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THE DIRECTOR OF
CENTRAL INTELLIGENCE

National Intelligence Council

Deane Hoffman
Bob Blackwell

Dick Solomon will address the
Soviet NFA next week
during his "planning talks."

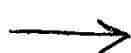
Here is a draft @ some
comments by me. Please
add your own to be

carried to State NLT

1545
~~1600~~

I think the speech
is basically sound &
balanced.

Frit



with Fritz, Deane & Bob
Blackwell's comments -

AN AGENDA FOR U.S.-SOVIET RELATIONS

NIO/ECON

Prospects for Cooperation in a Time of Global Change

by

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Policy Planning Staff
Department of State

I appreciate this opportunity to address personnel of the Soviet Ministry of Foreign Affairs. Today's occasion reciprocates the presentation that Ambassador Mendelevich made to the U.S. Department of State's "Open Forum" in April of this year, on the occasion of the second round of Soviet-American policy planning talks. His remarks were warmly received by the "Open Forum" audience. I hope I can live up to his pathbreaking example.

My remarks today are oriented to the future -- the future of US-Soviet relations in a world undergoing dramatic changes. To put the future that we are planning for in some perspective, let me begin with a brief note on some history. The State Department's Policy Planning Staff was established in the spring of 1947 by then-Secretary of State George Marshall as his in-house "think tank." The staff's first director, the distinguished Sovietologist George Kennan, and his deputy, the noted economist and defense expert Paul Nitze, were present at the creation of America's post-war foreign policy. They were charged with developing policies for the economic reconstruction of Europe. And they were also concerned with assessing the significance for the United States of the Soviet Union's

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expanding international activity, particularly in Eastern Europe. Their labors produced the Marshall Plan and the basic concepts for America's post-war defense strategy.

Today, forty one years later, we are again at the beginning of a new international era. And the Policy Planning Staff has a very different agenda from that of Kennan and Nitze -- one oriented to the profound scientific, economic and political changes that are transforming the global system. One indicator of the depth of these changes is that US and Soviet policy planners are now able to sit down together and assess the meaning of these changes, for the world and for U.S.-Soviet relations.

One of our concerns, as we look toward the future, is the "new political thinking" put forward by Chairman Gorbachev and Foreign Minister Shevardnadze. Their bold and far-sighted program of reform in the Soviet Union has captured the interest and the hopes of many Americans. What kind of change will perestroika, glasnost, and demokratizatsia bring to your country? What does it mean for us when we are told that Soviet foreign policy is no longer governed by the theory of "class struggle"? And do the concepts of "reasonable sufficiency" and "defensive defense" offer real prospects for diminishing the military confrontation that has burdened our relationship for the past forty years? The form and substance you give to such

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concepts will have an important impact on our own approach to arms control, and to the evolution of our relations.

Our frank and free-wheeling exchanges with Ambassador Mendeleovich and his colleagues have enhanced our understanding of this "new thinking". And in our current, third round of consultations we are able to ask the question: In what ways can our two countries cooperate so as to move us beyond the confrontations of the Cold War era? This challenging question requires "new thinking" on our side as well as yours.

Our "dialogue of planners" is designed to help answer this question. We cannot allow rigid policy guidelines, outdated concepts, or stereotypes to prevent us from developing new ways of meeting the profound changes that are taking place in the world. Today, I would like to share with you two aspects of this dialogue: first, our assessment of the global trends that require us all to adjust to a new future; and second, the kind of agenda for U.S.-Soviet relations that could move us away from confrontation and toward cooperation.

THE NEW ERA OF INFORMATION TECHNOLOGIES

Secretary of State Shultz, in a recent series of speeches, has explored the transformation of our economies from the

Yet we especially must also be realistic. We cannot expect to escape quickly from a legacy of decades, indeed centuries duration, which divides us. Our dialogue must understand that legacy to transform it.

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agrarian era to the industrial age to what is now emerging as an era of information technologies. As policy planners, what is particularly interesting about today's "information revolution" is its profound impact on global economic, political and security trends.

We and our Soviet planning colleagues seem to agree on the general characteristics of this emerging era, both its trends and countertrends. I might summarize these developments as follows:

- Scientific and economic power are dispersing widely around the world. Countries such as China, India, and Israel are getting into the space launch business. South Korea, Brazil, and Singapore are major producers of electronic products. At the same time, the gap between the advanced countries and the less-developed, between those participating in the information revolution and those who are not, continues to widen. Even as China and India become self-sufficient in grain production and develop high-tech industries, a major portion of the African continent is increasingly burdened with the threat of famine, and its people still live centuries away from the world of computers, industrial robots and satellite communications.

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currency values or the information that crosses sovereign borders through electronic means, and as they find that problems of security or ecology can be dealt with only through cooperative measures with other states. *But sovereignty persists as a strong idea because it is the principle on which rests the independence of peoples from dictators or dominion by others.*

- This trend toward global interdependence is also producing a worldwide culture of common information and material products, shared music and common cuisine. At the same time, we also see parochial trends of language, nationalism and religious fundamentalism that are helping to fuel unresolved ethnic conflicts and regional disputes. *And they are also the engines of national liberation: Afghanistan, Poland, Baltic,*

- We see a world-wide trend toward political decentralization and a stress on human rights. Military regimes and highly centralized governments are finding that they cannot deal with the challenges and opportunities of this emerging new era without major political and economic reforms. From Argentina to El Salvador, from the Philippines to South Korea, there is a continuing, if unstable, pattern of democratization. And in the Communist world -- in China and the Soviet Union -- we find concurrent efforts to adapt Marxist-Leninist political institutions to this new era.

- And finally, despite the advances in material well being offered by this era of spreading high-tech capabilities, there

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are also sources of greater insecurity: the proliferation of highly destructive weaponry -- aircraft, missiles, chemical weapons -- and the emergence of new threats to personal security -- the international drug trade, terrorism and ecological damage.

Ambassador Mendeleovich and I, in our productive exchanges, largely agreed on this assessment of global trends. Yet we had significant differences in our policy approaches for dealing with these challenges. Our contrasting views could be described roughly as the difference between a "top down" approach to problem solving and one "from the bottom up." It is the difference between a "Comprehensive System of International Security" and day-by-day cooperation to combat terrorism or to constrain the international arms trade.

Despite these differences, our shared analysis of global trends provides the basis for a U.S.-Soviet agenda aimed at building the foundations of a more cooperative relationship. Let me describe how I see this agenda.

AN AGENDA FOR U.S.-SOVIET RELATIONS

The changes now underway in Soviet foreign and domestic policies have dramatically expanded the working agenda for

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U.S.-Soviet relations adopted at the Geneva Summit in 1985. Our dialogue in all four areas -- human rights and humanitarian affairs, arms contro, regional problems, and bilateral issues -- is now intensive and increasingly focused on practical achievements.

And what is just as important as the practical issues we are working is that we are gradually eroding the mistrust of the past and laying a foundation of mutual confidence. Over time this will help us expand our agenda of cooperation. If we learned anything from the experience of detente in the 1970s, it was that trust cannot be manufactured by vague "agreements in principle" or by high sounding exchanges between leaders. It must be built from the bottom up, issue by issue, and it must be fortified by continuing efforts to solve concrete problems. The foundation of mutual confidence will be built by more agreements of the sort now helping to avoid incidents at sea and more treaties of the INF variety, not by new "codes of conduct" or abstract commitments to "peaceful coexistence."

In assessing prospects for new forms of US-Soviet cooperation, we must recognize that we are dealing with a process, one that will be prudent, practical and evolutionary. We are not heading for utopia. The fundamental differences that have divided us in the past are not going to disappear as

if by magic. Our two nations will continue to have conflicting interests; and our peoples will have differing values and outlooks. Yet to the extent that we succeed in identifying common interests and creating practical solutions to concrete problems, we can build a foundation of public support for cooperative efforts. And hopes are high in many quarters that this is the new direction on which our relations are headed.

Let me develop this perspective in more detail, in terms of the four-part agenda:

and because the values we associate with the term human rights are central to a just and peaceable world!

First, human rights. Human rights is always high on our agenda, because our values as a nation make this a central factor in American public images of other countries. Public support for cooperative activities that our two governments might undertake rests on concrete progress in the human dimension of our relationship. In this area, as in others, the United States favors a realistic, problem-solving approach.

In our bilateral discussions on human rights, our starting point is the plight of the individual -- the divided spouse, the refusenik, the religious believer, the dissident in a psychiatric hospital, the imprisoned human rights activist. Our interest then extends to the larger legislative, administrative and juridical framework in which the fundamental rights of the individual can be realized.

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As we look at the recent pattern of Soviet human rights performance, we see a moving, shifting picture, not the grim, frozen image which was so long in our mind's eye. This is a vital area which you are now addressing in the context of your own political and legal reforms. We welcome this process, and understand that it is still in a formative stage.

We have engaged in a practical, official dialogue on human rights and humanitarian affairs with you for the past two years. This process is now expanding beyond governmental channels to involve parliamentarians, lawyers, psychiatrists, and other interested private citizens.

There is still great room for further developments both in your reforms and in our dialogue. Your efforts will be an important source of the trust and confidence we hope to build into the relationship in the coming years.

Next, security and arms control, a major area of cooperation and progress in our relations.

The recent achievement of the INF treaty affirms the value of a concrete, practical approach to problem-solving. Unfortunately, other Soviet arms control proposals have been substantially less practical. One example is the notion of

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creating a non-nuclear world by the year 2000. We, too, look forward to a future free of the threat of nuclear annihilation. President Reagan and General Secretary Gorbachev have agreed that a "nuclear war cannot be won and must never be fought." Yet, while we share this lofty goal, the United States and its allies are not about to cast aside -- even rhetorically -- the system of nuclear deterrence that, like it or not, has kept the peace for more than forty years.

and perhaps even new kinds of nuclear threat.

(e.g. instabilities of small numbers)

We seek a safer, more secure world. History would not look kindly on us if, in the interests of eliminating nuclear weapons, we only made the world safer for conventional warfare. We want not only major reductions in nuclear arms, but also a more stable balance in conventional arms at the lowest possible levels. We want reductions that are verifiable as well as stabilizing.

This is not to say we can be complacent about the risks of nuclear weapons. Since the 1960's, the US stockpile of nuclear weapons has been unilaterally reduced by 33 percent and our total megatonnage by 75 percent.

In the next few years, we should complete the negotiation on 50 percent reductions in strategic offensive forces. And we should give serious thought to other measures which would give

real content to the goal of "strategic stability" -- in part by considering whether strategic defenses can be used one day to enhance stability.

We are learning from the experience of INF verification that the process of building trust is dynamic and evolutionary. Patterns of openness and cooperation on sensitive military matters are growing as we implement the Treaty. Direct contacts between our military officials, especially those that have occurred at senior levels in recent months, ~~will~~ ^{can} have ~~a profound~~ ^{an abiding} effect in building confidence and making possible further efforts to solve practical problems.

I mentioned at the outset of these remarks the global trend toward proliferation of high-tech weaponry. The Iran-Iraq war taught us all many lessons about the destructiveness and the ready availability from many sources of high-performance aircraft, missiles of all varieties, and even chemical weapons. Arms control is no longer the exclusive concern of the major powers -- not that it ever was. Yet, the example of our concrete achievements in limiting nuclear and conventional weapons will be a powerful example to others.

We now face many additional challenges to cooperate -- among ourselves and with others -- in efforts to limit or eliminate the proliferation of this advanced weaponry. We also

remember all the mil-to-mil among Europeans before 1914!

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must cooperate in dealing with such unconventional security threats as terrorism and the international drug trade. As we confront these issues, we will have to resolve a variety of daunting problems, such as appropriate organizational forms for restricting the international arms market, and the most effective ways to verify the absence of chemical weapons. And then there are the substantial costs of verification and peacekeeping forces which support our efforts to resolve regional conflicts.

Which brings me to the third element of our cooperative agenda -- regional conflicts. Over the past two years we have achieved levels of mutual understanding that were quite unimaginable at the time we decided in Geneva in 1985 to embark on regional experts consultations. And we have made significant progress on some of the conflicts that have long fueled distrust in our relations -- most notably Afghanistan and Southern Africa.

Yet we must be clear-eyed about what we have accomplished and what remains to be done. We are making some progress in disengaging the East-West confrontation from several of the many regional conflicts that continue to trouble our world. This is no small achievement, although much work remains to be done in such areas as Korea, Indochina, and Central America.

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We look forward to further bold and far-sighted Soviet decisions such as the one your leadership made regarding Afghanistan. We await signs of "new thinking" in your approach to Central America, as well as indications of perestroika in Cuba, North Korea and Vietnam.

We have been less successful in promoting political settlements among the warring parties to regional or local disputes. Moscow and Washington can not determine the outcome of internal political settlements; and an approach which assumes we can impose settlements is bound to fail. Yet we should persist in our efforts to promote national reconciliation, realizing that our influence will be limited, and that other parties may usefully substitute for our involvement.

The United Nations can play a role in facilitating the resolution of such conflicts, but two things must happen first. The parties to a dispute must genuinely want the help of the UN; and UN member states -- especially those on the Security Council -- must agree on concrete actions for peacemaking.

We can draw satisfaction from the fact that we have now moved a number of regional disputes from overt conflict to a process of political resolution. Yet a challenge for the

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future will be whether we can prevent U.S.-Soviet differences from becoming caught up in regional conflicts yet to emerge. And that test will have an important bearing on our ability to broaden our cooperative agenda.

Finally, the bilateral dimension of our agenda has produced most of the agreements that have been signed at ministerial meetings and summits in the past two years. None have been as dramatic as the INF Treaty, but taken together they form the building blocks of a more constructive relationship.

As perestroika advances, we are finding new areas of common interest for practical cooperation. Cultural and scientific exchanges have expanded dramatically in the last two years. And our bilateral trade and economic relations are also likely to expand as the Soviet economy shifts toward a market orientation.

We must recognize, however, that economic success in today's world does not come with membership in this or that international organization. It is based on being competitive in a rapidly changing global marketplace; it comes with producing goods and services that are world class in quality.

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CONCLUSION

In conclusion, we draw great hope from the remarkable progress made in our relations since the Geneva Summit of 1985. We now have before us more opportunities to resolve a broad range of problems that have long troubled our relationship, and to build new patterns of cooperation. Next January, a new American administration will have a rich agenda for U.S.-Soviet relations, and a strengthened foundation of public support for continuity along the path begun three years ago in Geneva.

All the same, we must be realistic about the limits of cooperation. What are the limits? First and foremost, we will remain competitors, with competing interests in some very fundamental respects. We are certainly not going to abandon our alliances. We will continue to have differences of view about how to organize national economies and the international economic order. And we will continue to have different views about the relationship between the state and the individual. Yet, as Ambassador Mendeleevich suggested last spring, we have a special responsibility to manage our differences so that we compete without ^{100% hostility + fear;} ~~becoming hostile adversaries~~; and we must seek new opportunities to transform our relationship from that of opponents to partners.

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Second, the dispersal of economic and scientific power and the growing multipolarity of the world may create additional tensions in our relations. As the Soviet Union seeks, for example, to enhance its relations with Europe, it is likely to create the impression that it sees no place for the United States in a "common European home." By the same token, the Soviet Union is likely to look with suspicion on U.S. relations with Soviet allies, particularly during a period of profound ferment in Eastern Europe. Rapid change always heightens uneasiness; and our dialogue will be all the more important for dispelling mistrust.

Third, other countries are bound to react in unexpected and not always positive ways to new forms of U.S.-Soviet cooperation. Some are likely to exaggerate in their own minds the extent of U.S.-Soviet "collusion," and they may seek to resist our cooperative efforts.

Recognizing these limitations on U.S.-Soviet relations, it is our planning task to identify areas of cooperation which will enhance our national interests and international security. Our common goal must be to attempt to redirect our competition into areas that are less threatening to our mutual security, and to find cooperative ways to build the better world we each seek.