second space-based laser already in testing is the "Alpha High-Energy Laser" built by TRW. It conducted its twenty-second test-fire last year.

Aware of the U.S. space warfare program, other nations of the world arranged for a vote in the United Nations General Assembly in New York on November 20, 2000 — to reaffirm the fundamental international law on space, the Outer Space Treaty of 1967, and, specifically, its provision that space be reserved for "peaceful purposes."

Some 163 nations supported the resolution titled "Prevention of An Arms Race In Outer Space." It recognized "the common interest of all mankind in the exploration and use of outer space for peaceful purposes" and reiterated that the use of space "shall be for peaceful purpose . . . carried out for the benefit and in the interest of all countries." The measure stated that the "prevention of an arms race in outer space would avert a grave danger for international peace and security." The United States, backed by Israel and Micronesia, abstained.

Canada and China have been leaders at the United Nations in challenging the U.S. space military plans and seeking to strengthen the Outer Space Treaty by banning all weapons in space (the treaty currently prohibits nuclear weapons and weapons of mass destruction).

Marc Vidricaire, counselor with the Canadian delegation to the United Nations, in a speech last October 19 stated: "It has been suggested that our proposal is not relevant because the assessment on which it rests is either premature or alarmist. In our view, it is neither." Moreover, he continued, it is clear that technology can be developed to place weapons in outer space, and no state can expect to maintain a monopoly on such knowledge — or such capabilities — for all time. If one state actively pursues the weaponization of space, we can be sure others will follow."

#### **China and Russia Call for Halting Program**

In March 1999, at the UN in Geneva, Wang Xiao, first secretary of China's UN delegation said, "Outer space is the common heritage of human beings. It should be used entirely for peaceful purposes and for the economic, scientific, and cultural development of all countries as well as the well-being of mankind. It must not be weaponized and become another arena of the arms race. Space domination is a hegemonic concept. Its essence is monopoly of space and denial of others access to it."

In his first address to the United Nations, Russian President Vladimir Putin in September 2000 told the "Millenium Summit that "particularly alarming are the plans for the militarization of the outer space." In Canada in December, Putin and Canadian Prime Minister Jean Chretien issued a joint statement announcing that "Canada and the Russian Federation will continue close cooperation in preventing an arms race in outer space."

Highly active on the space military issue, too, has been Kofi Annan who in opening the Third United Nations Conference on Exploration and Peaceful Uses of Outer Space in Vienna in July 1999 declared: "Above all, we must guard against the misuse of outer space. We recognized early on that a legal regime was needed to

prevent it from being another arena of military confrontation. The international community has acted jointly, through the United Nations, to ensure that outer space will be developed peacefully."

"But there is much more to be done," said Annan. "We must not allow this century, so plagued with war and suffering, to pass on its legacy, when the technology at our disposal will be even more awesome. We cannot view the expanse of space as another battleground for our earthly conflicts."

*Karl Grossman, professor of journalism at the State University of New York/College at Old Westbury and an award-winning investigative reporter, is a charter member of the Commission on Disarmament Education, Conflict Resolution and Peace of the International Association of University Presidents and the United Nations.*

*Star Wars Returns*, a new television documentary by Karl Grossman and his book, *Weapons In Space*, have just come out.

The 30-minute video with footage from around the world explores the new Rumsfeld "Space Commission" report and earlier U.S. military reports as well as challenges to plans for U.S. preparations for space warfare. It includes U.S. Congressman Dennis Kucinich of Ohio declaring that "space is for peace, not for war" but that some U.S. "policy-makers" are taking the country — and the world — in the "opposite direction." *Star Wars Returns*, written and narrated by Grossman, is available from EnviroVideo at Box 311, Ft. Tilden, New York 11695 or 1-800-ECO-TV46. The website for EnviroVideo is [www.envirovideo.com](http://www.envirovideo.com)

*Weapons In Space* published by Seven Stories Press in New York with an introduction by Michio Kaku, Henry Semat Professor of Theoretical Physics at the City University of New York. Kaku writes: "The weaponization of space represents a real threat to the security of everyone on Earth. Not only will this squander hundreds of billions in taxpayer dollars, which are better spent on education, health, housing, and the welfare of the people" but will create "a new arms race in space."

## Missile Defense *(continued from page 1)*

evidence of this fact. It only took six years to go from the discovery of uranium fission all the way to the detonation of an atomic bomb, and only one test to show that the implosion bomb would work. National missile defense has been tested repeatedly. There is no sign that the fundamental difficulties of making it work under combat conditions can be overcome.

3. A budget sink-hole. National missile defense is impossibly expensive. Standard estimates of \$60 billion for a working system overlook two important facts. First, many scores of billions have already been spent on the system, with little to show. Second, all military development programs cost much more than is budgeted for them at the outset. Cost is particularly open-ended for high-urgency programs whose technological difficulties remain unresolved. Such programs are, of course, an invitation to misrepresentation and fraud; and important accusations of this have already been made against NMD.

4. A strategic threat. The administration claims that national missile defense is not targeted against Chinese or Russian deterrence, but against the threat of a rogue state or an accidental missile launch. The obvious fallacy is that no “rogue state” would target the United States with a ballistic missile, when simpler, cheaper, effective, less traceable means of delivery of a small atomic terror weapon are available, against which missile defenses would be useless. The accidental launch argument, on the other hand, concedes that Russian and Chinese missiles are the real targets. But the risk of accidents could be eliminated by *de-alerting* Russian missiles (China’s are not on high alert now), as well as our own; *de-alerting* which is only possible *without* missile defense.

The fact that NMD cannot defend against a first strike again calls attention to the only configuration in which NMD *might* work: as an adjunct to an *American* first strike that destroys most enemy forces (and everything else) on the ground. Following a first strike, a limited missile defense might shoot down a handful of surviving retaliatory missiles. This point is clear to both Russia and China, who long ago concluded that NMD merely extends long-standing American strike-first plans. They will respond, as both have warned, by increasing the numbers of their own missiles, and by placing their forces on a higher alert.

National Missile Defense is, in short, an unlimited budget drain aimed at a deeply *immoral* objective: the nuclear blackmail of other states. It is a highway back to the days when thermonuclear death threatened from one minute to the next.

At first glance, Theater Missile Defense (TMD) is comparatively appealing. It can be implemented, up to a point, by upgrading existing systems. It can be based on ships, and posted to parts of the world where missile threats exist. And it cannot seriously threaten the retaliatory nuclear forces of a great power like Russia or China.

But a closer look also raises frightening questions. First, who decides when a missile is hostile? Under TMD, that decision has to rest with a forward commander — the ship’s captain, in the naval version. Do we want U.S. navy ships to have authority to shoot down test rockets and weather satellites in the boost phase?

Second, who protects the ships? On permanent station, they are vulnerable to missile attack — or for that matter to attack by shore-based jets, patrol boats, submarines. Third, such attacks are actually invited: how is a state targeted by missile defense to know that the ship-board missiles are in fact interceptors, and not short-range ship to shore weapons with nuclear warheads? Fourth (and partly for this reason), the ABM treaty forbids a ship-based ballistic missile defense system; no less than NMD, TMD in this form would undermine arms control.

Fifth, there is a glaring logical contradiction in TMD plans. If the “rogue state” argument for NMD is a ruse, how can it be a valid argument for TMD? And if *NMD* is really aimed against accidental launch by Russia or China, how can TMD counter this threat? No ship-based or boost-phase system can hope to hit a missile launched from the interior of either country. So what is TMD really about, except once again for blackmail, or possibly to build a system for sale to Israel and Taiwan?

And so finally, there is — or will be eventually — proliferation. TMD will only come to exist if, with very large investments, we create the technology. But once created, it will be copied, around the world, by emerging nuclear states who are close to each other: India and Pakistan, China and Taiwan, and perhaps especially Israel, Iran and Iraq. In each case, countermeasures will follow. The risk is then of proliferating offense-defense arms races, with high likelihood that one or more of them will eventually lead to nuclear war.

Theater Missile Defense may be the path we choose in the years just ahead. If it turns out, in the end, to have been merely a face-saving station on the way of retreat from the delusions of NMD, perhaps no great harm will be done. But if TMD eventually develops into a partly workable system, then many parts of the world will, sooner or later, be drawn into the vortex. And still worse if TMD turns out to be a cover for later development of NMD.

In the final analysis, therefore, no form of missile defense can ever be a substitute for building strategic stability, for resolving conflicts, for *de-alerting*, and ultimately for disarmament, on which the nuclear future of the world finally depends.

This is, of course, the further lesson of *Thirteen Days*. The great improvements in strategic stability that followed the Cuban crisis did not come from better U-2s, more accurate ICBMs, or because the Russians “blinked.” They came because Kennedy and Khrushchev opened communications channels, agreed to withdraw forward-based missiles from both Cuba and Turkey, and later banned atmospheric testing. Diplomacy worked, when, under the gun of the hydrogen bomb, nothing else could.

Missile defense repudiates diplomacy. It places confidence in men with trigger fingers, and puts hair-trigger systems back onto forward stations. It signals, and reflects, contempt for the interests, concerns and perspectives of other powers. As such, missile defense in any form threatens the fragile stability of the nuclear peace.

It is past time for the world’s great anti-nuclear communities to wake up to the danger.

*James K. Galbraith is chair of Economists Allied for Arms Reduction, and Professor at the University of Texas, Austin.*

**Reserve Your Ticket Now for the ECAAR Annual Dinner in Atlanta, January 5, 2002.**

**Some of ECAAR’s most interesting thinkers will speak to honor Lawrence R. Klein, Founding Co-Chair.**

**See the reply form on page 12 of this Newsletter for the names of expected speakers.**

## Take a Stand: Question National Missile Defense

Daryl Kimball

Last September, President Bill Clinton announced he would not proceed with deployment of the proposed, "limited" national missile defense (NMD) system. Citing concerns raised by non-governmental organizations, independent scientists, concerned congressional members, and key U.S. allies about unproven NMD technologies and the adverse impact of NMD deployment on U.S. arms control and non-proliferation goals, Clinton said he would leave any deployment decision to his successor.

At the time, the estimated \$60 billion price tag for this "limited," 250-interceptor ground-based system was not a major factor in the President's decision. However, the economics of national missile defense will likely re-emerge as a key variable in decisions on President George W. Bush's even more grandiose national missile defense schemes. During the 2000 Presidential campaign, George W. Bush, said the Clinton-Gore approach to NMD was "flawed" because "the system is initially based on a single site" and because it rules out sea- and space-based NMD options. In its first months in office, the Bush Administration has emphasized its support for a more extensive array of missile defenses "to protect all 50 states and our friends and allies and deployed forces overseas . . . at the earliest possible date."

However, it will take some time for the new administration to present a specific blueprint or cost estimate for more ambitious land-, air- and sea-based missile defenses. Once it does — perhaps as soon as June — the Bush plan will be subjected to tough questions from NMD skeptics, as well as supporters who favor one or another NMD plan.

### The Role of Non-Governmental Organizations

This year — as last year — a wide-ranging group of non-governmental organizations led by the Coalition to Reduce Nuclear Dangers are preparing to counter U.S. government proposals on NMD. The 16-member Coalition includes the Arms Control Association, Union of Concerned Scientists, Council for a Livable World, Lawyers Alliance for World Security, and it works with like-minded organizations such as Economists Allied for Arms Reduction. The Coalition meets regularly in Washington D.C. to share information, develop strategy and coordinate the activities in order to focus attention on several key issues relating to national missile defense:

? Can NMD work as designed? While it is technically feasible to "hit a bullet with a bullet," it is not clear whether national missile defenses can reliably defeat incoming missiles, which may be equipped with decoys in real-world setting. The ground-based NMD system is still far from proven as the spectacular 2000 flight-test failures showed.

? Is NMD cost-effective? With the addition of possible sea- and space-based systems, the cost of President Bush's NMD could be well in excess of \$100 billion. The U.S. taxpayer has

already spent more than \$120 billion over the life of the ballistic missile defense program, without deploying a workable system.

? How will NMD deployment affect U.S. relations with our allies and with Russia and China? Our Western allies are skeptical of NMD and worry that Russia will respond by withdrawing from existing, verifiable arms control arrangements while China will accelerate its nuclear force modernization program. Deployment may set off a dangerous action-reaction cycle that could undermine global non-proliferation efforts.

? Is NMD the most effective response to emerging missile threats? Given the many years before any workable NMD system can be deployed, the Bush Administration would also be wise to resume talks to verifiably freeze the North Korean long-range missile program.

A net assessment of NMD makes it clear that national missile defense deployment will not increase, but would instead decrease, overall national and international security.

### The Coming Debate:

President Bush says he may propose modifications to the 1972 Anti-Ballistic Missile (ABM) treaty to allow for development of an American NMD system. But if Russia does not agree to these modifications, Bush has said he would withdraw from the ABM treaty. Bush has also said he will propose unilateral reductions of deployed strategic nuclear weapons and possibly de-alert some U.S. forces. Bush's proposal for missile defenses with offensive strategic force reductions will be attractive to many, including some supporters of nuclear disarmament, as well as those who are disdainful of arms control and who advocate a unilateralist national security strategy based on robust missile defenses.

Although no one thinks a U.S. first strike is likely, military planners and political leaders of Russia (and the United States) respond to capabilities, not just intentions. A U.S. push for national missile defenses outside the framework of existing treaties is likely to undercut the possibility of permanent, deep reductions in U.S. and Russian nuclear weaponry, and could foreclose the possibility of removing these missiles from their current, dangerous hair-trigger alert status.

Moreover, there is no reason why missile defenses and offensive reductions need be advanced at the same time. The need to respond to the threat of a mistaken nuclear launch from Russia is clear and immediate, as is the response itself: de-alerting and reductions. But there is no NMD system to deploy, and there may not be for a decade or more. Thus pushing NMD now, when there is no prospect of a workable system, only serves to undercut more promising paths to global security.

*Daryl Kimball is executive director of the Coalition to Reduce Nuclear Dangers in Washington DC. ([www.crnrd.org](http://www.crnrd.org))*

ECAAR-EVV in the Netherlands and Belgium has decided that the 2002 Isaac Roet Prize will be on:

**"The Distribution of Wealth and Income: a Question of War and Peace"**

Contact: Joel van der Beek  
<[joelbeek@hetnet.nl](mailto:joelbeek@hetnet.nl)>

### Joint ECAAR-UK and Peace Science Society Conference on Economics and Security

June 13 to 16, 2001

Middlesex University Business School, The Burroughs, Hendon London, NW4 4BT  
See <http://bobbins.mdx.ac.uk> for further information. To attend contact [M.Lane@mdx.ac.uk](mailto:M.Lane@mdx.ac.uk).  
For the Peace Science program, contact Walter Isard, [wil1@cornell.edu](mailto:wil1@cornell.edu) or 607-255 3306 (2218)fx.

## NMD Twist from Russia *(continued from page 1)*

potential and is in fact designed to negate Russian and Chinese retaliation capabilities. With Russian conventional forces seen to be in a desperate state as shown in the Chechen campaign, and its early warning potential seriously dwindled, Moscow's military greatly values the combat ability of its nuclear arsenal, which they fear U.S. NMD deployment might jeopardize.

To baffle these threatening American programs, Russia suggests cooperation on a jointly designed and deployed theater missile defense system — with a capacity set by the 1997 U.S.-Russian Helsinki demarcation protocols — initially deployed to protect missile-threatened areas adjacent to Europe. If these diplomatic efforts fail and the ABM treaty is overstepped by U.S. deployments, Russian military and political leaders threaten with “mighty asymmetrical responses.” This would include deploying multiple warheads on SS-27 “Topol” ICBMs, currently the Russian Rocket Forces' workhorse, keeping heavy SS-18 ICBMs—all in contravention to the Strategic Arms Reduction Talks (START II) agreement, and upgrading and redeploying tactical nuclear weapons as well as re-starting anti-satellite weapons (laser and kinetic) research and development.

Moscow's military and political officials overtly predict a kind of new Cold War or across-the-board confrontation if the Bush Administration's NMD plans materialize. They adamantly refute U.S. intimations that Russia's stance on antimissile defense might soften, and they claim the Kremlin would be ready to join U.S. development programs as a junior partner.

Meanwhile, Washington for the time being remains adamantly addicted to its NMD programs. It pledges that NMD is not intended to neutralize Russian strategic capabilities, but to intercept so-called rogue state strikes and accidental launches, and it says it can be easily overcome by a massive Russian retaliation strike. Seemingly, U.S. planners fully rely on their technological superiority. Due to scarce Russian financial and industrial resources at the moment, most U.S. military planners do not consider Moscow's threats very compelling. It is well known that many in the Bush Administration consider the ABM treaty a Cold War “leftover,” unfit to counter emerging security challenges and based on the outdated concept of mutually assured destruction. And some strive to enjoin Russia as a kind of junior partner on NMD bandwagon.

### Three scenarios are conceivable for the future:

1. The status quo is essentially preserved; the United States does not rush to deploy NMD, and Russia agrees to continue further discussions about the system. Russia almost ignores initial moves on the U.S. side to proceed with NMD research and development on the grounds that it won't change the strategic situation drastically. The war of words is continued, but it never turns into a kind of a new Cold War.
2. The United States speeds-up NMD deployment and abrogates the ABM treaty. Russia walks out of the major arms control agreements, declaring itself free of obligations under START-II, the Intermediate-range Nuclear Forces (INF), the Comprehensive Test Ban Treaty (CTBT) and Missile Technology Control Regime (MTCR); it deploys more tactical nuclear weapons along its borders with NATO-member countries; prepares for anti-satellite (ASAT) weapons; quickens the build-up of its military; and tries to orchestrate some kind of “Holy Alliance” with China, India, Iran, and its former

clients in Arab world countries, primarily Iraq, Syria and Libya. A serious deterioration of international relations similar to the mid-80s Reagan-Adropov duel would most likely follow.

3. The United States and Russia manage to accommodate their divergences. For example, they agree to modify or completely abandon the ABM treaty; Washington, while playing up Russian weakness and its dependence on Western aid and know-how, simultaneously imposes a totally new concept of strategic stability—no deterrence, no offense-defense correlation, but joint deployment of NMD, starting with tactical systems to be upgraded to space-based interceptors.

????Or will the future be a mixture of these possibilities??The **first** “business as usual” scenario might finally be the most plausible. In spite of heated rhetoric, Moscow is still not ready to undermine its ties with the United States and its Western allies; the latter could be reluctant to breach pan-Atlantic solidarity for the support of the ABM treaty. At the same time, the bureaucratic and foreign policy constraints could shatter US intransigence to proceed with NMD.

If the Kremlin chooses the **second** alternative or decides to go for an unmitigated standoff disregarding the consequences, it should be prepared to sustain political strains of isolation and economic hardship which Washington would impose.

There are, in fact, many political and economic “stoppers.” In spite of the post-Versailles-style rise of nationalist and patriotic feelings, most Russians will hardly support the beginning of a new arms race with the West politically turning the country into a big North Korea with decaying nuclear weapons. This would certainly mean the end of established cooperative ties with Western countries and the serious deterioration of living standards, at least in the largest cities, where Russia now depends on foreign imports of consumer goods and staples.

Closely tied to the International Monetary Fund, World Bank and private Western banks' lending or investments, Moscow's economy would be negatively affected. A new total default would mean comprehensive sanctions and a gradual expulsion of Russia from OECD markets. The sound-minded political forces and business circles in Russia, once they regain ground after President Putin's recent onslaught, will not allow the political leadership to forge military-diplomatic alliance with countries like China, India, Cuba, Iran or Iraq. This would mean protracted confrontation with the West and cessation of investments and managerial support from the leading industrial powers.

Russia just lacks the resources for “asymmetrical responses” to NMD or a general military buildup. Beyond enhanced oil or gas sales abroad, it has no way to accumulate revenues to cover an eventual arms race (up to \$100 billion worth, according to some Russian experts). Thus, notwithstanding oratorical threats to engineer a last-ditch resistance to new strategic missile defenses, Russian overtures can be viewed as somewhat hollow.

Not militarily nor technologically, nor economically could Moscow afford and sustain a new arms race. The major problem with U.S.-Russian strategic relations is that so many years after the demise of communism they are still based on the Cold War — type of strategic vision. By some peculiar inertia, the military on both sides still tend to regard each other as ultimate adversaries. US strategic planners point to the dangers of reversal in Moscow's policies bringing back neoimperialist expansionism and virulent anti-Americanism. Russian military officers, many of whom grew-up under Soviet rule, are convinced that

## The Rising DOD Budget *(continued from page 2)*

was excluded, the committee was told for the first time, that an increase in military spending of \$25 billion per year was needed to reverse the decline in military readiness. Although Congress had been assured previously that there were no serious readiness problems, the President and Congress responded with substantial budget increases for military readiness.

### Military Leaders Say They Need Yet More Money

The military leaders in public congressional hearings last fall hinted broadly at how much more money they wanted. In late-September, 2000, the Joint Chiefs of Staff, again unaccompanied by the Secretary of Defense, put their budgetary disagreements with the Clinton Administration on display before the House and Senate Armed Services Committee. Although they would not specify exact figures, they indicated with their charts that they would not be satisfied unless they received an increase of \$30 to \$50 billion per year for readiness and procurement. One of the Chiefs, Air Force General Michael E. Ryan, suggested that they wanted more than that. In response to a question from Sen. Rick Santorum, the Air Force Chief said the Air Force alone needed \$20 to \$30 billion a year more than was currently provided. The 1998 and 2000 hearings mark a new development in the politics of the military budget. Military leaders have always had access to Congress and have been able to make Capitol Hill end runs around the formal annual budget process in the Executive Branch to argue their

cases for more money. In recent years they have strengthened their ties to Congress and their control over the military purse strings.

### Evidence Shows Bush Will Push for Additional DOD Dollars

One cannot rule out the possibility that Bush will reign-in the Chiefs and moderate military spending trends. He has stated that he wants to reduce costs by closing unnecessary military bases and he has indicated that he may not support all the new weapons program now being developed. Still, the new President is adroit at sending mixed signals, sounding like a centrist, and then moving to the right. The signals that count suggest an acceleration of the military buildup. Even with a gradualist approach, a few years of increases averaging just three or four percent a year in real terms will come close to satisfying current military demands.

The table (left) shows how varying rates of growth will change the military budget, and affect future totals for the Defense Department. It can be seen that the totals escalate rapidly. The budget approved for FY2001 was \$296.3 billion. Bush's budget proposal for FY2002 is \$310.5, a 4.8 percent increase, as mentioned before.

Applying a three percent annual rate of increase for the next three years, the total in 2005 would be \$339.3. Applying a four percent annual rate of increase, the total in 2005 would be \$349.2 billion. The total increase four years from now would be either \$43 billion or \$53 billion over the current year.

*Richard F. Kaufman is a vice chair of ECAAR and director of the Bethesda Research Institute*

**Possible U.S. Defense Budget Increases, FY 2002-2005**

(in billions of dollars)

	Total Budget	Total Budget
2001	\$296.3	\$296.3
2002	\$310.5	\$310.5
	3% Increase	4% Increase
2003	\$319.8	\$322.9
2004	\$329.4	\$335.8
2005	\$339.3	\$349.2

Source: OMB and Author's Estimates

Washington follows a policy to obliterate Russia geopolitically as a substantial military threat. They perceive NATO expansion, its operations in the former Yugoslavia, as telling examples of U.S. plans to dominate the entire world by military force.

To many, Russia still looms a most capable opponent to U.S. global expansionism; despite its lingering socio-economic crisis, the country still contains a huge nuclear arsenal capable of very real destruction. Many in the Russian elite continue to believe in the reinstatement of the country to its former Soviet "grandeur," not strangely in opposition to U.S. preponderance in the world.

Despite its technological or political shortcomings, the Bush Administration's plans for NMD can provide the Russian military and conservative politicians with a handy external "threat." Some will likely twist the scenario to create an image of "Mother Russia as a fortress besieged" and impose a radically authoritarian regime in a quest to extend their stay in power as the nation's saviors. The question is whether the Russian people will be enough duped to suffer such rulers. However alarming or naïve because of the lack of any economic substantiation such grand strategy may seem, it is enhanced by certain circles in the U.S. Congress and military. Thus a vicious circle is created.

Russia is still relevant for U.S. foreign and strategic policy due to its residual nuclear arsenal and for historical reasons. The two countries share a "tradition" of dialogue, both in arms control where there has been active interaction, and in the economic sphere following the Bush and Clinton Administrations'

involvement in Russia's ill-devised reform process. The alienation of Russia, even if it is cornered into a re-edition of Cold War-type isolation, will also destabilize the global policy environment. Washington will enhance its worldwide military presence, track new channels of possible Russian transfers of nuclear, biological or missile technologies to countries the United States does not deem responsible, and will prepare to eliminate the nascent potential of holders of weapons of mass destruction capable of preemptive nuclear strikes.

Surprisingly to some, therefore, the **third** scenario might ultimately be the most stabilizing. Both states could negotiate the framework of a jointly developed antimissile systems program, starting with theater-based versions. Russian military facilities and design centers could obtain lucrative contracts thus being diverted from proliferation-prone deals with "rogue" states leaders. What is ultimately important is to enhance the climate of dialogue and trust as opposed to propagandistic escapades. Technologic solutions to allay mutual suspicions can be provided, prompted by imposing political will.

The United States and Russia, showing uncharacteristic strategic wisdom, should try to come to terms with the parameters of future cooperative deployments of a joint national missile defense system.

*Dr. Victor Mizin has worked in arms control and nonproliferation in the Russian Foreign Ministry where he headed offices on the ABM Treaty, Outer Space, Export Controls and Nonproliferation.*

## Holding The Line

### U.S. Defense Alternatives for the Early 21<sup>st</sup> Century

Reviewed by Charles Knight

In the summer and fall of 2000 a political consensus emerged in Washington that supported real military spending increases anywhere from 10 to 20 per cent over the next five years. If "Holding the Line" had been published at that time it might well have been seen as irrelevant by policy-makers swept up in enthrallment of budget surpluses. Fortunately for our security policy, this insightful book appeared during the long winter of 2001 when the prospects don't seem quite so flush for the Pentagon. A slowing economy and the congressional enthusiasm for large tax cuts are threatening to absorb or erase much of the projected Federal surplus, which the armed services had hoped to consume in the years ahead.

Thanks to a parting 5 percent increase in the Fiscal Year 2002 defense budget by Bill Clinton, George Bush and Donald Rumsfeld have felt comfortable in putting a "hold" on budget increases until the new Administration completes a series of top-down reviews. In doing so the Secretary of Defense has signaled that civilians will be taking the policy initiative back from the service chiefs where it has resided during most of the Clinton years. This has had the effect of giving proposals for strategy and force posture changes by independent civilian analysts more than usual play in this year's reviews, debates, and political/ bureaucratic contention.

#### **Lost Opportunity for Military to Reshape Itself Marks Last Decade**

"Holding the Line, U.S. Defense Alternatives for the Early 21<sup>st</sup> Century" is an edited collection of forward-looking articles examining the potential for military policy reform. Editor Cindy Williams and contributor Lawrence Korb set the context by reviewing the changes of the first decade after the Cold War. Williams concludes, "Stuck in the Cold War pattern of force structure, organization, equipment, and infrastructure, the U.S. military has frittered away a decade of opportunity to reshape itself for the future." Combine this with the steady and seemingly unstoppable rise in real costs for military weapons, salaries, operations, and maintenance and we have an explanation for the current pressure to increase military spending despite the fact that it is already at more than 90% of average Cold War levels.

The early chapters of the book examine the potential savings from three sources: infrastructure downsizing and out-sourcing of Pentagon functions; burden-sharing with European and South Korean allies; and further reductions in nuclear weaponry and programs. In each case the authors conclude that savings are possible and desirable, but when Williams adds up the total realizable annual savings from these sources it remains substantially less than her target of \$35 billion.

#### **Future Requirements:**

##### **Revise Strategy; Rethink Force Structure**

Williams then proposes looking for additional savings in the conventional forces. This requires two things in her view: a revision of strategy and an end to the political condominium in which the Army, Air Force, and the Navy get substantially equal shares of the budget pie. She writes, "It stands to reason that the end of the Cold War and a world of new technology might have sparked a change in the relative utility of or preferences for

airplanes, tanks, rockets, ships, or helicopters. Yet the past decade has seen no real change in the budget share each service holds onto each year."

In pursuit of savings in the conventional forces, Williams asks three military policy analysts, Owen Cote, James Quinlivan, and Karl Mueller, to write chapters proposing strategies and force structures oriented, respectively, to maritime, ground, and air power. In each case the authors succeed in presenting modest changes in national strategy, service roles, and service assets, and identifying substantial savings in defense dollars. The resulting programs are decidedly moderate, yet the challenge to the Joint Chiefs is radical. From the services' perspective this way of thinking about strategy and budgets opens the way to "departmental fratricide."

Williams concludes that, "It is time for the nation to set military priorities, cut forces that are no longer relevant, eliminate programs that no longer make sense, and reward innovation, without regard to the budget shares that the services held during the Cold War." Given that the Clinton administration could not muster sufficient political support for cutting the excess infrastructure the services were begging to dispense with, why should we hold out any hope for breaking the lock on service shares of the budget?

The answer lies in the particular budget crunch George W. Bush is busy building. After spending away in tax cuts the budget surplus legacy of the Clinton years, radical military reform may become a necessary invention. And the Cheney-Rumsfeld-Powell team may just have the weight required to take on the Chiefs and win.

Congressional leaders of both parties would be well advised to stop complaining about Bush's decision to temporarily "hold the line" in defense spending and instead pick up this book, which provides several reasonable paths to a less costly and more appropriate military. If Democrats, in particular, continue to support broad military budget increases they risk walking unprepared into a Bush budget squeeze. When the Federal surplus starts to melt away, Bush can be expected to push for cuts in domestic programs and in entitlement benefits. Meanwhile if Democrats have failed to develop and promote serious cost-cutting military policy reforms they will have few good options. The Democrats need the sort of defense policy alternatives found in "Holding the Line" so they can effectively move to protect Social Security, Medicare, and other domestic programs when the going gets tough a year from now.

*"Holding the Line: U.S. Defense Alternatives for the Early 21st Century" is edited by Cindy Williams, BCSIA Studies in International Security, Cambridge, MA: The MIT Press, 2001.*

*The book is reviewed by: Charles Knight, Senior Policy Analyst, The Project on Defense Alternatives, Commonwealth Institute, Cambridge*  
<[www.comw.org/pda](http://www.comw.org/pda)>

**ECAAR-US has extended the deadline for its  
ESSAY COMPETION to August 2002,  
The prize will be given at the Washington DC ECAAR  
Dinner in January 2003. See [www.ecaar.org](http://www.ecaar.org) for details.**

Three days in March were enough to show how the toughening U.S. military stance, specifically on missile defense, is affecting international relations. On March 11 China announced a 17.7% increase in its military budget, the largest in 20 years. On March 12 North Korea cancelled Cabinet-

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**ECAAR NewsNetwork**  
**39 E. Central Avenue, suite 1**  
**Pearl River, NY 10965**  
**212-557-2545 (tel) 212-490-6494 (fax)**  
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