

Originally Processed With FOIA(s):

FOIA Number:

S

FOIA MARKER

This is not a textual record. This is used as an administrative marker by the George Bush Presidential Library Staff.

Record Group/Collection: George H.W. Bush Presidential Records
Collection/Office of Origin: Speechwriting, White House Office of
Series: Snow, Tony, Files
Subseries: Subject File, 1988-1993

OA/ID Number: 13899
Folder ID Number: 13899-013

Folder Title:
[Soviet Union, 1988-1990]

Stack:	Row:	Section:	Shelf:	Position:
G	18	29	2	7

Waiting for Yeltsin

Is Boris Good Enough?

Leon Aron

Everything's in disarray, and no one's there
To say, as cold sets in, that disarray
Is everywhere, and how sweet becomes the
prayer:

Rossia, Lethe, Lorelei.

—Osip Mandelshtam,

"The Decembrists," 1917¹

WITH THE DEATH of Andrei Dmitrievich Sakharov on December 14, 1989, the Soviet Union may have lost its only personified hope for national reconciliation. Sakharov's disappearance from the Soviet political scene marked the point at which what had been known as the "Soviet crisis" entered the terminal stage: national catastrophe.

History rarely produces figures who can both throw stones and gather them, who can destroy the old order and lay the foundation for a new one, who can trumpet discord and celebrate harmony. George Washington was one. Sakharov might have become another.

Sakharov left no heir, no stone gatherer of national stature. There is no one in today's Soviet Union who, like Sakharov, is admitted to and trusted by the three progressively

distant and hostile camps that dominate the Soviet political landscape: Gorbachev and the establishment reformers; the pro-capitalist and pro-Western Moscow intelligentsia;² and the rapidly radicalizing, and increasingly self-conscious and unified populist movements. Instead, in a country rapidly polarizing and depleted of trust—the most essential ingredient of peaceful reform—Sakharov left behind a slew of vocal, energetic, and willful stone throwers. Of these, Boris Nikolaevich Yeltsin—now president of the Republic of Russia—is by far the most formidable.

Still, he is enigmatic, perhaps deliberately so. From Yeltsin's past, one can form a fairly good idea of how he might go about doing things, but not of what specific things he is likely to do. This puzzle comes from the unique nature of Yeltsin's political base: he is the only Soviet politician who enjoys both the ardent, often fanatical, devotion of the Soviet *boi polloi* and the solid, albeit guarded and qualified, support of most of the intelli-

¹All Russian translations in the text are the author's own.

²In the confusing Soviet political parlance, to be procapitalist and pro-Western is to be thought of as one of "the Left." The proponents of hard-line communist orthodoxy are labelled "the Right" and "the conservatives." For authenticity's sake, these denominations are preserved in the text, but for clarity's sake, they are enclosed in quotation marks.

Leon Aron, who emigrated from the Soviet Union in 1978, is the Salvatori Senior Policy Analyst in Soviet Studies at the Heritage Foundation in Washington, D.C., and is gathering materials for a book about Boris Yeltsin.

gentsia. As we shall see, keeping both constituencies happy is no easy matter.

Soviet totalitarianism can be divided into four stages: the mature, when people were afraid to think (Stalin); the aging, when they could think but were still afraid to talk (Khrushchev); the decaying, when thinking and talking privately was usually safe but acting was not (Brezhnev); and the dying, when, gradually, people have been allowed to act (Gorbachev). Yeltsin himself has been instrumental to the arrival of this last stage; he has also been symbolic of it.

Until the era of Gorbachev, however, Yeltsin's reactions to the life around him were not atypical. He did not think under Stalin (and, by his own admission, wept when the tyrant died); he thought but did not talk under Khrushchev; and he talked but did not act under Brezhnev.

IN THE PITCH darkness of 1931, as Stalin celebrated his victory over the Russian village—starved, arrested, uprooted, and murdered—two peasant Russian boys were born who would do more than anyone else to undermine the very foundations of the house that Stalin built. Boria Yeltsin arrived on February 1, in a Ural village. A month later, Misha Gorbachev was born in the southern Russian province of Stavropol. They were to rise fast and in parallel; ultimately their paths would intersect, travel closely together, and then diverge sharply and painfully.

Like Gorbachev's, Yeltsin's career was swift and stellar. A graduate of the Department of Civil Engineering of the Ural Polytechnic Institute, he became chief engineer of the Construction Directorate in his mid-twenties and manager of a huge industrial complex at thirty-two. Five years later, Yeltsin was appointed the construction section chief of the Sverdlovsk Regional Party Committee. He then became a secretary, and a year later, at the tender Soviet political age of forty-five, first secretary. This made him absolute master of the Sverdlovsk province, the Soviet Union's third largest industrial

area. In rushing to appoint Yeltsin, the Brezhnev Politburo had violated the rules; not only had Yeltsin leapfrogged the obligatory tenure as the second secretary of the regional committee; he was, in fact, promoted while the current second secretary, who ordinarily would have taken over the province, was still in office.

During his nine years as the Sverdlovsk ruler, Yeltsin gave a foretaste of things to come. He permitted his subordinates to criticize him; he fielded "provocative" questions at meetings with the "laboring masses"; he initiated call-in TV shows in which the leaders of the province were forced to appear. During one such show, a caller inquired angrily why Yeltsin's wife was driven to work in her husband's state car—a practice considered a normal perk of the state and party *nachal'niki*. Yeltsin promised that his wife would use his car no more. He kept his word.

That such transgressions were tolerated by Moscow is a testimony to the apathy, emaciation, and rot of the waning years of Brezhnev's reign. It helped that the "human face" of Yeltsin's rule lurked safely behind the Ural Mountains, thirteen hundred kilometers from Moscow: nothing of the sort would have been allowed in Central Russia.

Then, too, Yeltsin knew when to put limits on his mild iconoclasm. When Brezhnev's seventieth anniversary came around, Yeltsin obediently lent his voice to the chorus of tributes to the now much-vilified "architect of stagnation." The missive from the Sverdlovsk Regional Party Committee, signed by Yeltsin, extolled Brezhnev's "wisdom, a giant organizing talent, bubbling energy, [devoted to] the construction of communism." Yeltsin's message to Brezhnev went on to say that

We who live in the Urals thank you ardently and from the bottom of our soul, Leonid Ilyich, for your constant care for the strengthening of the economic and military might of our Motherland, the raising of material and cultural level of people's life, for your titanic activity aimed at the establishment of solid peace in the whole world.

Again, following the Politburo's secret decision to demolish the Ipatiev House, in the basement of which Czar Nicholas II, his wife, and children were executed in 1918, Yeltsin sent in the bulldozers in the middle of the night. By morning, only a patch of fresh asphalt marked the spot.

But undoubtedly the greater leniency accorded Yeltsin was also Moscow's tribute to his leadership. He was bright, hard working, well-liked by the people, and did not take bribes—a Soviet wonder. These qualities prompted a new general secretary, Mikhail Sergeevich Gorbachev, five days after his election, to summon Yeltsin to Moscow to join the Central Committee apparatus. Nine months later, Yeltsin became the first secretary of the Moscow City Committee, the most prestigious of all the local party posts and one traditionally given to the general secretary's most trusted ally.

Ryba portitsia s golovy, a Russian proverb claims—"a fish begins to rot head first." As Yeltsin took over in December 1985, Moscow was a thoroughly rotten head of the country. From eight till two in the morning, Yeltsin fired and harangued, thundered and cajoled—and still, as he put it, "could not get to the bottom of the filthy well." One wholesale purge of the party bosses and trade officials followed another. But still the Soviet capital—whose worn-out transportation and theft-ridden stores could not cope with daily invasions of visitors (two million a month in winter, three million in summer) looking for something, indeed anything, to buy—showed no sign of improvement.

AS YELTSIN correctly claimed later, the only thing to improve during his short Moscow tenure was the "atmosphere." After eighteen years of Victor Grishin—Brezhnev's distant, corrupt, servile, and high-handed crony—the new master, who began riding buses and metros instead of zooming down a special line in a black limo, became an instant star. Voluble and gregarious, he liberally dispensed his opinions on a multitude of subjects. One of Yeltsin's

cracks, which delighted Muscovites, traced marital discord in the Soviet capital to the size of Moscow kitchens—kitchens totally incapable, according to Yeltsin, of accommodating mightily proportioned Russian women, and thus progenitors of ugly family feuds.

Yeltsin authorized the mass media in his domain to begin publishing and broadcasting the truth. Thanks to a new line of publications of *Moskovskaya Pravda* and *Moskovskiy Komsomoletz*, Muscovites were the first Russian readers in the country to behold, astonished, words like *prostitutka*, *narkoman* (drug addict), and *mafia*—this time to describe Soviet, not "bourgeois," reality.

The new first secretary initiated a spate of entertainments, from dog shows to wind orchestra competitions. But his most popular brain child was open-air trade fairs—*yarmarki*. Unable to break the trade mafia, Yeltsin decided to bypass it by having agricultural produce sold by farmers directly to Muscovites. Yet exercises in free marketing *yarmarki* were not: unlike the several "farmers' markets" in the city, the prices at *yarmarki* were kept lower by fiat. Every now and then Yeltsin made surprise visits to fairs. On one of such visits, he harangued Azerbaijani farmers: "Aren't you ashamed of yourself, to squeeze the Muscovites like this? They send you machinery, refrigerators. . . . Come, come, you can take a ruble off your fruit, half a ruble off the vegies." Such reproofs by a nonvoting member of the Politburo were not to be taken lightly; the prices dropped as prescribed. That night, recalls a witness, as the boss' words were repeated in Moscow kitchens, Yeltsin "became a legend."

In the meantime, the Moscow party apparatus, whose undying hatred Yeltsin earned almost instantaneously, ran for cover under the wings of the guardian angel of party professionals, Yegor Kuzmich Ligachev, at that time was the "second" secretary of the party and Gorbachev's deputy. A fellow Siberian and a former party boss of the Tomsk province, Ligachev—ironically, in light of his future relationship with Yeltsin—was the Pol-

itburo member who pushed the hardest for Yeltsin's transfer to Moscow.

A series of clashes between the two men followed. Yeltsin saw his initiatives stifled, his designs overruled, his proposals dismissed. Frustrated in his efforts to bring what he considered a true perestroika to the capital, Yeltsin sent Gorbachev a letter of resignation. Gorbachev pocketed the letter and kept postponing the decision. Yeltsin grew more and more anxious. His rendezvous with Russian history was set.

There is a verse in Vassily Grossman's *Life and Fate*, one of the greatest novels about communist totalitarianism:

"What's your shell made of, my dear?"
Once I asked a turtle. And was told:
"It's of fear. Stored and hardened fear.
There is nothing stronger in the world."

Yeltsin's decision to crack his own shell of fear—a very personal and painful step, the agony of which nearly cost him his life—turned out to be more than one man's liberation. It ushered in a new, terminal era of Soviet communism. What happened on October 21, 1987, remains the pinnacle of Yeltsin's political life. Regardless of what follows, the events of that morning alone assure his place in history.

AT THE CLOSING of a largely ritualistic Central Committee meeting on that day, Yeltsin requested the floor and delivered a speech in which he deplored the absence of "revolutionary change" in the party *apparat*; warned about popular disappointment with perestroika because of the lack of results; noted Gorbachev's budding cult of personality, and, finally, complaining of the lack of support from the Politburo, asked to be released from the post of the first secretary of the Moscow City Committee.

As he walked back through a stunned silence, his "heart pounding and ready to burst through the rib cage," he wrote in his memoirs, Yeltsin prepared himself for an "organized" and "methodical" slaughter.³ And that is precisely what happened. Follow-

ing Gorbachev's cue, one Central Committee member after another got up to denounce Yeltsin. Three weeks later, the ritual slaughter was repeated at a plenum of the Moscow City Committee, to which Yeltsin, in the hospital with a nervous and physical breakdown and pumped with tranquilizers, was summoned by Gorbachev.

Three months later, Gorbachev called again, this time offering Yeltsin a Council of Ministers-rank position in charge of construction. The offer was a curious one. Why did Gorbachev not deliver a coup de grace, by making Yeltsin ambassador to Mongolia, as Khrushchev did with Molotov? The answer is most likely to be found in the role that Gorbachev, the master tactician, must have assigned to Yeltsin from the beginning. Yeltsin is to Gorbachev what Medusa's head was to Perseus: when Gorbachev reaches inside the bag and produces Yeltsin, the "conservatives" freeze in fear. By comparison, Gorbachev looks supremely moderate, reasonable, and well worthy of support. Gorbachev needed Yeltsin in Moscow, handy, within reach. As Yeltsin perceptively commented on numerous occasions: "If I did not exist, Gorbachev would have to invent me."

At the same time, the destination of Yeltsin's institutional exile was not, as the Soviet papers in the pre-glasnost days used to say, accidental. Alongside food, medical care, finance, and crime, housing is the most explosive issue in grass roots politics: over one hundred million Soviet citizens (every third one!) have less living space per person than even the miserable Soviet "sanitary norm" allows—nine square meters per person. In Moscow, as *Izvestia* has acknowledged, 344,800 families are on the waiting list for housing—12 percent of all families in the Soviet capital; 282,900 families in Leningrad (20 percent); 208,000 in Kiev (26 percent).

Gorbachev knew Yeltsin better than Yeltsin knew himself. The general secretary was convinced that Yeltsin would reemerge,

³*Against the Grain* (New York: Summit Books, 1990), p. 102.

no matter how crushing the blow was, and Perseus would recover Medusa's head. And Gorbachev was right: only a few months after his political demise, Yeltsin began campaigning for a seat on the 1988 Extraordinary Party Conference. Thus, at the age of fifty-six, Yeltsin became the first politician in sixty-four years (since the time of Lenin's death), who openly took on the Big Boss, lost, and rose again. A new era of Soviet political history began. A year later, in the elections to the Congress of People's Deputies, Yeltsin triumphed over his *apparat*-supported opponent, polling close to 90 percent of the Moscow vote.

"There is one story and one story only/ That will prove worth your telling," Robert Graves advised budding poets. Yeltsin the budding politician did discover his own story, and it has proved remarkably well worth his telling. It is a story of extramontary remuneration of the Soviet bureaucrats—the "social justice" issue, to use the currently accepted euphemism. No feeling is more widely and more passionately shared in today's Soviet Union than hatred of the political elite's privileges: all those special drug, book, and department stores, special box offices, special hospitals, special food rations, special food processing plants, even special farms where this food is produced.⁴

Setting an example, and earning enormous political capital, Yeltsin gave up all his ministerial-rank privileges—including, in May of last year, the holy of holies of the Russian perks, a dacha. After thirty years of *apparat* privileges, he told *Moscow News*, it is not easy to cope: "It is hard when your wife stands in lines for hours to buy food," Yeltsin complained, "or when something is not available in the store, or when drugstores have no medicine and your grandson's temperature is over 40 Centigrade."

Yeltsin's constituency of the reform-oriented democratic "progressives" and *boi polloi*—united by hatred of the stupidity, rapacity, and privileges of the party and government bureaucrats—may prove only temporary. And small surprise if it does:

progress and populism are rarely compatible. "Our political life," writes Nikolai Shmeliov, perhaps the most authoritative of the Soviet radical economists, "has one sad feature: the most pronounced are levelling trends, born out of the ideology of equality of all in poverty." Along with meat, clean towels, 800 grams of soap a month, refrigerators, and shoes, the closing of *kooperativy* (small private enterprises) was at the top of the list of demands of striking miners last July. A huge segment of Yeltsin's constituency are social Luddites—scared of the havoc, the uncertainty, the need for initiative and self-reliance that radical economic reform will bring. Undoubtedly there are Yeltsin supporters among those who burn private farms and vandalize cooperative shops and restaurants.

Most important of all, Yeltsin's populism appeals to those who hate the neighbor who does better than they, no matter how hard he or she works. Yet earnings-based inequality is both the key condition and the assured outcome of any radical economic reform. As Gavriil Popov, a leading Soviet economist who in April was elected the mayor of Moscow, has put it in *Literaturnaya Gazeta*: "The increase in wealth for some will become the basis for raising the standard of living for all." Yet it is precisely the increased "social layering based on property" that bothers Yeltsin the Leveller. What Popov rightly sees as the "key problem" of perestroika—"the contradiction between the democracy that we need and the growth of economic inequality"—is bound, sooner or later, to split the Yeltsin constituency. And contributing to the rift between the pro-reform progressives and the populists is the age-long bitter mistrust between the liberal Russian intelligentsia and the *narod*, the people, on whose behalf the intelligentsia is supposedly laboring.

⁴A "commission on privileges," created by the Supreme Soviet, confirmed the existence of privileges in the following areas: "health care, leisure, trade, transportation, housing, culture, pensions and services" (*Izvestia*, September 29, 1989).

Because of his constituency, Yeltsin is uncharacteristically reticent on the key subject of property. Philosopher Igor Kliamkin, who is among the most perceptive observers of Soviet politics today, notes that Yeltsin talks about the market "through clenched teeth." Thus Yeltsin tells the *New York Times* that he is for "something close to" private ownership of farmland. In his memoirs, he states that the issue of property divides "the so-called left and right" but does not indicate where he stands on the issue. The *Financial Times* reports Yeltsin supporting "private ownership of the production means and land"—but only in general and with a proviso that "positive aspects of socialism" are incorporated.

The other pillar of Yeltsin's political strategy, meanwhile, is safe from cracks and grows stronger by the day. These days, to attack Gorbachev is almost as advantageous as attacking the party itself. And as Gorbachev's popularity declines, Yeltsin's critique of the general secretary grows progressively sharper and more personal. Perestroika has "failed," Yeltsin told the *Financial Times*, because "the leadership" failed. Moreover, "five years should be enough for a president to prove his worth. He hasn't fulfilled his obligation to the pledges to the people." Yeltsin's memoirs cast Gorbachev as "inconsistent" and "timid," a man who "loves" half-measures and "semi-decisions."

Yeltsin seems to regard the political mileage to be gotten out of the "social justice" issue as far from exhausted. The single longest topical passage in his book is eleven pages devoted to the privileges of the top party leadership. Toward the end of the passage, Yeltsin lurches for Gorbachev's political jugular: "Why has Gorbachev been unable to change this? I believe the fault lies in the basic cast of his character. He likes to live well, in comfort and luxury." And—a twist of the knife—"what about [Raisa Gorbachev's] ZIL limo? My daughter, at her workplace, is given one small cake of soap per month. My wife. . . has to spend two or three hours a day in shopping lines. . . ." Was the entire

book written for this paragraph? If so, it is probably worth it: when Yeltsin's autobiography is published in the Soviet Union, the paragraph will do more to boost his popularity and sink that of Gorbachev than anything else in the book.

IN THE MEANTIME, Gorbachev continued his cat-and-mouse game: now letting Yeltsin roam loose and even protecting him, now throwing him high in the air. When the "conservative" majority of the First Congress of People's Deputies last May failed to elect Yeltsin to the permanent legislature (the Supreme Soviet), Gorbachev acceded to—possibly arranged—a resignation of one of the elected deputies in order that Yeltsin take his seat. That summer Gorbachev authorized a televised address by Yeltsin to striking miners. When last fall *Pravda* reprinted an Italian newspaper article that accused Yeltsin of drinking non-stop during his U.S. tour and spending honoraria on jeans and VCR's instead of charities, Gorbachev sacked Editor-in-Chief Viktor Afanasiev.

Yet on October 16, just a few weeks later, Gorbachev, in his capacity as the chairman of the Supreme Soviet, humiliated Yeltsin during a nationally televised session. He had the minister of Internal Affairs report on a bizarre incident: Yeltsin, the minister alleged, appeared late at night and soaking wet at a police station in the exclusive country house retreat of the Moscow elite, stating that he had been kidnapped and thrown off the bridge by unknown assassins.

Yeltsin said later that he himself had concealed the episode for fear of provoking protest strikes and riots by his supporters. At the time, though, his response in the Supreme Soviet was suspiciously confused: he said that nobody had tried to harm him and that the whole episode was "his private life." (A rumor began circulating in Moscow, meanwhile, that he was visiting his mistress who threw a bucketful of water over him.)

Yeltsin's detractors are not confined solely to the *apparatus*. Some in the Moscow intelligentsia are skeptical, even alarmed. Ac-

ording to *Novy Mir*, they see in Yeltsin a "neo-Bolshevik," the "central point" of whose program—redistribution of goods and services accumulated by the ruling class—was "the leitmotif of all Bolsheviks, both before and after the [1917] revolution." His program, the article reports, is seen by some as a "collection of primitive quasi-solutions."

The Moscow intelligentsia is heavily overrepresented among the sources of Western correspondents in the Soviet Union, so its weariness of Yeltsin permeates Western media. Nonetheless, the intelligentsia's attitudes are themselves somewhat suspect.

Perhaps nowhere in the world does there exist a more snobbish intelligentsia than in Moscow. A wrong accent, a gesture that is not *comme il faut*, or (God forbid) grammatic deficiency are all valid reasons for excommunication. (Although Gorbachev speaks better Russian than any Soviet leader since Lenin, without the heavy Georgian accent of Stalin and the Ukrainian of Khrushchev and Brezhnev, he too has taken his lumps. His fall from grace began at the televised proceedings of the First Congress of People's Deputies last summer, when he several times used the incorrect third person plural form of the verb *kladut*, to put down, saying *lozbut*, instead of *kladut*.)

A son of a Siberian peasant, Yeltsin can hardly count on acceptance by Moscow intellectuals. In his book, Yeltsin notes that Muscovites "make no attempt" to hide their "snobbery and arrogance" toward provincials and that, prior to his move to Moscow, his rare encounters with the inhabitants of the capital left "a nasty taste" in his mouth.

Another, more powerful, source of the intelligentsia's resentment is deeper and perhaps subconscious. For generations, it cast itself as fighters and martyrs for the *narod*. But, with a few notable exceptions, the intellectuals know nothing of the *narod*. They do not know how "the people" live, do not share their habits, and (except in books) do not speak "the people's" language. Yeltsin, on the other hand, is a voice of the tired, hungry, huddled masses of that second-rate Third

World nation called the Soviet Union. To the intelligentsia, Yeltsin is the epitome of mass democracy—something for which the intellectuals ostensibly struggle, but whose arrival threatens their exalted status. At stake for the intelligentsia is its place behind the throne, its right and duty to advise the state on matters of culture, its ruling the arts by virtue of government's mandate—all privileges that many of their Western counterparts can, and do, only dream about.

For better or worse, however, these detractors of Yeltsin cannot stop him, not now. He began this year as one of the five chairmen of the Interregional Group of Deputies, an increasingly disloyal and numerically growing "left" opposition to Gorbachev in the Congress of People's Deputies. In May he won a narrow victory to become president of the Russian republic, thus securing a powerful political base. This year may be the one he has prepared for all his life.

The central, most fateful aspect of Soviet political life today is a desperate race between two parallel processes: the disintegration of the Soviet economy (and the concomitant delegitimation and demise of the current political regime); and the emergence of new political structures enjoying popular support and consent. If the former outpaces the latter—if the economy collapses before a legitimate central government is installed—then this giant land, this military "superpower" in possession of over 12,000 nuclear charges, is likely to plunge into violent political chaos, a Lebanon-like war of all against all.

It is no longer possible to talk about the Soviet "national" economy. Shortages and inflation make the ruble less and less fit to serve as a medium of exchange. Moscow now leaves local party and state leaders to fend for themselves if—or, rather, when—food riots break out. Regions more and more often refuse to surrender their produce to central ministries; they export goods only when barter offerings of other regions look attractive—or when hard currency is paid. In March, for the first time in my memory, a Soviet economist writing in *Kommunist*, an official Soviet

publication (and a theoretical journal of the Central Committee at that), used the term "dollarization" to describe the process.⁵

Perhaps the most troubling consequence of economic Lebanization of the Soviet Union is a steady decline of grain deliveries for all-Union distribution. Thus, while last year's overall grain harvest was 16 million tons higher than in 1988, the amount of grain sold to the state was lower than in 1988. And this in a country where every third loaf of bread, as A. Sizov acknowledged in *Kommunist*, is already made from imported grain.

In a country which is already seventy-seventh in the world in terms of personal consumption, these economic abstractions have translated into another turn of a downward spiral—this time perilously close to the bottom. Of 211 essential food products, Vassily Selunin reports in *Glasnost*, only 23 were available at state stores as of last summer—and perhaps even fewer now. In order to buy children's soap in a department store in the ancient Russian city of Kostroma, one must show a stamp in one's internal passport to prove that one has children under three years old.

THE SOVIET UNION'S only chance to win the deadly race with a total economic collapse and violent political anarchy is a government vested with authority and having enough legitimacy to administer the very bitter pill of radical economic reform. The creation of such a government is the central and most urgent issue of Soviet politics today. Gorbachev's much touted "grab" for the "emergency powers" of the presidency is thus irrelevant. Back in March 1985, as the newly elected chief of the country's sole and dictatorial political party, Gorbachev had immeasurably more real power than any presidency could procure him. Today, his "emergency" power may best be compared to that of the captain of the *Titanic*.

Neither the Congress of People's Deputies—a third of whose delegates were appointed by the party-controlled "social orga-

nizations"—nor Gorbachev himself has the required legitimacy. The pace of economic disintegration is such that it may be too late now even for "roundtable" negotiations of the Polish type. The only means of creating a legitimate government is for Gorbachev to dissolve the Congress, resign the presidency, and proceed with direct multi-party national elections of a new parliament and a new president. And Gorbachev may well be reasonably assured of gaining the presidency—if Yeltsin, already installed as the president of the Republic of Russia, decides not to challenge him. In that case, Yeltsin could savor the exquisite revenge of watching his nemesis struggling as the head of a disintegrating Soviet Union.

If such elections do not materialize by the end of the year, three other scenarios suggest themselves. The first is a democratic, procapitalist revolution that would finish what Gorbachev started but took too long to complete. The second is an authoritarian, anticapitalist, anti-Western, "neo-Bolshevik" revolution. And third: a KGB-military junta of "national salvation." While Yeltsin's role in the third case is hard to imagine, except as that of a victim, he is well-positioned to occupy a prominent, perhaps even central, place in the other two.

In public opinion polls, Yeltsin is second only to Gorbachev in popularity, while his "negatives" are even slightly lower than those of the president. He has little advertised but strong and growing ties to the military—another source of the intelligentsia's concern. During his campaign for nomination to the Congress of People's Deputies, Yeltsin was ferreted about the country in military planes. He is a key organizer of the Democratic Front, one of whose institutional members is *Shchit* (or Shield), a union of radical "left" officers. A Russian "Red Carnations" revolution led by the junior military, à la the April 25, 1975, revolution in Portugal, is a very

⁵Egor Gaidar, "Trudny vikor" ("The hard choice"), *Kommunist* (January 1990), p. 25.

plausible subscenario of a democratic revolution.

But would Yeltsin lead a populist revolt? His critics say he very well might. They point out, for example, his flirtation with *Pamyat*, the nationalist, neo-Bolshevik organization whose representatives he met during his tenure in Moscow. (Yeltsin claims that he met with the *Pamyat* demonstrators, who occupied Red Square, only because he wished to defuse a tense situation and prevent police crackdown.) A more serious, and persuasive, argument in favor of Yeltsin-the-authoritarian stems from the ill-defined nature of his objectives. What does he want beyond the elimination of privileges, the dissolution of the *apparat*, and the effective abolition of the party monopoly on power? The character of his constituency and its mood give rise to gloomy predictions, like those of Andronik Migranian in *Novy Mir*:

The past is shameful, the present is monstrous, and the future cannot be defined, cannot be predicted. In such a psychological state the masses are ready to accept any leader who will say: "I know what to do and how to do it." And . . . the Yeltsin phenomenon . . . is explained by this psychological condition of the people. . . . The popular mood that has made Yeltsin the populist leader is very dangerous. . . . Further deterioration of the general situation in the country will further widen the circle of the "decisive" people ready to support any leader offering simple, quick and effective decision in the name of social justice. [But] the course on re-distribution of the present goods is a course into the blind alley of a new slavery. Soon there will be nothing left to redistribute. And terror will follow.

But whichever of the two scenarios Yeltsin would prefer, he is ready for battle. The strapping six-footer, a former national cham-

pionship volleyball player, is fully recovered from his post-plenum breakdown. He gets up at five, reads till seven, does his calisthenics, takes a cold shower, and works until one in the morning. (On his U.S. tour last fall, Yeltsin challenged President Bush to a tennis match.)

In speeches and interviews in the United States last September, Yeltsin repeated over and over again that Gorbachev has at most a year to improve the economic situation—or vacate the space at the top for a more successful politician. "If not, then what happens?" asked Jim Lehrer last September. "A revolution from below will begin," answered Yeltsin.

Half a year later, Yeltsin told the *Associated Press*:

The time of compromises and half-measures is past. We are sitting on top of a volcano, and very soon neither Gorbachev, nor anyone else will be able to control the events. The people will take their fate in their own hands, as it happened in Eastern Europe. If we are lucky, everything will happen orderly, as in GDR, Czechoslovakia and Bulgaria. But what happens if the situation develops in the Rumanian pattern? Bloodshed? Tragedy?

"Would you like to be President of the Soviet Union some day?" Jim Lehrer pressed him. "It's a possibility," Yeltsin answered, "if I am not too old and have strength."

Dr. Johnson is said to have remarked about Lord Chesterfield: "This man, I thought, had been a Lord among wits, but, I find, he is only a wit among Lords." Only time will tell whether Boris Nikolaevich Yeltsin is a democrat among the populists or only an authoritarian populist among the democrats. Now we may not have to wait long to find out.



214 Massachusetts Avenue, N.E.
Washington, D.C. 20002
(202) 546-4400

Telex: 440235-HRTG UI
Cable: HERITAGE, WASHDC
Fax: (202) 546-8328



U.S. Department of Justice

Office of Public Affairs

Office of the Director

Washington, D.C. 20530

The following 16-page transmission is for the attention
of Peggy Dorley. Please contact him/her
immediately at _____.

It is from _____ of the Office of Public
Affairs.

Please contact _____ if there is a problem in
transmission. FTS 368-2007 or 202-514-2007.



Department of Justice

**"THE RULE OF LAW IN THE SOVIET UNION:
A NECESSARY FRAMEWORK FOR DEMOCRATIC REFORM"**

REMARKS

BY

**DICK THORNBURGH
ATTORNEY GENERAL OF THE UNITED STATES**

**BEFORE THE
HERITAGE FOUNDATION**

**WASHINGTON, DC
TUESDAY, JULY 10, 1990**

Whether or not the present 28th Communist Party Congress in Moscow is, as some predict and more hope, a true precursor to the "withering away of the party," the extraordinary debate which is taking place in that forum parallels in important ways President Gorbachev's stated desire to create a "law-based state" -- a Soviet Union founded on the rule of law.

Heritage Analyst Leon Aron has identified the creation of "a government vested with authority and having enough legitimacy to administer the very bitter pill of radical economic reform. . . as the central and most urgent issue of Soviet politics today."

It is my view, in the context of recent exchanges between the Department of Justice and our Soviet counterparts, that the rule of law is the only basis upon which such a government can eventuate from the upheaval presently under way in the Soviet Union and Eastern Europe.

Our October 1989 trip to the Soviet Union -- the very first by a sitting United States Attorney General -- occurred at the very beginning of the Supreme Soviet's effort at institutional reform -- and enabled us to open an historic, and continuing, dialogue on the rule of law and human rights.

It was a remarkable experience. At the invitation of Soviet Minister of Justice, Venyamin F. Yakovlev, we met for a week with Soviet leaders in the fields of law enforcement and the

- 2 -

administration of justice -- ministers, jurists, law students, even the Chief of the K.G.B., Vladimir Kryuchkov. Our agenda was a full one, devoted to topics central to what makes our democracy work: our Bill of Rights, our federal system, the principle of separation of powers, with its checks and balances, our two-party political process -- all from that curriculum of liberties we teach (but don't always learn) in our basic high school civics courses.

And I have to credit our Soviet hosts, even at that early juncture, with a bold exercise. Our political discussions were open and free-ranging, covering everything from our mutual interest in stopping international terrorism to their obligation -- as we see it, and they increasingly recognize it -- to allow freer emigration of Soviet Jews. But our talks still took place within an historical legal context that must be understood, if their present difficulties are to be fully recognized, or ever surmounted.

To summarize abruptly a great deal of history, Soviet justice derives from three legal traditions: customary law among the peasantry, the imperial law of the Czars, and, much later, the Romanist law of civil codes. Customary and imperial law have had by far the overwhelming impact, creating a government of men above the law, from the Mongols to the boyars to the Czars and

- 3 -

beyond. Various formal codifications of imperial law did appear. But the operative legal power was still vested in what we commonly know as the ukase. "A proclamation of a Russian Czar," as Webster's says, "having the force of law."

This violently changed -- yet did not really change -- when the Bolsheviks came to power. Initially Lenin abolished imperial law, along with private property, and set up the people's courts. Judges were instructed to follow the decrees of the revolution -- or their "socialist conscience." Later, Lenin and his successors moved to keep authoritarian sway over the courts by what became known as "telephone justice." Party officials frequently rang up judges, who then ruled in particular cases according to what the party told them to do. The ukase had been reduced, by 20th century technology, to a phone call. The legalistic way was prepared for Stalin's Moscow show trials during the Great Terror and, thereafter, the habitual subordination of the law to party interests.

Against this unpromising background, so-called "new thinkers" in the Soviet Union have now embarked upon what appears to be a truly idealistic and laudable attempt to establish the rule of law -- or in Gorbachev's words, a "law-based state." Could it actually happen? So often you hear it optimistically

- 4 -

said: remember that Mikhail Gorbachev was trained as a lawyer. Yes, but so was Lenin.

The chances are certainly there -- as we saw during that week, and continue to see as we visit with Soviet officials and lawyers, both here and in the Soviet Union. Indeed, we are presently preparing for a return visit by Minister Yakovlev next month to extend our dialogue on democracy. But chances of success in this endeavor must always be measured against the long fatigues of history -- the institutional neglect and political disrespect for what we know as the rule of law.

What is really missing is what might be called a "legal culture." Time and again, for example, we found an almost naive belief that all that was needed was to pass the correct statutes, to get the right laws on the books to create a "rule of law." We did our best to try to disabuse them of this legalistic and somewhat simplistic notion. Laws on the books, we explained, must be conscientiously obeyed and impartially enforced within a structure, and through a process, recognized and acknowledged by all. . . citizen and bureaucrat alike.

The rule of law works in a democracy, we pointed out, because of the supremacy of the judiciary, because men adhere to

- 5 -

a government of laws, and act to see that the laws are enforced, in such ways that no man is above -- or below -- the law.

Happily, the very things the Russians found most curious about our democracy let us discuss those practices in our law that really make our democratic process work. Our Ambassador to the U.S.S.R., Jack Matlock, reports this phenomenon is common -- as Soviet citizens seek him out to gain insight into the functioning of the most basic of American institutions. Soviets quiz him on remarkably practical questions. If the Russians are writing a law on the press, they might query, for example, "How do Americans treat libel law? What can your press say? What can it not say?"

One of the first, most insistent questions I was asked by nearly everyone was, inevitably, a constitutional one: how does your federal system work? How did you weld together the separate states as the United States? How do you keep things from falling apart through incessant struggles between the national government and 50 different state governments?

Obviously, they are worrying about the unrest among their own Republics. You only need look at the independence movements in Lithuania and the other Baltic states -- as well as similar secessionist rumblings in the Republic of Russia, under Boris

- 6 -

Yeltsin, and most recently, in Uzbekistan -- to understand their anxiety. They are also looking to us for ways, if you will, to deal with their own diversity.

We gave them a very pragmatic answer. We did our best to explain, "Look, this is the way we do it, but the central thing about our system is its accommodation to change. Most of the mechanisms and components of our government are designed to accommodate change. And mastering that process is going to require far more than just the passage of new laws by the Supreme Soviet." It is going to take a commitment to the lawful, democratic process, and we tried to emphasize legal process -- due process of law -- even over substantive rights, as the true safeguard of the people's liberties.

Again, they asked us often, and in much confusion, about the separation of powers. The idea of deliberately building in a tension between separate branches of government -- our concept of checks and balances -- was extremely puzzling to them and, to some, incomprehensible. Accustomed to their own monolithic system, they would have to struggle hard to understand, for example, Justice Brandeis' observation that we adopted the separation of powers in 1787 "not to avoid friction, but by means of the inevitable friction incident to the distribution of

- 7 -

government powers among the [branches], to save the people from autocracy."

We called attention to their own guarantees of civil rights under the Soviet constitution. There they are, all fully documented, like our own Bill of Rights. Only there is also the carefully worded escape clause: "Civil rights shall be protected by law --" Just as our rule of law would hold -- but with this kicker. "-- Except as they are exercised in contradiction to their purpose in socialist society in the period of communist construction."

That, of course, admits the ubiquitous specter of party tyranny. Attempts are being made to toss this offensive language off the train by the new thinkers. But it's not litter down the tracks of history yet. And still to come is the real test as to whether the Soviet courts themselves can and will act to protect the people's rights. In short, will respect for legal process eliminate the prior abuses of "telephone justice"?

True reform must reach down into the legal culture itself, and create an inherent respect not only for individual rights, but for legal procedure and due process. In a statement before the Communist Party Congress last Monday, K.G.B. Chief Kryuchkov affirmed this elemental truth:

- 8 -

We cannot speak in favor of the universal development of democracy and at the same time refrain from speaking in favor of law and order, and the supremacy of the law. A society which allows the law to be mocked is a diseased society. . . .

Fine words indeed, but one problem is that much of the motivation for legal reform is coming from a different direction altogether.

The Soviets face one great, dire urgency -- besides national unrest -- and that is their economy. To survive, they must enter the free world marketplace. To do that, they realize they must position themselves to recognize -- and take advantage of -- the rules of free commerce. The rule of law is the fundamental prerequisite for turning away from a command economy -- to a market economy.

One of the Soviets' principal reasons for their great interest in the rule of law is just that -- they have an immediate and pressing need to jump-start their participation in the world economy, to attract foreign know-how and investment. To do that, they realize they must display the predictability and stability that can only emerge from a body of commercial law -- which, in turn, respects the sanctity of contracts and, yes, recognizes property rights as well. Fear of abrogation of

- 9 -

contract rights or expropriation of investments can stunt otherwise attractive commercial and industrial initiatives.

This is one reason why property rights have been so hotly debated in the Soviet Union. A young reformer, whom my wife and I met last year, Ilya Saslavski, is involved in a property battle which typifies the disputes taking place on a local level across the Soviet Union. Saslavski, an elected member of the Congress of Peoples' Deputies, who is visiting here this week, has announced the take-over -- for ordinary families -- of an apartment building built for the party elite. Though the controversy will be settled in court, such a confrontation would never have been attempted were Saslavski not assured of a favorable hearing from a pro-reform judge. The action taken by Saslavski is but one manifestation of the myriad crises arising as local leaders vie for power in the Communist system which has an endemic antagonism to property rights reform.

On the very day we visited the Supreme Soviet -- a semi-democratically elected legislature, and a developing seat of power -- debate on the subject of property rights went on seemingly endlessly, and with very good cause. The Soviet Constitution says that property belongs to the state alone. But might such state property be legally leased to cooperative, joint ventures? And how does a Soviet citizen without ownership "act

- 10 -

like an owner," as Gorbachev has instructed, or even enjoy "something close to ownership" as espoused by Boris Yeltsin? As we watched, the late Dr. Andrei Sakharov, among others, rose to voice his objections to the Government's bill. Finally, two bills, partially in conflict, were sent off to a commission for a further massaging ... which continues to this day.

Adept legal accommodation can also be seen in the liberalization of their emigration policies. We are convinced they are now doing their legal utmost to facilitate the issuance of emigration visas -- as a new exodus follows hard upon a rise in anti-semitism in Russia -- but, here again, their interest is not wholly altruistic. They would like to meet the strictures of our Jackson-Vanik legislation in order to secure the most-favored nation status that would much enhance their prestige in world markets.

Still, we must be convinced -- as in so much else undertaken in the name of Soviet legal reform -- that not just the letter, but the spirit, of the law has taken root in the Soviet Union. That is the essence of the agreement reached between Presidents Bush and Gorbachev during the recent summit, that any trade agreement remains contingent upon legislative action by the Supreme Soviet in support of free emigration. We are, in short, watching to see that opportunities to emigrate are

- 11 -

institutionalized in law and practice, and are not just episodic, in the present uncertain flux of Soviet democratization.

All that being said, at the same time, I do not want to downplay their efforts to achieve the rule of law, or underestimate the modern-day difficulties of democratization. Two hundred years ago, we could call upon our English, common law heritage, and an American over-abundance of legal talent, to create our written Constitution, even in crisis. Also, we were then only four million, relatively homogeneous Americans, mostly concentrated on the Atlantic Coast -- not 290 million multi-cultured Soviet citizens, spread across eleven time zones. Moreover, our Constitutional Convention deliberated in secret -- not under glasnost. Imagine, if you will, George Washington on worldwide television, in the midst of a currency crisis, trying to suppress Shay's Rebellion, letting Vermont and New Hampshire pursue Yankeeism in their own way, negotiating with Quaker Solidarity, while trying to cut an arms deal with the British and French to put a cap on heavy frigates. George Washington, you will recall, said not one single word while presiding at Philadelphia.

The Soviets suffer all the drawbacks of history, including their own, most recent, flawed history. But do they now recognize these flaws, particularly in law, and do they sincerely

- 11 -

institutionalized in law and practice, and are not just episodic, in the present uncertain flux of Soviet democratization.

All that being said, at the same time, I do not want to downplay their efforts to achieve the rule of law, or underestimate the modern-day difficulties of democratization. Two hundred years ago, we could call upon our English, common law heritage, and an American over-abundance of legal talent, to create our written Constitution, even in crisis. Also, we were then only four million, relatively homogeneous Americans, mostly concentrated on the Atlantic Coast -- not 290 million multi-cultured Soviet citizens, spread across eleven time zones. Moreover, our Constitutional Convention deliberated in secret -- not under glasnost. Imagine, if you will, George Washington on worldwide television, in the midst of a currency crisis, trying to suppress Shay's Rebellion, letting Vermont and New Hampshire pursue Yankeeism in their own way, negotiating with Quaker Solidarity, while trying to cut an arms deal with the British and French to put a cap on heavy frigates. George Washington, you will recall, said not one single word while presiding at Philadelphia.

The Soviets suffer all the drawbacks of history, including their own, most recent, flawed history. But do they now recognize these flaws, particularly in law, and do they sincerely

- 13 -

Hazard of Columbia Law School says -- is another John Marshall to arrive on the scene and guide their deliberations.

So there appears to be a will to a rule of law, if still much wandering in pursuit of untried, democratic ways. Going for such high stakes means that it is far too early to determine their chances of success. But I do remind you of two highly successful, post-war experiments in democratic reformations: Germany and Japan. Again, there are large differences in national circumstances -- whole histories, wartime sufferings, other relevant factors. But we have seen the political adaptability of West German democracy overcome many obstacles from the totalitarian German past, and witnessed -- sometimes to our chagrin -- the Japanese experiment's continuing, modern triumph over centuries of emperor-worship. And both experiments were undertaken in similar adversity: by an undone people -- even a conquered people -- in economic extremis, at a moment of deep disillusionment with their own society. Could something far different, yet alike, happen again? For the sake of world harmony, we can hope so, while also providing whatever encouragement is possible.

One final, positive observation. In 1979, when I visited the Soviet Union as a state governor, I found each official session invariably opened with an almost obligatory denunciation

- 14 -

of the United States and our system of government. Ten years later, nearly every meeting with our counterparts began with a litany of woes -- their recitation of the shortcomings of their system -- and an almost wistful yearning for more knowledge about how our democracy works.

So I come away from my most recent visit to the Soviet Union -- and our subsequent contacts with their legal delegations -- well aware that Soviet justice does not yet embody what we know as the rule of law, but convinced that patience and example, and even some advocacy, might help certain determined Soviet officials to establish their rule of law.

Like everybody else's democratic experiment, it will have to be attempted and achieved within their own society. If ever we needed dramatic reinforcement of that truth, it has come from the recent elections in Eastern Europe. On the one hand, East Germany has all but reunited with West Germany after its first free parliamentary election in four decades. On the other hand, Romania seems to have reverted to a government-sponsored vigilantism in the streets following the electorate's return to office of former Communists.

We cannot count upon constitutionalism simply to arise as virtue triumphant from the totalitarian ruins of Europe. Even

- 15 -

where constitutionalism seems likely to prevail, the rule of law will be formalized differently by the Czechs, or the Poles, or the Hungarians -- and most certainly, by the Russians. Nobody else but their own judges, lawyers, ministers and citizens can evolve the judicial fairness and institute the legal restraint that underpin any rule of law. And it is only inherent respect for the law -- such as we have seen people steadfastly demanding in the open squares and open parliaments and newly open societies -- that will bring to a tolerable end the last vestiges of tyranny in these formerly closed Communist monoliths.

In sum, only the rule of law can provide a sturdy bridge over the yawning political chasm between upheaval and democracy.

And we will know it when, and if, it appears. By the human rights the rule of law protects, by the governmental powers it limits, by the judicial independence it preserves. We will know it, constitutionally, when we see it. After more than two hundred years of experience and experiment on our own -- who better to judge its emergence elsewhere?

Center for Strategic & International Studies Conference
The 1990s: Critical Change
1 April 1989

Robert M. Gates
Deputy Assistant to the President
for National Security Affairs

Gorbachev and Critical Change in the Soviet Union:
Implications for the West

It is an honor to speak to this distinguished audience examining critical change in the 1990s. I can think of no more appropriate or timely topic, for we are in a truly extraordinary period. Europe is moving steadily toward greater economic and political integration in 1992. Authoritarian governments from the Philippines and the Republic of Korea in the East to Latin America in the West are giving way to democracy. China is in the midst of a momentous reform program, and, in the Soviet Union, a revolution from above has been launched, albeit with no assurance it will succeed. Capitalism and democracy are ascendant; economic statism and political despotism are in retreat.

There has been a remarkable change in the relationship between the United States and the Soviet Union over the past two years, including the signing of the Treaty on Intermediate Range Nuclear Forces. The Soviets have announced a first and important step toward reducing their overwhelming conventional force advantage in Europe. Conventional force reduction negotiations opened last month and negotiations on strategic force reductions will resume in the near future. A Sino-Soviet Summit is scheduled for mid-May. The Soviets have withdrawn from Afghanistan, the Vietnamese may be leaving Cambodia, and a settlement getting the Cubans and South Africans out of Angola has been negotiated. Exhausted, Iraq and Iran have agreed to and are, in the main, observing a ceasefire. Structural change is reshaping international economic relationships in dramatic ways.

Accordingly, critical change in the 1990s is a most appropriate subject. It certainly is a subject with which the Bush Administration has been preoccupied for the last two months. Resisting the siren song of the quick fix and the big headline, we actually are trying to think about the 1990s -- to absorb and understand the many

changes that have taken place in recent years, those that are still underway, and those that are only just above the horizon of the future. Our task, then, is to devise policies that look to the end of the century and beyond. We are working to develop economic, political, military and arms control strategies that are grounded in reality and yet build upon opportunities for constructive, stabilizing change. We see opportunities to expand freedom, to strengthen both peace and security at lower levels of military forces, to enhance economic growth and extend it, and to promote international cooperation on such common problems as terrorism, drugs, the environment, and the spread of chemical and biological weapons and the means to deliver them.

Seizing such opportunities requires preparation and planning. Too often the energies and time of senior officials are consumed day in and day out by the crisis of the moment -- a diplomatic demarche, a newspaper story, a Congressional hearing, a bureaucratic dispute or a multitude of other short-term preoccupations. We in government, as a rule, spend too little time thinking about and planning for the future. We spend too little time reflecting on history and experience; **we neglect strategy for tactics.**

The Bush Administration is trying to resist this. Accordingly, our reviews of the international setting and our policies are focused on the development of long range strategy. Failure to take stock, to understand, to look ahead, and to plan would ensure failure to seize the opportunities we see now and discern in the future.

This brings me to the Soviet Union. On this subject, more than on any other, there has been speculation about the views of the new administration and directions the President will take. We have heard such nuanced and sophisticated questions as "Should we help Gorbachev" -- and we have resisted the temptation of monosyllabic answers. I expect our Soviet review to be complete very soon. This afternoon, rather than focus prematurely on possible outcomes or specific policies, I want to share with you the framework within which we approach the Soviet-American relationship.

We do live in a time of dramatic change -- change that now has spread to the Soviet Union. The failure of a system of government -- economic, political, social and moral failure -- is a powerful inducement to dramatic departures from the past, to

unprecedented distancing from many of the precepts that have guided the system for so long. It is the self-evident failure of the Soviet system, and the absolute imperative to change it, that form Gorbachev's mandate, are his primary sources of political support, shape his radicalism, and cause us all to wonder if the wheel of history is at last about to turn for that vast empire. Regardless of the substantial odds against him, we take seriously Gorbachev's determination to modernize the Soviet economy. We applaud the measures he has taken to increase openness in the press, to ease restrictions on religion, to take the first faltering steps toward democratization, and to contribute constructively to settling certain international disputes. We welcome his commitment to reduce Soviet conventional forces and to pursue a further relaxation of tensions and arms control. These are all positive steps, and they have led to widespread hope and optimism. We, too, are hopeful.

At the same time, long term policy must not be based on hopes, but on past experience, present realities and future probabilities -- as well as possibilities. Just as I believe we must try to look well into to the future in developing foreign policy, I also advocate looking to the past -- examining the historical record for

insights pertinent to the future. This is especially true with respect to the Soviet Union, where Western views too often are shaped by the latest leadership change, pronouncement or enticing proposal.

Looking back over one's shoulder with respect to the USSR is not for the faint hearted. What we see, above all, is a system of rule that over a seventy year period has brought to the peoples of the old Russian empire suffering on a scale previously unknown in human history. Mentioning this often elicits a reaction similar to a display of bad manners at a dinner party or a dismissive gesture suggesting the irrelevance of this past to our future. Commonly, the horrors of Soviet history are blamed on Stalin, both within and outside of the Soviet Union. Yet, I believe it essential for us today to understand that this record is not confined to the Stalin era alone, was not the doing of a single demented leader, but covers the entirety of Soviet history, and is the product of the very nature of the system itself.

Soviet history did not begin in the Spring of 1985. A brief reminder of the record and of the cycles in that record are useful, even for an audience as well informed as this one.

-- Under Lenin, 10 million people were killed in the civil war from 1918 to 1920, and another 5 million died in the War Communism famine of 1921-22. In 1921, in the midst of catastrophe, Lenin set a precedent for his successors by retreating, falling back to tried and true methods of economic growth -- private markets, small private business, denationalization, and legalization of private trade. By 1923, 83 percent of retail trade had been privatized. Whether the New Economic Policy and associated measures would have endured had Lenin lived is one of those finally unanswerable questions. Regardless, Lenin himself admitted, "We showed quite clearly that we cannot run the economy." Truer and more prophetic words were never spoken. While economic policy might have turned out rather differently, I believe Lenin contemplated no such flexibility in terms of politics -- the controlling monopoly of the Communist party.

Meanwhile, in another precedent important for the future, as early as 1920-21, facing disastrous internal problems, Lenin turned to the West for help, signing trade treaties with Britain,

Norway, Italy and Sweden and obtaining a major loan from France. By 1921, the American Relief Administration was feeding nearly 10 million Soviet citizens.

- Under Stalin, another 14 million people died from 1928 to 1937 -- the war against the peasants. Countless more were killed in the Great Terror, as Stalin first purged the Party and then the military to eliminate opposition, both real and imagined. By the late 1930s, some 12 million people were in forced labor camps. Constant terror and periodic purges were characteristic of the Soviet regime to the very end of Stalin's life in 1953.

At the same time, Stalin eagerly and successfully sought foreign assistance for the Soviet regime from the United States, Britain, Germany, Italy and France. The majority of the largest Soviet power plants before the war were built by the British firm Metropolitan-Vickers; western companies designed, built and equipped the industrial complexes at Magnitogorsk and Kuznetsk as well as the Urals Machine Works, and many more. The great Dnepr dam was built by the firm of Colonel Hugh

Cooper, an American hydraulic engineer. And, yet, during the period before the war the Soviet Union intervened in the Spanish Civil War, invaded Finland, and with Hitler's blessing seized the Baltic States and carved up Poland. I need hardly mention Soviet expansionism in Europe, Southwest Asia and East Asia in the immediate post-war period.

-- Khrushchev, as described by the emigre historians Heller and Nekrich, demonstrated that the system could forego mass terror without altering the Stalinist socialist state. This more selective terror stopped at the doors of the Central Committee as Khrushchev released millions from Stalin's camps but soon began refilling them. The means of intimidation became more sophisticated with the use of psychiatric incarcerations and other punishments.

Domestic reform again became the order of the day as Khrushchev moved to decentralize and modernize the economy, made management more flexible and eased pressures on the rural population. Under Khrushchev, the Soviet authorities declared their intention to increase

production of consumer goods and food. They again turned to private plots in agriculture and espoused the need for material relief of the people. He launched an anti-corruption campaign, sought to have senior party officials elected by secret ballot to limited terms of office, and tried to limit the privileges of senior officials. And in 1962, the Liberman economic reforms were begun with the central theme that profitability would be the main criterion for gauging the economic performance of enterprises.

Remember the "Thaw" of the 1950s -- the first and last time to this day that a work of Alexander Solzenitsyn has been published in the USSR? A new openness emerged as the central newspapers published thousands of complaints about the arbitrariness of local leaders and demands for legality. And, of course, Khrushchev exposed many of the crimes of the Stalin period.

Meanwhile the new Soviet leaders moved immediately to normalize relations -- to establish a detente -- with the United States and the West. The Korean Armistice was signed in July

1953, a cease fire was quickly agreed in Indochina and in 1955, Soviet forces left Austria. Eisenhower and Khrushchev met in Geneva and the Soviet leader visited the United States. Khrushchev unilaterally reduced conventional military forces by 1.8 million men between 1955 and 1957. There was much talk of the end of the cold war. Yet, during this period the Soviets crushed revolts in East Germany and Hungary, built and deployed intercontinental ballistic missiles for the first time, sent some of those missiles to Cuba, precipitated several dangerous crises in Berlin and built the Berlin Wall.

-- The popular impression of the Brezhnev period, reinforced by Gorbachev, is one of doddering old men presiding ineffectively and incompetently over a stagnating economy while pursuing detente and arms control with the West. This is Western historical amnesia and Soviet selectivity, if not disinformation.

In 1965, the Soviet leaders already knew their economy was in serious difficulty. They ratified many of Khrushchev's economic reforms, with the Liberman concepts at the core. The leadership turned again to the law of supply and demand,

material incentives and broad autonomy. Premier Kosygin tried to implement significant reforms, but plainly Brezhnev and the rest of the Politburo had little interest in paying any political, economic or social price to pursue reform. Then, as now, they tried to reconcile the irreconcilable: to enlarge the rights of individual enterprises and also restore the power of the central economic ministries.

By the late sixties, twin crises enveloped the USSR -- a political crisis reflecting the nationalities problem, and an economic crisis as growth decreased sharply. Brezhnev needed a breathing spell and, as so often in Soviet history, outside assistance. The West was happy to oblige. Relationships with Europe and the United States blossomed. Tensions relaxed, warmer relationships were cultivated with European countries, the Quadripartite Treaty on Berlin was concluded, the first SALT Treaty and many narrower technical agreements were signed with the US, and Western trade, credits and technology flowed.

Yet, consider what Brezhnev was up to elsewhere during this

same period. His was the regime that invaded Czechoslovakia in 1968 and crushed the Prague Spring. The Western reaction? President Johnson said, "We hope -- and we shall strive -- to make this setback a temporary one." The then French Foreign Minister said it was "an unpleasant incident along the road." The next year, the Soviets attacked China along the Ussuri River and dropped heavy hints, including in Washington, that a nuclear attack against China was under consideration. Recklessly or intentionally, the Soviets helped provoke the 1967 Middle East War. In the mid-1970s, they supported Cuban surrogate forces in Angola and Ethiopia. The same leaders toasted in the West provided the wherewithal for North Vietnam's final conquest of the South, underwrote the Sandinista Revolution in Nicaragua, and sold \$12 billion worth of weapons to Libya. In 1979, Brezhnev ordered the invasion of Afghanistan. In 1980-81, this leadership forced the imposition of martial law in Poland and the suppression of Solidarity. And, all of this took place against the backdrop of the greatest peacetime military buildup in history.

We also have too easily forgotten the wave of internal

repression inside the Soviet Union during this period. In 1965, there were mass arrests of those involved in nationalist movements in the Ukraine, Lithuania and the Transcaucasus. The first show trials since Stalin convicted Sinyavsky and Daniel in 1966 for slandering the Soviet state. Political trials all over the USSR followed -- in Moscow, Leningrad, Kiev, Lvov, Gorky, Riga, Tashkent and Omsk. Remember Aleksandr Ginzburg, Pavel Litvinov, Yuri Galanskov and all the others? By the late 1970s, the KGB had destroyed the dissident and human rights movements.

-- Finally, Andropov, as head of the KGB architect of the suppression of dissent. His contribution as General Secretary to solving the Soviet crisis? Tighter discipline, a call to arms against "consumer instincts," squeezing the fat out of the economy -- but not a single substantial reform. During his fifteen months in the top job, we saw wide scale arrests of dissidents, Baptists, Jews and many others.

I offer this thumbnail sketch of Soviet history to underscore that our view of the Soviet Union cannot be based on the

personality of one or another leader, but must be based on the nature of the Soviet system itself. We face a deeply entrenched philosophy and system of government that to date has depended upon repression at home and promoted aggression beyond its borders. It is the Soviet system itself, and the 70 year continuity we see from leader to leader, from Lenin to Chernenko, and even Gorbachev, that shapes our view of the USSR. Gorbachev is challenging some aspects of this system but even he acknowledges he has not yet significantly changed it. We cannot ignore Soviet history or the apparent strength and durability of the system that produced it. Nor can we ignore the cyclical turn to reform, "detente" and foreign assistance each time the system has hovered on the brink of catastrophe or fallen into it.

Le Monde has said, "One cannot minimize the scope of this reform. By every available measure, it is without doubt of the first importance.... It will have major consequences if it runs its course. Gradually, the entire Soviet system of planning will be overturned." Regrettably, those words were published in December 1964.

In important respects, Gorbachev has made quite clear he has

no intention of dismantling fundamental features of the system. There will be no political party but the Communist Party, as demonstrated by the prompt crushing of the Democratic Union. The economy is, and will remain, governed by political decisions. Rights are granted by the Party to the people. Glasnost is a grant, possibly temporary, from Gorbachev to the Soviet people suited to his own political needs and purposes. Indeed, it seems clear that Gorbachev turned to political reform only because he concluded that it had become necessary to achieve his economic objectives.

Moreover, we cannot make long-term decisions and devise strategies affecting freedom and the future that depend on the continued political (or even physical) survival of one man. Indeed, not a leader in the West goes to bed unaware that he or she could wake up to a new Soviet counterpart. Unlike any Western or other modern state, politics at the highest level in the Kremlin today are as hidden from public view as in generations past. Much has changed, but more that is fundamental remains the same.

In sum, we proceed with care and prudence because we are dealing with a system where the roots of oppression, aggression,

and secrecy are deep, because for seventy years we repeatedly have seen a system in crisis proclaim reform and turn to the West for help while the essential features of that system at the end of the day remained unchanged.

Prudence, however, is not synonymous with inaction. Nor is wariness to be equated with pessimism and cynicism. It would be the worst sort of myopia not to recognize that profound changes are underway in the Soviet Union. There is a degree of openness and vigor of political debate in the USSR unknown since the days of the first (or February) revolution in 1917. Indeed, we need only reflect on the openness of debate at the Party Conference last summer or the elections this last week. (Who could not be amazed at the defeat of the Leningrad Party Chief, who ran unopposed, or the demonstration of support for Boris Yeltsin?) In a number of areas -- Afghanistan, Angola, Cambodia, conventional force reductions, various aspects of arms control, China -- we are seeing the Soviets change their policies, abandon old positions, and remove themselves from longstanding dead-ends. We do see "new thinking" in some areas, although in others -- as in Central America and the Middle East -- the old ways of thinking and behavior remain.

We are generally encouraged by what we see. Maybe this time things will be different. The changes plainly offer opportunities -- opportunities for further reducing tensions, for enhancing strategic stability, for promoting human rights and democracy, for arms control, and for cooperation on transnational issues such as the environment, narcotics trafficking, and stopping the proliferation of chemical, biological and nuclear weapons.

Ironically, given Gorbachev's priorities, the pace of some aspects of political change is far outstripping economic modernization and performance. Indeed, what Gorbachev has set in motion represents a political earthquake. He is pulling all of the levers of change in a society and culture that historically has resisted change -- and where change usually has been violent and wrenching. He is a figure of enormous historical importance. The forces he has unleashed are powerful but so are the people and institutions he has antagonized -- thus setting in motion a tremendous power struggle and purge no less dramatic for the absence of show trials and terror. The outcome is by no means clear, and prolonged turbulence seems certain.

Gorbachev seeks a system in which some -- though certainly not all -- elements of the Stalinist economic structure and bureaucracy are eliminated thus opening the way to greater flexibility and innovation and thereby to modernization and improved performance. However, elections notwithstanding, Gorbachev's Leninism still means the continued political monopoly of the Communist Party. Gorbachev's dictatorship of the Communist Party remains untouched and untouchable. He seeks still a system based on the same Leninist political principles that guided his predecessors. As he said in 1987, "We will not retreat an inch from the path of socialism, of Marxism-Leninism."

Westerners for centuries have hoped repeatedly that Russian economic modernization and political reform -- even revolution -- signaled an end to despotism. Repeatedly since 1917, the West has hoped that domestic changes in the USSR would lead to changes in Communist coercive rule at home and aggressiveness abroad. These hopes, dashed time and again, have been revived by Gorbachev's radical domestic agenda, innovative foreign policy and personal style.

Enduring characteristics of Soviet governance at home and policy abroad make it clear that -- while the changes underway offer opportunities for a relaxation of tensions and for cooperation in many areas -- Gorbachev intends improved Soviet economic performance, greater political vitality at home, and more dynamic diplomacy to make the USSR a more competitive and stronger adversary in the years ahead.

What we seek is a Soviet Union that is pluralistic internally, non-interventionist externally, observes basic human rights, contributes to international stability and tranquility, and a Soviet Union where these changes are more than an edict from the top and are independent of the views, power and durability of a single individual. We can hope for such change but all of Russian and Soviet history tells us to be skeptical and cautious.


We cannot -- and should not -- close our eyes to momentous developments in the USSR. But we should not make concessions based on hope and popular enthusiasms in the West or attractive personalities in the USSR. We should, however, take advantage of

opportunities where the terms are favorable to us, where we can solve problems to mutual advantage, or where we can bring about desirable changes in Soviet policies -- whether to promote human rights, freer emigration, solutions to Soviet generated problems such as Afghanistan, reduce the military threat or even to expand business ties (if there is no transfer of sensitive technology). Above all, we must establish realistic criteria by which we can judge in the coming months and years whether political or economic change in the Soviet Union genuinely is reshaping the foundations of the system -- or whether the historically oppressive structure of the Soviet Union, including the instruments of central control and repression, endures discreetly in the shadows, available at the beckon of Gorbachev's successor, or even for Gorbachev.

Gorbachev has spoken of a European home, from the Atlantic to the Urals. But "Europe" and "the West" are not just geographic terms. They represent a community and continuity of values, a common historical experience reflected in this year's bicentennial celebration of the French Declaration of the Rights of Man and the inauguration of our First President under the Constitution. The principles set forth in these two documents compared to the central

tenets of Leninism still held dear by Gorbachev mark the distance that remains between us.

For all the changes²⁸ underway, the Soviet Union philosophically and politically still embodies the primacy of the State over the individual. Because of this unbridgeable difference in values and beliefs, whether Gorbachev succeeds, fails, or just survives, a still long competition and struggle with the Soviet Union lie before us. Preserving the peace and fostering an enduring relaxation of tensions even as the competition continues depends upon seeing this reality clearly. Keeping this long range perspective -- with keen awareness of perhaps unprecedented opportunities as well as the dangers -- will be an extraordinary challenge for the United States and the Western democracies.



Process and Product: Soviet Arms Control Strategy

An Address by Ambassador Edward L. Rowny
Special Advisor to the President and Secretary of State
for Arms Control Matters

National War College Alumni Association Symposium
San Antonio, Texas - April 27, 1989

The Soviets view arms control policy as an integral element of their national security policy. They see it from two perspectives. First, they think arms control can help decrease the likelihood of attack against the Soviet Union. Second, they sense that arms control has great utility in a wide variety of Soviet diplomatic efforts. Over the long course of US-Soviet arms control negotiations, they have developed a strategy to use arms control in pursuing their national security objectives. These objectives are internal, military, and political in nature:

- * To legitimize the Soviet political system and ensure rule by the Communist party.
- * To extend and enhance Soviet influence worldwide.
- * To defend the Soviet Union against potential aggression.
- * To maintain dominance over the land and sea adjacent to Soviet borders.
- * To protect planned Soviet force modernization and developments.
- * To constrain and reduce US and Western forces.
- * To fragment NATO and decouple the United States from its friends and allies around the globe.
- * To undermine support in the West for defense, and hamstring Western military programs.

Obviously, arms control will be more directly relevant to some of these objectives than to others, but each is an important factor in the equation. The overarching criterion by which the Soviets judge the utility of arms control is how well it serves the achievement of these objectives, which determine the correlation of forces between East and West.

The Importance of Process

To understand how the Soviets use arms control to achieve their national security objectives, it is necessary to grasp the dual components of Soviet arms control strategy: process and product.

In their arms control strategy, the Soviets place greater and more consistent emphasis on the political utility of the process than does the United States. This process includes everything other than the terms of an agreement itself: the conduct of talks, high-level meetings, summits, and public and media exploitation. The process is continuous and does not end with the signature of an agreement. The Soviets view this process to be of paramount importance, both because it creates political opportunities for them to exploit in the campaign to secure their policy objectives, and because it consolidates and sustains their efforts.

Historically, the Soviets have used arms control as an element of their foreign policy. With varying degrees of success, they have put arms control in the center of the U.S.-Soviet agenda. They do this not because they believe that arms control is the issue most critical to improving relations between East and West, but because

by fomenting a Western fixation with arms control they believe they can best direct East-West relations in their interests. Preoccupation with arms control diverts attention from the critical underlying causes of East-West tension which the Soviets clearly recognize -- the differences in the values of our respective social systems. As well, it has served to distract attention from other areas, like regional affairs and human rights, where Soviet policy is not so attractive.

The United States, in contrast, has sought to conduct its relations with the Soviets on a wider plane. The introduction by President Reagan of the four-part agenda of human rights, regional issues, bilateral affairs, and arms control, was a turning point in U.S.-Soviet relations. It marked a fundamental change in the US-Soviet dialogue by insisting on breadth and balance in the our relationship with the Soviet Union. The success of this agenda is seen in the fact that the Soviets have gradually come around, and increasingly engage the United States on the wider range of issues. President Bush's expansion of this broad agenda to include global or transnational interests, such as the environment, is confirmation that he will pursue the full range of East-West issues, and not permit arms control to be the weather vane of U.S.-Soviet relations.

The Soviets use a number of time-tested techniques in applying their strategy to the process. By setting up arms control as the centerpiece of East-West relations, the Soviets attempt to foster a benign image of the USSR through arms control proposals, public diplomacy and propaganda activities. They create the image of Soviet "initiative" by going public with their negotiating positions, or by making vague, incomplete, but superficially appealing proposals.

In one recent example, Gorbachev declared a halt to Soviet production of weapons grade uranium. The US halted such production in 1964, and it has long been clear that the Soviets would not require further production, even despite new Soviet missile programs. The Soviets use access to the media to promote the image of forthrightness, often while doggedly stalling at the negotiating table. This is a common technique used to put pressure on the United States to make concessions and to make us appear less committed to reaching agreement.

The Soviets attempt to characterize the U.S. as the culprit for the lack of progress in curbing the "arms race." By fostering the impression that it is simply the number of nuclear weapons that influences the danger of nuclear war -- not a more accurate calculation including their number, type, deployment, and technical capabilities, or the behavior of states -- they hope to play to the grandstand of public opinion while masking their own very real efforts to achieve military advantage. For example, in the early stages of the INF talks, various Soviet "freeze" proposals simply would have locked in an overwhelming Soviet military superiority and decoupled the US from Europe.

One important technique they use is the refusal to acknowledge a distinction between "stabilizing" and "destabilizing" weapons. In START, the Soviets long sought simply to limit each side to an equal number of nuclear "charges." This made no distinction between a nuclear weapon atop a vulnerable ICBM, which could reach its target with deadly accuracy in half an hour, and one carried by a slow

flying, recallable bomber less vulnerable to a first strike. Accordingly, the Soviets long resisted the US START proposal for special "sublimits" on those weapons best suited for a first strike. In the past few years, however, there has been some important progress in this area. For example, at the Reykjavik meeting in 1986, the Soviets agreed to a START sublimit of 4900 ballistic missile weapons.

Another Soviet technique is to stigmatize Western defense programs they hope to kill. For example, at the Reykjavik summit, Soviet "spin doctors" sought to create the impression that, but for President Reagan's intransigence on SDI, we would have reached an historic nuclear disarmament agreement. This was not the case. There were several issues, notably the future of strategic offensive nuclear forces and verification, that remained unresolved. These issues were equally as important as the fate of strategic defense. Still, for weeks we had to fight the impression that SDI alone had blocked a breakthrough.

Currently the Soviets are seeking to stigmatize NATO's intention to modernize its short-range nuclear forces (SNF) while they have been modernizing their own. This Soviet propaganda is a far cry from "new thinking" -- it's old-fashioned inversion of the truth. Last month Foreign Minister Shevardnadze charged that "modernization . . . can destroy the genuine trust that has just begun to emerge in Europe." This month in London, President Gorbachev asserted that the Soviets had ceased modernizing their own short-range nuclear forces.

The truth is that the Soviets have been modernizing their SNF for a decade, and they show no sign of abandoning that effort. SCUD missiles are replacing the SS-23s banned by the INF Treaty. The SCUDs, which are being improved qualitatively, have a range of 300 km, nearly three times the range of NATO's LANCE, which will be outmoded by the mid-1990s. The Soviets also have been replacing old FROG missiles with SS-21s offering greater range and accuracy. Over the past several years the Soviets have increased the number of refire missiles for their forward-deployed SNF launchers by at least 50 percent, perhaps as much as 100 percent. All told, the Warsaw Pact now has a 16-1 advantage in SNF missile systems. On this issue, the Soviets have created a credibility gap so wide one could drive a tank through it.

Bids to Split Western Allies

The Soviets also use the technique of wedge driving. Through the use of controversial, unresolved issues they work to create and exploit friction in U.S. domestic politics, or in intra-Alliance relations. They do this both to weaken the West, and to create pressure for Western concessions. During the early phases of negotiation on the INF Treaty, the Soviets proposed inclusion of British and French nuclear forces, in order to cause a rift between the U.S. and its European allies. Later, under Gorbachev, the Soviets sought to include 72 Pershing I-A missiles belonging to the Federal Republic of Germany in the bilateral, US-Soviet INF Treaty. This was a clear attempt to get the United States to repudiate a program of defense cooperation with an ally for the sake of a deal with the Soviet Union. We refused. In the end, German Chancellor Kohl promised unilaterally to scrap the FRG's P-Is after the implementation of the INF agreement.

The Soviet technique of advocating vague "agreements in principle" serves three purposes. First, this fosters the false impression that a complete agreement is at hand. Second, the Soviets hope through this means to gain agreements that do not legally bind the USSR while contributing to relaxation of efforts in the West to secure agreement on necessary details. And third, they also hope to create pressure on the U.S. to compromise on critical unresolved issues.

While the Soviets place great importance on the process of arms control, the product also serves important Soviet national security interests. Products -- joint statements, agreements, or treaties -- represent an important means to constrain or reduce Western defensive capabilities. In addition, the products are often used to codify important political principles. For example, in the "Basic Principles" agreement signed in 1972 along with SALT I and the ABM Treaty, they got the U.S. to agree to the Soviet code phrase "peaceful coexistence," which the Soviets interpreted as granting them a free hand to support communist insurgencies in the Third World. SALT II endorsed the "Basic Principles" agreement, and stipulated that the U.S. and Soviet Union should conduct their relations on the basis of "equality and equal security," a loaded Soviet term that would grant the USSR superiority over any combination of its adversaries.

The Soviets also habitually use arms control products where possible to achieve or maintain a measure of military superiority. In SALT I, they insisted on retaining their numerical superiority, because of U.S. qualitative superiority. However, by the time of SALT II, they had caught up in some measures of quality, and expanded their important advantages in ICBM warheads and throwweight. With the ABM Treaty, they cut off an area of comparative technological disadvantage, while leaving competition in offenses relatively unconstrained. In SALT II, they sought to retain key advantages -- in heavy ICBMs, in throwweight, and in staving off effective verification -- the treaty's fatal flaws that prevented its ratification by the Senate.

It must be obvious from the above that process and product continually interact. The Soviets use the general atmosphere of improved relations following a major arms control agreement to further other aims, such as access to Western financial markets or a broad slowdown of Western defense efforts. Gorbachev's success in securing billions of dollars in credit from European sources, and the willingness of some in the West to question necessary defense efforts -- such as keeping NATO's nuclear forces up to date -- on the grounds they will antagonize the Soviets, speaks for itself.

Gorbachev's Approach to Arms Control

Under Gorbachev we have seen both promising changes and disturbing continuity in the way the Soviets have conducted their arms control policy. While the conclusion of the INF treaty, the progress made on START, and Gorbachev's promising announcement of unilateral conventional reductions point to a seemingly more forthcoming and flexible Soviet approach, we should be careful not to infer a fundamental change in Soviet interests or goals. Gorbachev's tenure as General Secretary has been short, and the evidence of a long-term or lasting change is inconclusive.

INF, as a completed agreement, provides a good case study to examine whether and how Gorbachev has used arms control to further traditional Soviet ends. Soviet conduct in the INF negotiation shows a high degree of continuity in the use of process and product to serve Soviet interests, while the outcome of the agreement represents a qualitative difference from those the Soviets accepted in past negotiations. Notably, the INF Treaty represents two major breaks from past Soviet practice in arms control: Gorbachev ultimately accepted tough verification including intrusive inspection, and a highly asymmetrical reduction (because the Soviets had built so many missiles in the first place) to an equal, global zero outcome. But he did so only after a consistent and intense campaign to fracture the global U.S. alliance system.

A few short examples illustrate this campaign. The first was Soviet insistence on keeping SS-20 missiles in Asia. This proposal would have required the U.S. effectively to ignore the security interests of our Japanese and Korean allies and Chinese friends. Additionally, there was Gorbachev's demand -- in the closing phase of the negotiation -- that third party German Pershings be included in the bilateral US-Soviet treaty. Each of these maneuvers was designed to exploit the naturally differing regional interests of America's global allies.

In the end, however, the Soviets accepted our global zero proposal. Gorbachev may have felt that the political need for the agreement outweighed the military advantage sacrificed. However, this military sacrifice was limited by (1) residual Soviet conventional superiority, (2) the removal of GLCM and especially Pershing II, the most modern and capable weapons in NATO's nuclear arsenal, and (3) the anticipated effect on future NATO modernization decisions. Gorbachev may have gambled a short term military "loss" in the hope of a bigger long term gain.

START, while not yet complete, indicates further the Soviet willingness to agree to equitable terms when the U.S. negotiates from a position of strength. Some difficult key issues remain unresolved such as heavy missiles, mobile ICBMs, verification, and nuclear SLCM, among others. Moreover, the fate of START still rests on Soviet linkage to the ABM Treaty. The Defense & Space negotiations, in which we and the Soviets discuss the future of strategic defenses, have been another prime example of how the Soviets try to use arms control to undercut an area of US technological advantage, e.g., with their propaganda on "space strike arms."

It is in the area of conventional arms control, however, that the most interesting developments may come. The talks on Conventional Armed Forces in Europe (CFE) will demonstrate whether Gorbachev's "new thinking" on arms control will be applied where the rubber meets the road. Blunt conversations I have had with Soviet military men revealed that the Soviets had been happy to mesmerize the West with the specter of nuclear war, while the Soviet Union built up a critical advantage in "useable" conventional forces. The apparent Soviet willingness to engage seriously on the central security problem in Europe -- the conventional imbalance favoring the Warsaw Pact -- may stem from their desire to lessen the perception in the West of the threat from Soviet forces to Western Europe, and to reduce the burden of the world's largest conventional army on a Soviet economy in dire straits.

The initial Soviet proposal in CFE also indicates willingness to make asymmetrical reductions to equality, though it does have some drawbacks, such as its reference to reductions in tactical nuclear weapons, a subject clearly outside the agreed CFE mandate. However, it is too soon to assess the ultimate Soviet interest in an agreement.

Conventional arms are also the area in which an important new technique in Gorbachev's arms control arsenal -- unilateral measures -- may have the greatest political and military effects. So far signals have been mixed. His announced unilateral reduction undoubtedly makes a virtue of necessity -- the need for military restructuring in a time of severe economic straits and declining Soviet demographic trends. Subsequent details on where and how the reductions would be taken, and the fate of the forces to be withdrawn, seemed to indicate that the Soviets are making a genuine effort to address oft-stated Western security concerns.

But just this month the Soviets opened up a credibility gap concerning their conventional cuts. Gen. B.V. Snetkov, commander of the Group of Soviet Forces in Germany, said in remarks published in Sovetskaya Rossiya April 18: ". . . some of the most modern tanks being withdrawn from East Germany will remain in the Army's arsenal, others will be mothballed, and yet others will have their guns and machineguns removed and will perform 'peaceful service' in the national economy. . . ."

This contradicts Gorbachev. On January 18 Gorbachev told members of the Trilateral Commission that none of the 10,000 tanks to be cut in Europe would remain in the Army's active inventory or even be put in storage. "Five thousand will be physically liquidated," Gorbachev said, "the rest will be converted into tractors for civilian needs and training vehicles."

Conclusions and Recommendations

The Soviets' arms control strategy is to use both the process and product to serve their national security objectives.

Specifically, Soviet arms control policy is designed to:

- * Promote a positive image of the USSR: using negotiations to enhance the Soviet regime's diplomatic and domestic prestige.
- * Promote an acceptable military balance and "correlation of forces."
- * Establish the USSR as a superpower with international status equal to that of the United States.
- * Undercut the political consensus on the common defense role of NATO, and exploit what the Soviets call "contradictions" in the Western alliance and among its member states. In other words, wedge-driving.
- * Portray the arms competition as the preeminent aspect of the superpower relationship, downplay the political causes of tension in East-West affairs, and reduce attention to the fundamental problems of the Soviet economic and social system.
- * Contribute to the achievement of a favorable military situation by restricting areas of Western technological advantage, hamstringing specific Western defense programs, and relieving the pressure of Western military competition through the creation of a benign image.

The overriding criterion by which the Soviets judge the utility of arms control is how well it serves their broad objectives. While we have seen some significant and welcome recent shifts in Soviet tactics, and even in the types of agreements the Soviets are willing to make, we cannot necessarily conclude that there has been change in long-term Soviet interests.

An understanding of the means and ends of Soviet arms control strategy provides important guidelines for U.S. arms control policy by which we may achieve our own national objectives and protect our interests. We must continue to conduct our relations on a broad agenda and negotiate from a position of strength. This strength is not only military, but political. Reaching fair and equitable agreements requires not only that we have the military strength to make the Soviets negotiate seriously, but also the political strength to resist sophisticated Soviet wedge-driving efforts and pressure for unwise concessions. Only then do we have the leverage to secure equitable agreements with the Soviets.

We must be realistic, patient, and prudent. Our objectives for arms control can be ambitious, as was the zero option in INF and the 50% reduction goal in START, but we must realistically assess the time and effort needed to come to agreement. We must negotiate patiently on the basis of our principles to achieve our goals. Again, INF provides an object lesson. In 1981, we set out our principles: deep reductions to equal levels, preferably zero; global limits; no detrimental impact on our conventional capability; no compensation for third country forces; and effective verification. In December 1987, we achieved all these objectives.

Finally, we must continuously assess the significance of arms control in the larger scheme of US-Soviet relations and be prudent in its application. Arms control is an important item on our agenda for relations with the Soviets, but arms control will continue to treat a symptom, not a cause, of East-West tension.

NATO on Track with a Solid Plan for Conventional Arms Cuts

By Edward L. Rowny

The North Atlantic Treaty Organization marks its 40th anniversary this year in vigorous health. Its 16 nations are on track, joined in consensus behind a far-reaching new plan for conventional arms reductions. NATO's success in the East-West talks in Vienna, which resume May 5, would propel the entire European continent toward a more stable relationship.

NATO's proposal in the Conventional Armed Forces in Europe (CFE) talks directly addresses the three fundamental security problems which have overshadowed Europe for the past four decades: First, the artificial division of Europe caused by Soviet occupation of Eastern Europe at the end of World War II. Second, the enormous concentration of Soviet forward deployed offensive armored formations giving them capability for surprise attack. And third, the Soviets' potential for large-scale and protracted offensive operations resulting from the preponderance of their conventional forces.

For the past 16 years, the East and West sparred over the complicated issue of European conventional force reductions in the Mutual and Balanced Force Reduction (MBFR) talks. These talks failed to produce any arms cuts. Their scope was limited to the central European countries instead of Europe from the Atlantic to the Ural mountains. Primarily because neither side could produce force data acceptable to the other side, MBFR stalled short of producing a vision for the Europe of the future.

Learning from this experience, NATO's current proposal goes right to the heart of all three fundamental security problems.

Remarkable for its simplicity and logic, it calls for deep cuts in those weapon systems best suited for seizing and holding territory in Europe. Among its goals is security at equal, lower levels of forces. Its focus is on asymmetrical reductions and limits on tanks, artillery, and armored troop carriers.

To prevent one country from dominating Europe with conventional arms, the NATO plan limits any single country to 30 percent of both alliances' tanks, artillery pieces, and armored troop carriers. This is highly important, since the Soviet Union has over 50 percent of the active heavy tanks of the two alliances combined. NATO's proposal also significantly limits the forces any one nation could deploy outside its own borders. Based on current holdings, this would require the Soviets to cut at least 2,000 more heavy tanks in addition to the 5,000 they've already pledged to remove from Eastern Europe.

This proposal would address a wide range of potential hostilities in Europe from surprise attack to protracted large scale offensives. In accounting for the unique security requirements of various countries and regions, it limits readiness and force concentrations in geographical sub-regions yet avoids creating artificial boundaries within the alliances.

The Warsaw Pact has also presented a proposal which contains some notions similar to NATO's. The Soviet Bloc nations now at least implicitly accept the Western insistence upon deep, asymmetrical cuts to reach equal force levels below those of today. They agree in principle to the need for robust verification, including on-site inspection. However, their plan also contains

some pitfalls. For example, they want to include tactical aircraft in the initial focus, arguing that aircraft are an essential component of any offensive surprise attack.

What they don't say is that aircraft cannot seize or hold territory without large, mobile armored forces like those of the Warsaw Pact. They also seem to care little that aircraft withdrawn or limited by the negotiations can be rapidly returned to the theatre of operations in time of crisis. This high degree of mobility also presents significant problems in verification. NATO does not refuse to talk about aircraft, which are covered by the agreed mandate. Moreover, the Pact has far more combat aircraft than NATO. But priority must be given to reducing asymmetries in ground systems that seize and hold territory.

The Pact proposal also calls for "zones of reduced levels of armaments" between the forces of each alliance. This is an old ploy to exploit the West's lack of territorial depth, limiting its ability to conduct a forward defense. It is an attempt to remove NATO's tactical nuclear weapons from the forward area even though nuclear weapons themselves are excluded from the negotiations.

The Soviet Bloc also is staging a spectacular sideshow with its announcement of unilateral force reductions. The West will resist pressures to respond with unilateral cuts of its own for three solid reasons:

First, the Soviets' promise of significant reductions remains just that -- a promise for the future. Their plans call for completion of force cuts in late 1990. NATO should not exacerbate existing imbalances with cuts in its own forces. Second, in the

absence of a formal treaty, unilateral conventional force reductions by the East can be reversed at any time, and much more rapidly than any reciprocal reductions undertaken by the Western democracies. Finally, even if all Warsaw Pact reductions are carried out as announced, NATO will still be outgunned by 2 1/2 to 1 in tanks and artillery and almost 2 to 1 in combat aircraft.

The Communist Bloc is attempting to make a virtue of necessity. Its declining economies and demographic shortcomings are making it ever more difficult for it to field large offensive formations. The Soviets may attempt to divert us with clever propaganda. But NATO must stay on track. The Western proposal provides a solid basis for an agreement that could strengthen security for all the peoples of Europe.

Edward L. Rowny is Special Advisor to the President and Secretary of State for Arms Control Matters.

Talking points and background on Nitze's criticisms of Bush arms control policy:

- We and the Soviets do not share objectives for nuclear forces in Europe. The Soviets profess to want the goal of a nuclear free Europe. But they have no vision for replacing the contribution of nuclear weapons in guaranteeing deterrence and peace in Europe. NATO continues to see that nuclear weapons are a vital element to the deterrence of war -- nuclear or conventional.

- That the Soviets have a massive advantage in SNF missiles is unquestionable -- on the order of 16:1. Our SNF missile level is so low, and theirs so high, that it is hard to imagine a successful negotiation where both sides can compromise. The Soviets would have to do all the giving, and that's not the kind of negotiation they enter into.

- Given today's political climate in Western Europe, particularly in West Germany, and Gorbachev's talent for manipulating public opinion, it's easy to see that negotiation would be a slippery slope to a third zero. This is unacceptable to us.

Nitze's Comments on SNF

- A point that Nitze seems to miss is that we want to continue to develop modernized SNF systems in accordance with the Montebello Decision of 1983. Recent history demonstrates that we are more successful in dealing with the Soviets when we are bargaining from a position of strength. The issue, then, isn't really whether or not to negotiate, but to adhere to the step-by-step process agreed to in the June 1987 Statement on the Ministerial Meeting of the North Atlantic Council (NAC) at Reykjavik.

- Accordingly, the burden is not on the West to enter into negotiations where the Soviets seek an outcome against our interests. The burden is on the Soviets to respond to NATO's unilateral reductions of 2400 nuclear warheads since 1979 with reductions of their own. They should apply perestroika to their European nuclear forces.

- Nitze simply hasn't thought things through. For example, his proposal to negotiate the withdrawal of nuclear artillery pieces is ill-conceived. These pieces are all dual capable, and the guns themselves are already covered in the talks on conventional forces. Nitze's proposal would not only be unverifiable, because you can't tell a nuclear artillery piece from a conventional one, but would also lead to double counting.

Other Arms Control Matters

- Nitze's idea of negotiating a ban on all naval nuclear weapons at sea except SLBMs has many drawbacks. In addition to being nearly impossible to verify without unacceptable intrusiveness, it would capture sea-launched cruise missiles which are essential to naval operational effectiveness across the full spectrum of conflict. It also goes contrary to the U.S. Government position that we will not negotiate naval forces at this time.

- His criticism of the Navy for phasing out three obsolete nuclear weapons without extracting analogous cuts from the Soviets doesn't stand scrutiny. If we'd negotiated them away, we would have cut off future force options needed to counter possible Soviet naval technological breakthroughs.

- His comments on negotiating a ban on deployment of anti-satellite weapons are worrisome. If Soviet systems in space threaten us on earth, we should not be denied the opportunity to protect ourselves. Furthermore, some existing Soviet intelligence satellites threaten our free use of the seas.

Attachment:
Background.

Background

A. The SNF issue is about defending NATO, not about arms control. NATO's strategy of flexible response requires an adequate force of modern conventional and nuclear weapons.

B. NATO has unilaterally reduced its nuclear stockpile by 2400 warheads since 1979. The INF Treaty will result in a reduction of another 500 warheads. This is consistent with our view that we will keep the minimum number of nuclear weapons in Europe necessary for deterrence.

C. The Warsaw Pact enjoys superiority in conventional, chemical, and short-range nuclear weapons in Europe.

Tanks	3:1 (2.4:1 if unilateral cuts are made as announced)	
Arty	3:1 (2.4:1)
CBT A/C	2:1 (1.8:1)

Chemical Stockpiles

The Soviet Union acknowledges a 50,000 metric ton stockpile of chemical munitions. The U.S. maintains slightly over 5 percent of that total. This represents a minimal retaliatory capability.

SNF

88 NATO SNF missile launchers vs. over 1400 for the Warsaw Pact

D. European history has shown that deterrence solely by means of conventional weapons is impossible, even when one side holds a clear advantage over the other.

E. A step-by-step approach is the best approach, given our uncertainties with Gorbachev's intentions:

- Reduce conventional imbalances to rough force parity
- Eliminate the chemical threat
- Negotiate SNF reductions to equal lower levels once the need for flexible response is eliminated.

United States Department of State

Washington, D.C. 20520
Contact Joe Duggan, 202-647-4153

BUSH ADVISOR SEES SOVIET 'CREDIBILITY GAP' ON EUROPEAN FORCES

SAN ANTONIO, Apr. 27 -- Soviet leaders have created a "wide credibility gap" on conventional and short-range nuclear forces in Europe, President Bush's senior arms control advisor said. Ambassador Edward L. Rowny made his remarks at a symposium sponsored by the National War College Alumni Association.

"The Soviets are seeking to stigmatize NATO's intention to modernize its short-range nuclear forces (SNF)," Rowny said, "while they have been modernizing their own. The current Soviet propaganda is a far cry from 'new thinking' -- it's old-fashioned inversion of the truth. Last month Foreign Minister Shevardnadze charged that 'modernization . . . can destroy the genuine trust that has just begun to emerge in Europe.' This month in London, President Gorbachev asserted that the Soviets had ceased modernizing their own short-range nuclear forces.

"The truth is that the Soviets have been modernizing their SNF for a decade, and they show no sign of abandoning that effort," Rowny said. SCUD missiles are replacing the SS-23s banned by the INF Treaty. The SCUDs, which are being improved qualitatively, have a range of 300 km, nearly three times the range of NATO's LANCE, which will be outmoded by the mid-1990s. The Soviets also have been replacing old FROG missiles with SS-21s offering greater range and accuracy. Over the past several years the Soviets have increased the number of refire missiles for their forward-deployed SNF launchers by at least 50 percent, perhaps as much as 100 percent. All told, the Warsaw Pact now has a 16-1 advantage in SNF missile systems."

Rowny also pointed to contradictory Soviet statements on implementing the unilateral conventional force cuts announced last December by President Gorbachev. He cited a remark by Gen. B.V. Snetkov, published in Sovetskaya Rossiya April 18. Snetkov, commander of the Group of Soviet Forces in Germany, said "some of the most modern tanks being withdrawn from East Germany will remain in the Army's arsenal, others will be mothballed, and yet others will have their guns and machineguns removed and will perform 'peaceful service' in the national economy. . . ."

"This contradicts Gorbachev," Rowny said. On January 18 Gorbachev told members of the Trilateral Commission that none of the 10,000 tanks to be cut in Europe would remain in the Army's active inventory or even be put in storage. "Five thousand will be physically liquidated," Gorbachev said, "the rest will be converted into tractors for civilian needs and training vehicles."

"On SNF and conventional forces, the Soviets have created a credibility gap so wide one could drive a tank through it," Rowny said. "This should only strengthen our resolve to keep the focus on Soviet capabilities, not what they say are their intentions."

AMERICAN ASSOCIATION FOR THE ADVANCEMENT OF SCIENCE
COLLOQUIUM ON SCIENCE, ARMS CONTROL AND NATIONAL SECURITY
14 OCTOBER 1988

RECENT DEVELOPMENTS IN THE SOVIET UNION AND
IMPLICATIONS FOR U.S. SECURITY POLICY
BY ROBERT M. GATES
DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE

INTRODUCTION

THE THEME OF CHANGE IN THE SOVIET UNION HAS BEEN MUCH IN THE MEDIA IN RECENT MONTHS AS WE HAVE WATCHED THE EFFORTS OF MIKHAIL GORBACHEV TO MODERNIZE THE SOVIET ECONOMY AND CONSOLIDATE HIS POLITICAL POWER. KNOWLEDGE OF RUSSIAN WORDS SUCH AS "PERESTROIKA" AND "GLASNOST" HAS BECOME COMMONPLACE IN THE WEST. WITHOUT PARALLEL IN A GENERATION, DEVELOPMENTS IN THE SOVIET UNION HAVE CAPTURED THE INTEREST, AND IN SOME RESPECTS THE IMAGINATION, OF A WIDE AUDIENCE AROUND THE WORLD.

IT IS TYPICAL THAT WE IN THE WEST, AND PARTICULARLY IN THE UNITED STATES, WITH OUR FOCUS ON PERSONALITIES IN POLITICS, SHOULD FOCUS ON GORBACHEV'S PERSONNEL MOVES, WHO IS UP AND WHO IS DOWN, WHO IS IN AND WHO IS OUT. THUS THE SPECIAL ATTENTION FOCUSED ON THE CENTRAL COMMITTEE PLENUM AND SUPREME SOVIET SESSION SOME TWO WEEKS AGO.

AFTER ALL OF THE TALK OF GLASNOST AND DEMOCRATIZATION, STALIN WOULD HAVE BEEN PROUD OF THE SMOOTHLY ORCHESTRATED 44 MINUTE SUPREME SOVIET SESSION IN WHICH PEOPLE WERE FIRED, RETIRED, DEMOTED AND PROMOTED WITH NO DISSENT OR EVEN DISCUSSION AND 1500 DELEGATES VOTING AS ONE. THE SESSION WAS A POWER PLAY IN THE GRAND AND TRADITIONAL SOVIET MANNER. WHILE THE SESSION WAS TESTIMONY TO GORBACHEV'S POWER, THE NEED FOR IT ALSO WAS A MARK OF HIS VULNERABILITY AND HIS FRUSTRATION AT THE LACK OF PROGRESS, BUREAUCRATIC OBSTRUCTIONISM AND OPPOSITION IN THE PARTY TO HIS PROGRAMS AND POLICIES -- AND OF THE DESPERATE SITUATION FACING THE SOVIET UNION.

THIS MORNING I WOULD LIKE TO PUT ASIDE THE DISCUSSION OF PERSONALITIES AND RECENT PROMOTIONS AND DEMOTIONS IN THE SOVIET LEADERSHIP AND FOCUS INSTEAD ON WHAT IS GENUINELY IMPORTANT BOTH IN THE SOVIET UNION AND FOR THE WEST -- WHAT CHANGES ACTUALLY ARE TAKING PLACE IN THE SOVIET UNION AND HOW GORBACHEV IS DOING IN IMPLEMENTING HIS PROGRAM.

THE SELECTION OF MIKHAIL GORBACHEV AS GENERAL SECRETARY IN THE SPRING OF 1985 SIGNALLED THE POLITBURO'S RECOGNITION THAT THE SOVIET UNION WAS IN DEEP TROUBLE -- ESPECIALLY ECONOMICALLY -- TROUBLE THAT THEY RECOGNIZED WAS AFFECTING THEIR MILITARY POWER AND POSITION IN THE WORLD. DESPITE ENORMOUS RAW ECONOMIC POWER AND RESOURCES, INCLUDING A \$2 TRILLION A YEAR GNP, THE SOVIET LEADERSHIP BY THE MID-1980S CONFRONTED A STEADILY WIDENING GAP WITH THE WEST AND JAPAN.

THESE TRENDS, AT A TIME OF WESTERN MILITARY MODERNIZATION, REMARKABLE TECHNOLOGICAL ADVANCES AND DRAMATIC ECONOMIC GROWTH, FORCED THE POLITBURO TO RECOGNIZE THAT THE SOVIET UNION COULD NO LONGER RISK THE SUSPENDED ANIMATION OF THE BREZHNEV YEARS. THEY COALESCED AROUND AN IMAGINATIVE AND VIGOROUS LEADER WHOM THEY HOPED COULD REVITALIZE THE COUNTRY WITHOUT ALTERING THE BASIC STRUCTURE OF THE SOVIET STATE OR COMMUNIST PARTY.

STRENGTHENING THE LEADERSHIP AND HIS POSITION

THERE HAS BEEN CONSISTENTLY STRONG SUPPORT IN THE POLITBURO SINCE 1985 FOR MODERNIZATION OF THE SOVIET ECONOMY. THIS REMAINS GORBACHEV'S GREATEST POLITICAL ASSET. EVEN SO, NEARLY EVERY STEP GORBACHEV SEEKS TO TAKE TOWARD STRUCTURAL ECONOMIC OR POLITICAL CHANGE IS A STRUGGLE AND SUPPORT IN THE POLITBURO FOR HIS INITIATIVES SHIFTS CONSTANTLY, FROM ISSUE TO ISSUE.

AT THE CENTRAL COMMITTEE MEETING TWO WEEKS AGO, GORBACHEV SHOWED REAL POLITICAL MUSCLE IN ADVANCING SEVERAL PROTEGES AND SUPPORTERS WHILE REMOVING MOST OF THE REMAINING BREZHNEV HOLDOVERS. BUT EVEN IN THE CONTEXT OF THIS CLASSIC POLITICAL STROKE IN THE KREMLIN, THE LIMITS TO GORBACHEV'S POWER -- OR AT LEAST THE DEGREE OF RISK HE IS PREPARED TO ACCEPT -- ARE APPARENT. TWO SENIOR POLITBURO MEMBERS WHO PURPORTEDLY HAVE

BEEN MAJOR OBSTACLES TO FAR-REACHING CHANGE -- SECOND SECRETARY YEGOR LIGACHEV AND FORMER KGB CHIEF VIKTOR CHEBRIKOV -- REMAIN ON THE POLITBURO AND IN POWERFUL POSITIONS, ALTHOUGH WITH DIMINISHED CLOUT. MEANWHILE, GORBACHEV STILL HAS BEEN UNABLE TO PROMOTE ONE OF HIS MOST IMPORTANT PROTEGES, PARTY SECRETARY GEORGY RAZUMOVSKIY. GORBACHEV PROBABLY CAN COUNT ON ONLY 3 OR 4 OUT OF 12 POLITBURO MEMBERS AS BEING TOTALLY HIS MEN, CONSISTENTLY SUPPORTIVE ACROSS THE BOARD. SO, WHILE THIS SET GOES TO GORBACHEV, THE MATCH IS FAR FROM OVER. IT IS CLEAR THAT FOR THE LONG TERM THERE WILL BE A CONTINUING INTENSE STRUGGLE OVER THE PACE AND SCOPE OF MODERNIZATION AND OVER POLITICAL POWER.

THE STRUGGLE WITHIN THE POLITBURO IS ALL THE MORE IMPORTANT TO GORBACHEV BECAUSE THERE ARE POWERFUL CONSTITUENCIES OUTSIDE THE POLITBURO THAT ARE RESISTANT TO CHANGE -- ESPECIALLY THE FAR-REACHING CHANGE HE SEEKS. SENIOR LEVELS OF THE ECONOMIC BUREAUCRACY STAND TO LOSE THE MOST IF GORBACHEV MOVES TO DECENTRALIZE THE SYSTEM AND ARE IMPORTANT OBSTACLES TO IMPLEMENTATION OF HIS PROGRAM. WHILE MANY SENIOR OFFICIALS OF THE NATIONAL SECURITY BUREAUCRACIES UNDERSTAND THE CONNECTION BETWEEN A STRONG DEFENSE AND A HEALTHY ECONOMY, THEY ALSO ARE UNHAPPY WITH THE IDEA OF GREATER CONSTRAINTS ON DEFENSE SPENDING AND SKEPTICAL OF PROMISED BENEFITS. OTHERS, FOR EXAMPLE THE KGB, ARE CONCERNED -- JUSTIFIABLY IT WOULD SEEM -- ABOUT THE POTENTIAL FOR INSTABILITY IN THE SOVIET UNION AND IN

EASTERN EUROPE CREATED BY ANY RELAXATION OF POLITICAL CONTROLS. (INDEED, WE HAVE COUNTED SOME 600 POPULAR DISTURBANCES SINCE EARLY 1987, ABOUT HALF OF THEM RELATING TO ETHNIC ISSUES. THERE HAVE BEEN MAJOR NATIONALIST DEMONSTRATIONS IN 9 OF THE 15 SOVIET REPUBLICS SINCE LAST JANUARY.) THE SOVIET POPULATION SEEMS TO BE PASSIVELY SUPPORTIVE, BUT THEY HAVE SEEN CAMPAIGNS FOR CHANGE COME AND GO. THEY ARE DEEPLY SKEPTICAL THAT GORBACHEV'S EFFORTS WILL PRODUCE LASTING RESULTS OR EVEN IMMEDIATE PAYOFFS. THE INTELLIGENTSIA ARE PROBABLY THE ONLY GROUP THAT COMES CLOSE TO GIVING WHOLE-HEARTED SUPPORT -- A WEAK REED IN THE SOVIET UNION.

IT IS, HOWEVER, OPPOSITION WITHIN THE PARTY AND PARTICULARLY IN THE CENTRAL COMMITTEE AND PARTY APPARATUS THAT HAS BECOME THE PRINCIPAL AND CRITICAL PROBLEM FOR GORBACHEV, AND THE TARGET OF HIS POLITICAL CAMPAIGN. ONE OF THE MAIN DEVELOPMENTS AT THE PARTY CONFERENCE IN JUNE, BEYOND APPROVAL OF HIS PROGRAM, WAS HIS ACKNOWLEDGEMENT THAT THE PARTY ITSELF IS THE CHIEF OBSTACLE TO MODERNIZATION AND REFORM. HE TACITLY ADMITTED THAT HE HAS FAILED TO OVERCOME THAT OPPOSITION, AND HIS STRATEGY NOW SEEMS TO BE TO CIRCUMVENT THE PARTY BY STRENGTHENING THE SUPREME SOVIET AND ITS CHAIRMAN, TO TAKE THAT POSITION HIMSELF, AND TO TRY TO FORCE THROUGH HIS ECONOMIC AND POLITICAL CHANGES. HE HAS SECURED APPROVAL FOR A TIMETABLE TO DISMANTLE THE ECONOMIC APPARATUS OF THE PARTY AND THEREBY SIGNIFICANTLY WEAKEN ITS CAPACITY TO INTERFERE IN THE DAY TO DAY MANAGEMENT OF THE ECONOMY.

IN SUM, GORBACHEV HAS DECLARED WAR ON THE PARTY APPARATUS MUCH AS STALIN DID IN THE LATE 1920S AND 1930S. A MAJOR DIFFERENCE IS THAT HIS ADVERSARIES WILL LOSE POWER, PRESTIGE AND THEIR JOBS, BUT NOT THEIR LIVES. IT REMAINS TO BE SEEN WHETHER HE CAN SO RADICALLY ALTER THE ROLE OF THE PARTY IN SOVIET LIFE, WHETHER HE CAN DO SO WITHOUT CREATING CHAOS, AND WHETHER THE PARTY APPARAT WILL ALLOW ITSELF TO BE WEAKENED AND EVEN DISMANTLED. AND NO MATTER HOW MANY PERSONNEL OR ORGANIZATIONAL CHANGES GORBACHEV MAKES, IF HE CANNOT MAKE HIS POLICIES WORK, IF HE CANNOT TURN AROUND THE ECONOMY, TODAY'S SUPPORTERS WILL AT SOME POINT BECOME TOMORROW'S ADVERSARIES.

MODERNIZATION OF THE ECONOMY

GORBACHEV NOW ADMITS THAT WHEN HE BECAME GENERAL SECRETARY HE UNDERESTIMATED THE SEVERITY OF THE ECONOMIC PROBLEMS AFFLICTING THE SOVIET UNION. AS GORBACHEV HAS SEEN THE DIMENSIONS OF THE CRISIS, HIS VIEWS OF WHAT IS NEEDED TO CORRECT THESE PROBLEMS HAVE MOVED TOWARD MORE RADICAL PROPOSALS FOR CHANGE.

TAKEN AS A WHOLE, THE REFORM MEASURES PUT IN PLACE IN GORBACHEV'S THREE YEAR TENURE ARE AN IMPRESSIVE PACKAGE. NEVERTHELESS, THE REFORMS DO NOT GO NEARLY FAR ENOUGH. THE

REFORM PACKAGE AS NOW CONSTITUTED IS A SET OF HALF MEASURES THAT LEAVES IN PLACE THE PILLARS OF SOCIALIST CENTRAL PLANNING. THE POLITBURO SIMPLY IS UNWILLING TO LET GO OF THE REINS GOVERNING THE ECONOMY. BECAUSE OF INTERNAL CONTRADICTIONS AND THE RETENTION OF SO MANY ELEMENTS OF THE PRESENT SYSTEM, THE REFORMS, EVEN IF FULLY IMPLEMENTED BY 1991 AS INTENDED, WILL NOT CREATE THE DYNAMIC ECONOMIC MECHANISM THAT GORBACHEV SEEKS AS THE MEANS TO REDUCE OR CLOSE THE TECHNOLOGICAL GAP WITH THE WEST. TO THE CONTRARY, AGGRESSIVE IMPLEMENTATION OF REFORMS IS CAUSING SERIOUS DISRUPTIONS AND TURBULENCE IN THE ECONOMY. SPECIFICALLY:

- SOVIET GNP GROWTH FELL TO LESS THAN 1% IN 1987, DOWN FROM ALMOST 4% IN 1986. GNP GROWTH WILL BE ABOUT 2-3% THIS YEAR. GORBACHEV WOULD NEED NEARLY 8% GROWTH PER YEAR IN 1989 AND 1990 TO MEET THE FIVE YEAR PLAN TARGETS, A TARGET THAT IS FAR BEYOND REACH.
- IMPLEMENTATION OF GORBACHEV'S QUALITY CONTROL PROGRAM CAUSED MAJOR DISRUPTIONS IN PRODUCTION LAST YEAR, FORCING THE REGIME TO BACK OFF ITS ENFORCEMENT.
- NEW INITIATIVES IN ORGANIZATION AND MANAGEMENT ARE CREATING CONFUSION AND APPREHENSION IN SOME QUARTERS, AND BUREAUCRATIC FOOT-DRAGGING AND OUTRIGHT RESISTANCE IN OTHERS.

- DESPITE CONSIDERABLE RHETORIC, WHAT HAS ACTUALLY BEEN DONE SO FAR HAS NOT GREATLY CHANGED THE SYSTEM OF ECONOMIC INCENTIVES THAT DISCOURAGE MANAGEMENT INNOVATION, TECHNOLOGICAL CHANGE AND PRIVATE INITIATIVE.

- TRYING TO RESHAPE THE ENTIRE STALINIST ECONOMIC STRUCTURE GRADUALLY WHILE LEAVING KEY PROBLEMS OF PRICE REFORM AND THE GOVERNMENT MONOPOLY OVER GOODS UNTIL LAST IS LIKE A PHASED CHANGE FROM DRIVING ON THE RIGHT HAND SIDE OF THE ROAD TO THE LEFT. THE RESULTS ARE LIKELY TO BE SIMILAR. TO ILLUSTRATE JUST HOW TOTALLY OUT OF KILTER THE SOVIET ECONOMY IS, CONSIDER THAT RENTS FOR HOUSING -- WHICH IS GENERALLY AWFUL -- HAVE NOT BEEN RAISED SINCE 1928; THE CURRENT PRICE OF BREAD WAS SET IN 1954, AND MEAT PRICES IN 1962. STATE SUBSIDIES ARE SO HUGE THAT IT IS CHEAPER FOR A PEASANT TO FEED HIS PIGS BREAD THAN TO GIVE THEM GRAIN.

- UNDER GORBACHEV, THE DEFICIT IN THE SOVIET STATE BUDGET HAS SOARED TO THE POINT THAT IT IS NOW EQUAL TO ABOUT 7% OF GNP, ABOUT 66 BILLION RUBLES. BY WAY OF COMPARISON, THE COMBINED DEFICITS OF THE US STATE AND FEDERAL GOVERNMENTS REACHED A HIGH OF 3 1/2% OF GNP TWO YEARS AGO.

FINALLY, FOR A MODERNIZATION DRIVE THAT DEPENDS IN SUBSTANTIAL MEASURE ON HARDER WORK, THERE ARE FEW REWARDS FOR SUCH WORK. UNSATISFIED CONSUMER DEMAND IS REFLECTED IN EMPTY SHELVES, LONG LINES IN STATE STORES, AND RISING PRICES IN RETAIL MARKETS. INDEED, STAGNATION ON THE CONSUMER SCENE AND RECOGNITION THAT PERESTROIKA CANNOT SUCCEED WITHOUT WORKER SUPPORT HAS PROMPTED THE LEADERSHIP TO UNDERTAKE A SERIES OF NEW POLICY INITIATIVES. TARGETS HAVE BEEN RAISED FOR SPENDING ON HOUSING, EDUCATION, HEALTH, CONSUMER SERVICES, AND INVESTMENT IN THE LIGHT AND FOOD INDUSTRIES. EVEN SO, THE POPULATION WON'T SEE MUCH CHANGE IN ITS LIVING STANDARDS IN THE SHORT TERM BECAUSE THESE INVESTMENTS WILL TAKE TIME TO SHOW RESULTS AND THE SHORTAGES OF HOUSING AND DECENT HEALTH CARE ARE SO LARGE. AT THE SAME TIME, THE SHIFT TOWARD GREATER PRIORITY FOR THE CONSUMER IN THE MIDDLE OF THE FIVE YEAR PLAN HAS BEEN AT THE EXPENSE OF HEAVY INDUSTRY, MODERNIZATION OF WHICH IS THE CRITICAL ENGINE FOR ECONOMIC GROWTH.

THUS, WHILE IMPORTANT BATTLES HAVE BEEN WON IN PRINCIPLE, THE WAR TO CHANGE FUNDAMENTALLY THE MAIN PILLARS OF THE STALINIST ECONOMIC SYSTEM AT THIS POINT IS BEING LOST. AFTER THREE YEARS OF REFORM, RESTRUCTURING AND TURMOIL, THERE HAS BEEN LITTLE, IF ANY, SLOWING IN THE DOWNWARD SPIRAL OF THE SOVIET ECONOMY. THE GAP BETWEEN PRONOUNCEMENT AND IMPLEMENTATION IS HUGE, AND GROWING. IT IS THIS REALITY THAT

LED TO THE JUNE PARTY CONFERENCE AND THE DRAMATIC PERSONNEL CHANGES TWO WEEKS AGO.

POLITICAL REFORM

AN IMPORTANT MILESTONE IN THE EVOLUTION OF GORBACHEV'S VIEWS WAS RECOGNITION THAT THE REVITALIZATION OF SOCIETY AND ECONOMY COULD SUCCEED ONLY IF THERE WERE SIGNIFICANT CHANGES IN THE POLITICAL ARENA AS WELL. THE REGIME APPEARS TO BE MOVING ON AT LEAST THREE FRONTS TO CREATE THE POLITICAL CLIMATE IT SEEKS:

- THE FIRST IS IDEOLOGY. GORBACHEV IS FRUSTRATED WITH THE STRAITJACKET OF INHERITED DOCTRINE THAT OPPONENTS OF CHANGE HAVE SOUGHT TO IMPOSE ON HIM. HE SEEKS TO EXPAND HIS ROOM TO MANEUVER BY AN INCREASINGLY OPEN ATTACK ON STAGNATION IN IDEOLOGY AND BY DEPICTING HIS OWN PROPOSALS AS AN EFFORT TO RETURN TO LENIN'S ORIGINAL INTENT AND EXPAND THE BOUNDS OF WHAT IS PERMISSABLE UNDER SOCIALISM. HIS VERBAL CONTORTIONS IN EXPLAINING HOW GIVING PEASANTS A 50 YEAR FARM LEASE DOES NOT REPRESENT A RETREAT FROM SOCIALISM HAVE BEEN, AT THE LEAST, IMAGINATIVE.

-- THE SECOND FRONT IS DEMOCRATIZATION. GORBACHEV'S CAMPAIGN FOR "DEMOCRATIZATION" IS DESIGNED TO REVITALIZE THE COUNTRY'S POLITICAL INSTITUTIONS. THE PARTY CONFERENCE WAS ITSELF AN EXTRAORDINARY POLITICAL HAPPENING, WITH A FREEDOM OF DEBATE AND EXPRESSION NOT SEEN IN THE SOVIET UNION SINCE THE REVOLUTION. MOREOVER, THE CONFERENCE APPROVED REMARKABLE PROPOSALS INCLUDING LIMITING THE TERMS OF OFFICE FOR PARTY OFFICIALS AND THE USE OF SECRET BALLOTS AND LISTING OF MULTIPLE CANDIDATES IN ELECTIONS. GORBACHEV APPARENTLY BELIEVES THAT WITHOUT SUCH REFORM, IT WILL BE IMPOSSIBLE TO BREAK THE RESISTANCE WITHIN THE PARTY TO HIS AGENDA. BY THE SAME TOKEN, AS HE DEMONSTRATED TWO WEEKS AGO, THE OLD METHODS REMAIN AVAILABLE WHEN MORE DEMOCRATIC MEANS SEEM UNLIKELY TO YIELD THE DESIRED RESULTS.

-- THE THIRD FRONT IS GLASNOST, OR OPENNESS. TIGHT CENTRAL CONTROLS OVER THE FLOW OF IDEAS AND INFORMATION LIE AT THE HEART OF THE SOVIET SYSTEM. REMARKS BY GORBACHEV AND HIS KEY ALLIES INDICATE THAT THE NEW LEADERSHIP BELIEVES THAT THIS APPROACH IS INCOMPATIBLE WITH AN INCREASINGLY WELL-EDUCATED SOCIETY, COMPLEX ECONOMY AND THE POLITICAL NEEDS OF THE MOMENT. I SEE OTHER MOTIVES AS WELL BEHIND GLASNOST, NOT LEAST OF

WHICH IS USE OF AN APPARENT LIBERALIZING FORCE TO
ACHIEVE SOME RATHER OLD-FASHIONED OBJECTIVES.

GLASNOST IS BEING USED TO CRITICIZE OFFICIALS
GORBACHEV SEES AS HOSTILE AND TO PRESSURE THEM TO
GET WITH THE PROGRAM.

IT IS BEING USED TO HIGHLIGHT PROBLEMS HE WANTS TO
ATTACK -- SUCH AS ALCOHOLISM AND DRUG ABUSE,
STALIN'S LEGACY, AND BUREAUCRATIC INERTIA -- IN
ORDER TO MOBILIZE SOCIETY BEHIND HIS CAMPAIGNS.

HE HOPES TO USE THE ATMOSPHERE OF GREATER OPENNESS
TO COOPT INTELLECTUALS AND PARTICULARLY ENGINEERS
AND SCIENTISTS TO BE FULL PARTNERS IN THE ATTEMPT
TO MODERNIZE THE ECONOMY -- TO OVERCOME THEIR
CYNICISM.

IT ENABLES THE REGIME TO COMPETE WITH FOREIGN AND
OTHER UNOFFICIAL SOURCES OF INFORMATION. SINCE THE
POPULATION WILL HEAR ABOUT RIOTING IN KAZAKHSTAN
AND ARMENIA AND THE DISASTER AT CHERNOBYL ANYWAY,
GORBACHEV BELIEVES IT IS BEST TO PRINT THE NEWS AND
PUT AN OFFICIAL SPIN ON IT.

FINALLY, HE INTENDS TO LEGITIMIZE BROADER DISCUSSION OF PROBLEMS AND POSSIBLE SOLUTIONS THAN PERMITTED HERETOFORE IN ORDER TO BREAK THE BACK OF DOMESTIC RESISTANCE AND INCREASE HIS ROOM FOR MANEUVER AT HOME.

TO KEEP GLASNOST IN PERSPECTIVE, THERE HAS BEEN GROWING CRITICISM BY OTHERS IN THE POLITBURO THAT "OPENNESS" HAS GONE TOO FAR. GORBACHEV HIMSELF HAS CAUTIONED MEDIA OFFICIALS NOT TO GO TOO FAR LEST THEY UNDERMINE SOCIALIST VALUES OR CREATE A CLIMATE OF DISRESPECT FOR PARTY OFFICIALS. YET, GORBACHEV HAS SET LOOSE FORCES THAT WILL BE IMMENSELY DIFFICULT AND PAINFUL TO LEASH -- AS WE ARE SEEING IN ARMENIA, AZERBAIJAN, ESTONIA, LATVIA AND EVEN IN MOSCOW.

IN SUM, WHILE GORBACHEV'S BOLD POLITICAL MOVES AND RADICAL RHETORIC HAVE SHAKEN THE SOVIET SYSTEM, HE HAS NOT YET REALLY CHANGED IT. THE ULTIMATE FATE OF HIS VISION OF REFORM WILL DEPEND ON HOW SUCCESSFUL HE IS IN PUSHING AHEAD WITH ITS IMPLEMENTATION IN THE FACE OF DESIGN FLAWS, ECONOMIC DISRUPTION, TREMENDOUS OPPOSITION AND, WORSE, APATHY. AS ONE RUSSIAN RECENTLY SAID, "THERE HAVE BEEN MANY BOOKS WRITTEN ON THE TRANSITION FROM CAPITALISM TO SOCIALISM BUT NOT ONE ON THE TRANSITION FROM SOCIALISM TO CAPITALISM." BUREAUCRATIC AS WELL

AS POPULAR HOSTILITY IS GROWING AS DISRUPTION AND DISLOCATION BROUGHT ABOUT BY CHANGE RESULT IN ECONOMIC SETBACKS AND A WORSENING SITUATION FOR THE CONSUMER. WHAT GORBACHEV IS SUCCESSFULLY CHANGING IS THE OFFICIALDOM OF THE PARTY AND STATE BUREAUCRACY. AS USUAL IN THE USSR, THE PURGE HAS BECOME THE VEHICLE FOR CONSOLIDATING AND ENHANCING PERSONAL POWER, AS WELL AS FOR IMPLEMENTING CHANGE.

IT IS BY NO MEANS CERTAIN -- I WOULD EVEN SAY IT IS DOUBTFUL -- THAT GORBACHEV CAN IN THE END REJUVENATE THE SYSTEM, BUT HE HAS DEMONSTRATED A WILLINGNESS TO RISK HIS POWER AND POSITION AND THE STABILITY OF THE SYSTEM ITSELF IN THE EFFORT. AS MUCH AS ANYTHING, THIS INDICATES HOW DESPERATE HE BELIEVES THE SOVIET PREDICAMENT REALLY IS. AND EVEN HE NOW ADMITS THE STRUGGLE WILL LAST FOR DECADES.

IMPLICATIONS FOR FOREIGN POLICY AND FOR US STRATEGY

THERE SEEMS TO BE GENERAL AGREEMENT IN THE POLITBURO THAT, FOR NOW, ECONOMIC MODERNIZATION REQUIRES A MORE PREDICTABLE, IF NOT BENIGN, INTERNATIONAL ENVIRONMENT. THE ELEMENTS OF FOREIGN POLICY THAT SPRING FROM DOMESTIC ECONOMIC WEAKNESS ARE A MIX OF NEW INITIATIVES AND LONGSTANDING POLICIES. FIRST, GORBACHEV WANTS TO ESTABLISH A NEW AND FAR-REACHING DETENTE FOR THE FORESEEABLE FUTURE TO OBTAIN TECHNOLOGY, ENCOURAGE INVESTMENT

AND TRADE, AND, ABOVE ALL, AVOID LARGE INCREASES IN MILITARY EXPENDITURES WHILE THE SOVIET ECONOMY IS REVIVED. GORBACHEV MUST SLOW OR STOP AMERICAN MILITARY MODERNIZATION THAT THREATENS NOT ONLY SOVIET STRATEGIC GAINS OF THE LAST GENERATION BUT WHICH ALSO, IF CONTINUED, WILL FORCE THE USSR TO DEVOTE HUGE NEW RESOURCES TO THE MILITARY IN A HIGH TECHNOLOGY COMPETITION FOR WHICH THEY ARE ILL-EQUIPPED.

SECOND, A LESS VISIBLE BUT ENDURING ELEMENT OF FOREIGN POLICY -- EVEN UNDER GORBACHEV -- IS THE CONTINUING EXTRAORDINARY SCOPE AND SWEEP OF SOVIET MILITARY MODERNIZATION AND WEAPONS RESEARCH AND DEVELOPMENT. AT THIS POINT WE SEE NO SLACKENING OF SOVIET WEAPONS PRODUCTION OR PROGRAMS. SOVIET RESEARCH ON NEW, EXOTIC WEAPONS CONTINUES APACE. VIRTUALLY ALL OF THEIR PRINCIPAL STRATEGIC WEAPONS WILL BE REPLACED WITH NEW, MORE SOPHISTICATED SYSTEMS BY THE MID-1990S, AND A NEW STRATEGIC BOMBER IS BEING ADDED TO THEIR ARSENAL FOR THE FIRST TIME IN DECADES. THEIR DEFENSES AGAINST US WEAPONS ARE BEING STEADILY IMPROVED, AS ARE THEIR CAPABILITIES FOR WAR-FIGHTING. AS THE RATE OF GROWTH OF OUR DEFENSE BUDGET DECLINES AGAIN, THEIRS CONTINUES TO GROW, ALBEIT SLOWLY.

THE THIRD ELEMENT OF GORBACHEV'S FOREIGN POLICY IS CONTINUED PURSUIT OF SOVIET OBJECTIVES AND PROTECTION OF SOVIET CLIENTS IN THE THIRD WORLD. UNDER GORBACHEV, THE SOVIETS AND CUBANS PROVIDED NEARLY A BILLION DOLLARS IN ECONOMIC AND

MILITARY ASSISTANCE TO NICARAGUA IN 1987; MORE THAN TWO BILLION DOLLARS WORTH OF MILITARY EQUIPMENT WAS SENT TO VIETNAM, LAOS AND CAMBODIA LAST YEAR; AND MORE THAN ONE AND A HALF BILLION DOLLARS IN MILITARY EQUIPMENT WAS SENT TO ANGOLA LAST YEAR -- TWICE THE 1985 LEVEL. AND, OF COURSE, CUBA GETS NEARLY SEVEN BILLION DOLLARS IN SOVIET SUPPORT EACH YEAR. AT A TIME OF ECONOMIC STRESS AT HOME, THESE COMMITMENTS SAY A GREAT DEAL ABOUT SOVIET PRIORITIES.

AT THE SAME TIME, THE SOVIET UNION PLAINLY WOULD LIKE TO EASE THIS BURDEN AND IS INTERESTED IN RESOLVING SOME OF THE THIRD WORLD ISSUES THAT HAVE LED TO ADVERSE REACTIONS IN THE WEST AND IN ASIA. THE SOVIET RECOGNITION OF DEFEAT IN AFGHANISTAN IS THE MOST VIVID EXAMPLE. FACED WITH AN UNWINNABLE WAR, THE KREMLIN LEADERSHIP REASSESSED THE COSTS AND BENEFITS AND CONCLUDED THAT SOVIET INTERESTS AT HOME AND ABROAD WERE BETTER SERVED BY LEAVING AFGHANISTAN. SIMILAR CALCULATIONS ALSO EXPLAIN THE APPARENTLY MORE CONSTRUCTIVE SOVIET APPROACH TOWARD CURRENT NEGOTIATIONS IN ANGOLA AND CAMBODIA. THIS TACTICAL FLEXIBILITY IN MY VIEW REFLECTS INCREASING POLITICAL SOPHISTICATION IN THE KREMLIN. EVEN SO, SOVIET OBJECTIVES IN THE THIRD WORLD -- AS DEMONSTRATED IN GORBACHEV'S RECENT PROPOSAL TO TRADE CAM RANH BAY FOR OUR BASES IN THE PHILIPPINES -- REMAIN ADVERSARIAL AND SEEK TO DIMINISH US GLOBAL INFLUENCE AND REACH.

THE FOURTH ELEMENT OF GORBACHEV'S FOREIGN POLICY IS NEW AND DYNAMIC DIPLOMATIC INITIATIVES TO WEAKEN TIES BETWEEN THE US AND ITS WESTERN ALLIES, CHINA, JAPAN, AND THE THIRD WORLD; TO PORTRAY THE SOVIET GOVERNMENT AS COMMITTED TO ARMS CONTROL AND PEACE. WE CAN AND SHOULD EXPECT OTHER NEW AND BOLD INITIATIVES, PERHAPS INCLUDING UNILATERAL CONVENTIONAL FORCE REDUCTIONS THAT WILL SEVERELY TEST ALLIANCE COHESION. SIMILARLY, NEW INITIATIVES HAVE BEEN TAKEN WITH CHINA THAT LIKELY WILL LEAD TO A SUMMIT IN A MATTER OF MONTHS; OVERTURES TO JAPAN ALSO SEEM LIKELY IN AN EFFORT TO OVERCOME BILATERAL OBSTACLES TO IMPROVED RELATIONS.

IN THIS CONNECTION, I BELIEVE WE CAN ANTICIPATE FURTHER SIGNIFICANT SOVIET INITIATIVES FOR ARMS CONTROL -- MOST OF THEM AMBITIOUS AND UNREALISTIC, BUT VIRTUALLY ALL WITH ENORMOUS GLOBAL POLITICAL APPEAL. GORBACHEV IS PREPARED TO EXPLORE -- AND, I THINK, REACH -- SIGNIFICANT REDUCTIONS IN WEAPONS, BUT PAST SOVIET PRACTICE SUGGESTS HE WILL SEEK AGREEMENTS THAT PROTECT EXISTING SOVIET ADVANTAGES, LEAVE OPEN ALTERNATIVE AVENUES OF WEAPONS DEVELOPMENT, OFFER COMMENSURATE POLITICAL GAIN, OR TAKE ADVANTAGE OF US UNILATERAL RESTRAINT OR CONSTRAINTS (SUCH AS OUR UNWILLINGNESS IN THE 1970S TO COMPLETE AND KEEP A PERMITTED LIMITED ABM).

FOR THE NEXT SEVERAL YEARS THE BENEFITS OF ARMS CONTROL FOR GORBACHEV, PARTICULARLY WITH RESPECT TO STRATEGIC WEAPONS, ARE

PRIMARILY STRATEGIC AND POLITICAL, NOT ECONOMIC. IN TERMS OF POTENTIAL SAVINGS, STRATEGIC OFFENSIVE WEAPONS ACCOUNT FOR ONLY ABOUT 10 PERCENT OF THE SOVIET MILITARY BUDGET AND THE SOVIETS ALREADY HAVE MADE THE INVESTMENT NECESSARY FOR PRODUCTION OF THEIR STRATEGIC WEAPONS FORCE THROUGH THE MID-1990S. ONLY THROUGH SIGNIFICANT CONVENTIONAL FORCE REDUCTIONS COULD GORBACHEV BEGIN TO REALIZE ANY MAJOR ECONOMIC BENEFIT AND, TO A GREAT EXTENT, THIS WOULD BE YEARS IN THE FUTURE.

THE POLITICAL BENEFITS OF ARMS CONTROL FOR GORBACHEV ARE EVIDENT. IT HAS THE POTENTIAL TO BRING DOWNWARD PRESSURE ON WESTERN DEFENSE BUDGETS, SLOW WESTERN MILITARY MODERNIZATION, WEAKEN RESOLVE TO COUNTER SOVIET ACTIVITIES IN THE THIRD WORLD, AND OPEN TO THE USSR NEW OPPORTUNITIES FOR WESTERN TECHNOLOGY AND ECONOMIC RELATIONS. ARMS CONTROL GIVES CREDENCE TO SOVIET CLAIMS OF THEIR BENIGN INTENTIONS AND MAKES THEM APPEAR TO BE A FAR MORE ATTRACTIVE PARTNER TO OTHER COUNTRIES IN POLITICAL, CULTURAL, AND ECONOMIC ARENAS.

ARMS CONTROL IS AN ATTRACTIVE PROPOSITION FROM GORBACHEV'S POINT OF VIEW FOR ITS STRATEGIC IMPACT AS WELL -- AS LONG AS ANY AGREEMENT INCORPORATES BASIC SOVIET POSITIONS: PERMITTING CONTINUED MODERNIZATION OF HEAVY ICBMS AND DEPLOYMENT OF MOBILE ICBMS, PREVENTING THE UNITED STATES FROM DEPLOYING AN EFFECTIVE SPACE-BASED MISSILE DEFENSE, AND CONSTRAINING AIR AND SEA LAUNCHED CRUISE MISSILES. FROM THE SOVIET PERSPECTIVE, DEEP

CUTS IN STRATEGIC OFFENSIVE ARMS, WITH THESE PROVISOS, OFFER THE MEANS TO LIMIT THE GROWING NUMBER OF HARD-TARGET WEAPONS IN THE US ARSENAL AND TO CONSTRAIN US PROGRESS IN THE DEVELOPMENT OF ADVANCED STRATEGIC DEFENSES. WHILE START OBVIOUSLY WOULD ALSO LIMIT SOVIET WEAPONS PROGRAMS, THEY PRESUMABLY BELIEVE THAT AN AGREEMENT THAT ENCOMPASSED THEIR BOTTOM-LINE POSITIONS WOULD, AT MINIMUM, NOT DEGRADE THEIR RELATIVE STRATEGIC POSTURE.

ARMS CONTROL AND OTHER NEW INITIATIVES ALSO ARE INTENDED TO BREAK SOVIET FOREIGN POLICY OUT OF LONGSTANDING TACTICAL DEADENDS AND TO MAKE THE SOVIET UNION A MORE EFFECTIVE, FLEXIBLE AND VIGOROUS PLAYER THROUGHOUT THE WORLD. THE RESULT IS LIKELY TO BE A SOVIET POLITICAL CHALLENGE TO THE US ABROAD THAT COULD POSE GREATER PROBLEMS FOR OUR INTERNATIONAL POSITION, ALLIANCES AND RELATIONSHIPS IN THE FUTURE THAN THE HERETOFORE ONE DIMENSIONAL SOVIET MILITARY CHALLENGE.

CONCLUSIONS

WHILE ACTUAL CHANGES IN THE ECONOMY OF THE SOVIET UNION SO FAR HAVE BEEN SMALL AND FREQUENTLY COUNTERPRODUCTIVE, WHAT GORBACHEV ALREADY HAS SET IN MOTION REPRESENTS A POLITICAL EARTHQUAKE. HE IS PULLING ALL OF THE LEVERS OF CHANGE IN A SOCIETY AND CULTURE THAT HISTORICALLY HAS RESISTED CHANGE -- AND WHERE CHANGE USUALLY HAS BEEN VIOLENT AND WRENCHING. HE IS

A FIGURE OF ENORMOUS HISTORICAL IMPORTANCE. THE FORCES HE HAS UNLEASHED ARE POWERFUL BUT SO ARE THE PEOPLE AND INSTITUTIONS HE HAS ANTAGONIZED -- THUS SETTING IN MOTION A TREMENDOUS POWER STRUGGLE AND PURGE NO LESS DRAMATIC FOR THE ABSENCE OF SHOW TRIALS AND TERROR.

THE STRUGGLE IS ESSENTIALLY BETWEEN THOSE SEEKING TO PRESERVE THE STATUS QUO -- AND THEIR POWER IN IT -- AND GORBACHEV AND HIS ALLIES WHO SEEK TO REPLACE THOSE NOW IN POWER AND, IRONICALLY, TO TURN THE CLOCK BACK, BACK BEFORE STALINISM TO LENINISM. GORBACHEV SEEKS A SYSTEM IN WHICH SOME -- THOUGH CERTAINLY NOT ALL -- ELEMENTS OF THE STALINIST ECONOMIC STRUCTURE AND BUREAUCRACY ARE ELIMINATED THUS OPENING THE WAY TO GREATER FLEXIBILITY AND INNOVATION AND THEREBY TO MODERNIZATION AND IMPROVED PERFORMANCE. HOWEVER, GORBACHEV'S LENINISM STILL MEANS THE CONTINUED POLITICAL MONOPOLY OF THE COMMUNIST PARTY -- ALBEIT A REJUVENATED ONE, ITS ROLE AS SOLE ARBITER OF THE NATIONAL AGENDA, ITS CONTROL OF ALL THE LEVERS OF POWER, AND ITS ULTIMATE AUTHORITY OVER ALL ASPECTS OF NATIONAL LIFE -- INCLUDING THE LAW. THE DICTATORSHIP OF THE COMMUNIST PARTY REMAINS UNTOUCHED AND UNTOUCHABLE.

WESTERNERS FOR CENTURIES HAVE HOPED REPEATEDLY THAT RUSSIAN ECONOMIC MODERNIZATION AND POLITICAL REFORM -- EVEN REVOLUTION -- SIGNALLED AN END TO DESPOTISM. REPEATEDLY SINCE 1917, THE WEST HAS HOPED THAT DOMESTIC CHANGES IN THE USSR WOULD LEAD TO

CHANGES IN COMMUNIST COERCIVE RULE AT HOME AND AGGRESSIVENESS ABROAD. THESE HOPES, DASHED TIME AND AGAIN, HAVE BEEN REVIVED BY GORBACHEV'S AMBITIOUS DOMESTIC AGENDA, INNOVATIVE FOREIGN POLICY AND PERSONAL STYLE.

ENDURING CHARACTERISTICS OF SOVIET GOVERNANCE AT HOME AND POLICY ABROAD MAKE IT CLEAR THAT -- WHILE THE CHANGES UNDERWAY OFFER OPPORTUNITIES FOR THE UNITED STATES AND FOR A RELAXATION OF TENSIONS -- GORBACHEV INTENDS IMPROVED SOVIET ECONOMIC PERFORMANCE, GREATER POLITICAL VITALITY AT HOME, AND MORE DYNAMIC DIPLOMACY TO MAKE THE USSR A MORE COMPETITIVE AND STRONGER ADVERSARY IN THE YEARS AHEAD.

THE QUESTION I AM MOST FREQUENTLY ASKED IS WHETHER IT IS IN OUR INTEREST FOR GORBACHEV TO SUCCEED OR FAIL. THE FIRST THING WE SHOULD ACKNOWLEDGE IS THAT THERE IS LITTLE THAT THE UNITED STATES CAN DO TO INFLUENCE THE OUTCOME OF THE STRUGGLE GOING ON INSIDE THE SOVIET UNION. THAT SAID, WE SHOULD ASK OURSELVES IF WE WANT THE POLITICAL, SOCIAL AND ECONOMIC REVITALIZATION OF THE HISTORICAL AND CURRENT SOVIET SYSTEM. I THINK NOT.

WHAT WE DO SEEK IS A SOVIET UNION THAT IS PLURALISTIC INTERNALLY, NON-INTERVENTIONIST EXTERNALLY, OBSERVES BASIC HUMAN RIGHTS, CONTRIBUTES TO INTERNATIONAL STABILITY AND TRANQUILLITY, AND A SOVIET UNION WHERE THESE CHANGES ARE MORE THAN A TEMPORARY EDICT FROM THE TOP AND ARE INDEPENDENT OF THE

VIEWS, POWER AND DURABILITY OF A SINGLE INDIVIDUAL. WE CAN HOPE FOR SUCH CHANGE BUT ALL OF RUSSIAN AND SOVIET HISTORY CAUTIONS US TO BE SKEPTICAL AND CAUTIOUS.

WE CANNOT -- AND SHOULD NOT -- CLOSE OUR EYES TO MOMENTOUS DEVELOPMENTS IN THE USSR, BUT WE SHOULD WATCH, WAIT, AND EVALUATE. AS LONGTIME SOVIET-WATCHER WILLIAM ODOM HAS SAID, WE SHOULD APPLAUD PERESTROIKA BUT NOT FINANCE IT. WE SHOULD NOT MAKE CONCESSIONS BASED ON HOPE AND POPULAR ENTHUSIASMS HERE OR PLEASING PERSONALITIES AND ATMOSPHERIC OR SUPERFICIAL CHANGES THERE. WE SHOULD, HOWEVER, TAKE ADVANTAGE OF OPPORTUNITIES WHERE THE TERMS ARE FAVORABLE TO US OR WHERE WE CAN BRING ABOUT DESIRABLE CHANGES IN SOVIET POLICIES -- WHETHER TO PROMOTE HUMAN RIGHTS, FREER EMIGRATION, STRATEGIC STABILITY, SOLUTIONS TO SOVIET GENERATED PROBLEMS SUCH AS AFGHANISTAN, OR EVEN EXPANDED BUSINESS TIES (IF THERE IS NO TRANSFER OF SENSITIVE TECHNOLOGY). ABOVE ALL, WE MUST ESTABLISH REALISTIC CRITERIA BY WHICH WE CAN JUDGE IN THE COMING MONTHS AND YEARS WHETHER POLITICAL OR ECONOMIC CHANGE IN THE SOVIET UNION GENUINELY IS RESHAPING THE FOUNDATIONS OF THE SYSTEM -- OR WHETHER THE TOTALITARIAN STRUCTURE OF THE SOVIET UNION, INCLUDING THE INSTRUMENTS OF CENTRAL CONTROL AND REPRESSION, ENDURES DISCREETLY IN THE SHADOWS, AVAILABLE AT THE BECKON OF GORBACHEV'S SUCCESSOR, OR EVEN FOR GORBACHEV.

THERE ARE MANY UNCERTAINTIES SURROUNDING THE SOVIET UNION TODAY, BUT ONE FACT IS APPARENT: WHETHER GORBACHEV SUCCEEDS, FAILS, OR JUST SURVIVES, A STILL LONG COMPETITION AND STRUGGLE WITH THE SOVIET UNION LIE BEFORE US. PRESERVING THE PEACE AND FOSTERING AN ENDURING RELAXATION OF TENSIONS DEPEND UPON SEEING THIS REALITY CLEARLY. KEEPING THIS LONG RANGE PERSPECTIVE -- WITH KEEN AWARENESS OF THE OPPORTUNITIES AS WELL AS THE DANGERS -- WILL BE AN EXTRAORDINARY CHALLENGE FOR THE UNITED STATES AND THE WESTERN DEMOCRACIES IN THE MONTHS AND YEARS AHEAD.

A) 3 commencement +
trip.

what theme: message.
"big picture" on trip.

B) Domestic speeches
(direction?)

USSR/KENNAN

For the Record

From testimony by George F. Kennan to the Senate Foreign Relations Committee April 4, 1989

The domestic political personal situation of [Mikhail] Gorbachev is indeed in certain respects precarious, particularly in view of the meager results to date of his program of perestroika. But his position also has had important elements of strength, as does his program; and both have now been strengthened by the results of the recent election. His initiatives in foreign policy have not met with serious internal political resistance. There is therefore no reason to suppose that agreements entered into with his government under his leadership would not, if properly negotiated and formalized, be respected by his successors.

[I]t appears to me that whatever reasons there may once have been for regarding the Soviet Union primarily as a possible if not probable military opponent, the time for that sort of thing has clearly passed. That country should now be regarded essentially as another great power like other great powers -- one that is whose aspirations and policies are conditioned outstandingly by its own geographic situation, history and tradition, and are therefore not identical with our own but are also not so seriously in conflict with ours as to justify any assumption that the outstanding differences could not be adjusted by the normal means of compromise and accommodation. It ought now to be our purpose, I consider, while not neglecting the needs of our general security, to eliminate as soon as possible, by amicable negotiation, the elements of abnormal military tension that have recently dominated Soviet-American relations, and to turn our attention instead to the development of the positive possibilities of this relationship, which are far from insignificant.



Photocopy-Preservation

Jim Hoagland

Perestroika At a Crawl

MOSCOW—The Soviet Union's first brush with free elections in 70 years has demonstrated that the electorate's antipathy for the Communist Party is stronger than its growing frustration with perestroika. That result provides Mikhail Gorbachev with some badly needed breathing space as he ends the equivalent of his first four-year term in office. But it also sharpens the struggle still to come.

Gorbachev resembles no one so much as Jimmy Carter after four years in power. He has met severe economic problems at home without moralizing and constantly changing policies. The domestic confusion has dulled the luster of his foreign policy successes. He has dispersed energy and credit across a broad spectrum rather than taking on a few selected, manageable issues.

Fortunately for Gorbachev and for perestroika, political reforms do not require the Kremlin leader to seek reelection after four years. A recent decision to postpone serious discussion of retail-price reform for two or three years is proof of the unpopularity of perestroika now.

Abel Aganbegyan, one of the economic theorists who has helped shape Gorbachev's perestroika program, gives this indication of how severe public disaffection is at the moment: "We had to take this delay because of our worsening financial situation. If we had not delayed retail-price reform, perestroika might have perished. People would have risen up."

He speaks with regret in his voice. Aganbegyan has led the way in arguing that bringing the Soviet Union's wholly unrealistic pricing system into line with market conditions is the essential mechanism in achieving the radical economic restructuring Gorbachev seeks.

Aganbegyan's economic view is that this needs to be done rapidly and comprehensively. But politically he has reconciled himself to the "crawling reform" on prices that has been adopted to avoid popular protest.

The Soviet economist frankly acknowledges that a major part of the problem has been mistakes made by the reform team in the past four years—principally not starting with agriculture as a way to increase food supplies and "underestimating the inertia of the old system."

Recent Western assessments of perestroika have tended either to concentrate on these missteps and to conclude gloomily that the experience has "failed," or to argue in equally simplistic terms that Gorbachev's rhetorical endorsement of private initiative and market forces means that communism has been abandoned here and capitalism has won the final battle. Both views are premature.

The Soviet public is not rushing to embrace any free-market mechanisms that bring pain or risk, as the continuing internal battle over price reform shows. True price reform means the doubling of the price of milk, meat, bread and most other staples. It would also mean open unemployment, rather than the concealed variety practiced in the Soviet Union today.

Perestroika at this stage is a catalog of problems of the old system rather than a master plan for solutions. Having backed off confronting the public on prices, the economists are now concentrating on the fiscal problems that have accumulated in the past four years of falling oil revenues, uneven harvests and climbing budget deficits.

"They are at last trying to deal with macro-economic problems, but their system has no tools available for dealing with inflation, budget deficits and the huge monetary overhang of tr rubles," says an experienced Western diplomat. "But the shift in focus has the advantage of stopping all the rhetoric about price reform and competition, which was close to creating a public panic."

Unlike Carter after four years, Gorbachev is still in power and planning to stay there. He has averted the disaster, which he and many others believe would have struck by now without this visible commitment to change by the Kremlin. He has been unable, however, to mobilize the support either of the party apparatus or of the public on radical economic change. He is reaching the point where he will need to rely on the support of one of these forces to move the other if he wants to do more than muddle through.

The reformers' own painful new awareness of what they are up against is perhaps their best chance for eventually achieving change. They are reaching out for support and ideas wherever they can find them. "We know now that this is a process, and not something that will happen overnight," says Aganbegyan, who recently returned from a trip to China to study the Chinese experience with market mechanisms.

This week he hosted a meeting of about 80 economists, businessmen, officials, bankers and others from America, Europe, China and Japan in a free-wheeling three-day discussion of perestroika and the global economy. By Washington standards, it was no more than a lively "BOGSAT" (bunch of guys sitting around a table) that focused mercilessly on Soviet shortcomings.

But this meeting would have been unthinkable in Moscow even four years ago. What this reappraisal means for perestroika, for the West and for the Soviet Union's continuing effort to become a normal place, is the subject of my next column.

Photocopy-Preservation

INTERNATIONAL

Despite Hopes, Many Soviets Will Find They Have No Choice on Sunday's Ballot

By PETER GUMBEL

Staff Reporter of THE WALL STREET JOURNAL
KIEV, U.S.S.R. — Vladimir Shcherbitsky, 71 years old and increasingly frail, is a man of the past. He is a remnant of Leonid Brezhnev's now discredited rule. Even many of his supporters here in the Ukraine, the republic he has governed since 1972, say privately that it is time he retired.

Yet, when Soviet voters go to the polls Sunday to elect a new and new-style parliament, the old and old-style Mr. Shcherbitsky is certain to win a seat. He is the only candidate in his constituency in the coal-mining town of Dnepropetrovsk.

Under Mikhail Gorbachev's plans for the Soviet political system, this wasn't supposed to happen. Voters were meant to have a choice of at least two candidates. Indeed, the Soviet leader last November described contested elections as "the most important, distinctive feature" of his socialist version of democracy.

But the election is falling short of that lofty goal. Many Communist Party bigwigs, especially in the Ukraine, have been able to use electoral law loopholes to keep their rivals off the ballot. In 385 of the 1,500 Soviet electoral districts just a single candidate is registered.

Legal 'Ambiguities'

"The law does have ambiguities," admits Dmitri Golovko, deputy head of the Central Electoral Commission, which has received more than 7,000 letters of complaint. "It must be subject to streamlining and amendments."

For a country long ruled by despots, from Russian czars to Soviet commissars, it is perhaps not surprising that first attempts to give people a limited choice in who governs them are less than perfect. The electoral law was drawn up quickly and Mr. Golovko says, "it isn't dogma."

Yet changing the law will require a bold act of political will on the part of the Soviet leadership. For the parts of the law most easily manipulated are the ones that give the Communist Party some control over the process. To get rid of them could open the floodgates to a less managed, less predictable type of "democracy."

As a result, the election campaign has created mixed feelings. Almost everyone agrees that it represents a break with past practice, when voters were given no choice. But much of the public remains deeply skeptical.

Many Are Indifferent

Tatiana Zaslavskaya, a leading Soviet sociologist and pollster, says 40% of the electorate is indifferent to the campaign. According to a poll published in the newspaper Komsomolskaya Pravda, as many as 79% of those asked said they believe there is a danger the vote could turn out to be merely "a spectacle."

"It is imperative that the millions of voters should not feel they are being cheated," a group of intellectuals worried about electoral abuses wrote in the weekly Moscow News this month.

Some voters already feel cheated and are taking to the streets to say so. At a recent protest in Leningrad against the lack

of an alternative candidate to one unpopular local party official, people held up placards complaining of "podtasovka," a term used by card players to describe dealing from the bottom of the deck.

Clubs have even been formed in some cities that aim to expose electoral shortcomings, says Ms. Zaslavskaya.

Much of the fuss concerns the procedure by which candidates are registered. Mr. Gorbachev introduced a system designed to limit their numbers. He said he wanted to prevent ballot papers becoming too long and confusing.

Under the procedure, a public meeting in each constituency decided how many candidates would be registered to contest the seat. To pass through this stage, the candidates had to win the support of at least 50% of the meeting.

Some Blatant Fiddling

Some of the complaints may be just sour grapes, of course. A senior party official, Georgy Barabashev, recently rejected talk of manipulation, saying that the overwhelming number of Communist Party members who got through the procedure is just "evidence of (their) authority among the broad mass of the people."

Nonetheless, some fiddling was so blatant that even the Central Electoral Commission reacted. For example, Mr. Golovko says it ordered a repeat of the registration process in the Belorussian town of Grodno following public protests there. Only one candidate was registered, even though the meeting initially decided to choose two.

Something similar happened to Yuri Shcherbak, a Ukrainian writer, who describes himself as having become "a political gladiator." Hoping to be registered as a candidate in Kiev's Zhovten district, he quickly sensed something was wrong when people at the meeting started asking him aggressive personal questions about his Polish wife and his bank account. Then, even though three out of the nine nominated candidates were supposed to be registered, the chairman stopped the meeting and sent everyone home as soon as the first one received 50%.

"It was a crude violation of the law," says Mr. Shcherbak, who has managed to be registered in another constituency.

Voters can reject a single candidate by crossing out his or her name on the ballot sheet. But at least one-half of those voting would have to take such action to prevent a candidate being elected.

To be sure, not every uncontested seat is a sign of manipulation. One of the greatest ironies of the current election campaign is that some of the most ardent supporters of multi-candidate elections find themselves running unopposed. In the Baltic republic of Latvia, for example, there are seven constituencies with only one candidate. In five of them, the candidate is a member of the pro-reform Popular Front Movement who beat the local party nominees at the registration meeting.

Janis Skapars, a Popular Front leader, is happy that his organization is doing so well. But he feels awkward about the lack of competition. "It really isn't normal," he says.

Soviet Bottom Line Is That Few People Know What One Is

* * *
Institute Plans MBA School,
With U.S. Help, to Teach
The Lessons of Capitalism

By JOHN J. FIALKA

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON—Soviet managers confused about perestroika and fearful of making marketing decisions without orders from Moscow need worry no longer.

The Khabarovsk Institute of National Economy, some 4,300 miles east of Moscow, is setting up what is believed to be the Soviet Union's first masters-degree program in business administration. The two-year program, complete with professors from Portland State University in Oregon, will attempt to teach the hard-nosed lessons of capitalism to regional bureaucrats who are being weaned from a centrally run economy.

"This will give us independence in making decisions," says Pyotr M. Konevskih, rector of the institute, who will sign papers today in Portland making the project official.

According to Mr. Konevskih, there has been some sporadic teaching of business by visiting Western professors in the Soviet Union, but "a completely worked-out program such as this doesn't exist" there. He said he expects the program to be copied widely throughout the Soviet Union.

Finding the Bottom Line

First, though, there are some problems to sort through. For example, the word "market" has no equivalent in the Russian language. "It's like the word rock'n'roll; it goes straight through into the Russian. There was never anything before quite like that either," says Earl Molander, a Portland State University business school professor who is helping to set up the program.

Next, there is the whole concept of management. Mr. Molander, who has visited Khabarovsk, says Soviet managers have tended to take very narrow views of their work, relying on detailed orders from Moscow in lieu of market analysis.

"All that has changed with perestroika," he says. "They are being told that their firms must become self-sufficient."

U.S. accounting rules also will be hard to fathom in a country that hasn't developed a wholesale pricing system. Even the bottom line, according to Mr. Konevskih, will take some explaining. Communist accountants "tend to pay more attention to the details of certain questions and lose track of the end results."

Helping the Most Needy

The first class of Soviet MBA candidates, about 50 students, will begin their studies next April. They largely will be drawn from the managers of Soviet enterprises in the France-sized Khabarovsk region who are being forced to make their agencies self-sufficient as controls from Moscow are phased out under the economic restructuring.

"The majority of questions are now being decided on the spot," says Mr. Konevskih, who adds that three days ago some enterprises were allowed for the first time to begin dealing with foreign buyers without going through Moscow.

Japan's Motor-Vehicle Sales

TOKYO—Motor-vehicle sales in Japan edged up 0.9% in March from the year-earlier month to a record 683,299 vehicles, the automobile dealers association said.

Photocopy-Preservation

4/5/89

4/3/89

Jeane Kirkpatrick

Gorbachev vs. Lenin

It is true that the nominating process for Soviet elections was severely restricted and partly rigged and that it excluded important opposition groups. It is also true that in nearly one-fourth of all districts the official candidate ran unopposed and that about 80 percent of all candidates were Communist Party members. It is true too that these elections were only one stage in the selection of one governing body and that the final outcome is stacked in favor of the Communist Party.

Still, these Soviet elections were extremely important. For the first time in 70 years Soviet citizens had an opportunity to express their views about those who govern them. Since Vladimir Ilyich Lenin and his band of Bolsheviks ignored the outcome of legislative elections and seized power in 1917, the Communist Party of the Soviet Union has claimed its right to rule is based on iron "laws of history" and does not require popular approval.

While claiming that they spoke for "the people," successive Communist leaders never found it necessary to ask "the people" about who should rule or to what broad ends. They have governed instead by force and imposed policies that stifled Soviet society and the economy. By force they incorporated formerly independent nations into the U.S.S.R. By force they eliminated opposition parties, silenced critics and blocked all the channels through which the Soviet people might have expressed their views. Dogs, fences and guard towers have prevented emigration—denying the people an opportunity to vote with their feet. Elections have been staged plebiscites in which the government scored 99 percent of the votes. Public opinion polls have been strictly forbidden. Control consolidated under Stalin by terror was maintained by his successors, who jailed or banished refuseniks, philosophers, whistle-blowers, evangelicals, dissidents, poets and musicians.

So thoroughly did the Soviet leadership control expression and stifle dissent that no one, including Soviet leaders themselves, could say what the Soviet people thought about anything. No one knew for certain what the Soviet people wanted; what they opposed, for whom or what they were willing to work. No one could say how the Soviet people felt about the Communist Party, religion, art, Afghanistan, perestroika, Ligachev—or anything. Anyone could and did claim to represent the people—as long as the people could not speak for themselves.

One step at a time Mikhail Gorbachev has provided the Soviet people opportunities to express their views: in media, books, meetings, and now in a campaign and elections.

Gorbachev could not have known the outcome of this unprecedented experiment in free expression. Probably he is disappointed by some of the results. Probably he did not guess the strength of the popular movements in Estonia, Latvia and Lithuania. Probably he did not foresee that party chiefs would lose

elections in six major cities or that a nonvoting Politburo member whose election was uncontested would nonetheless be defeated, or that Boris Yeltsin would win nearly 90 percent of the votes against the designated party candidate, or that dissident historian Roy Medvedev would run first in a field of six or that so many official candidates might lose even though they were unopposed.

Medvedev was probably right when he said it must have been "a very sobering day for the Communist Party and for Mikhail Gorbachev." It is impossible at this stage to guess the consequences of this fascinating Soviet experiment with limited choice. But certain conclusions almost leap out of the experience.

First, the campaign and elections demonstrated that 70 years of repression have not deprived the Soviet people of a capacity to form independent views and to express them. They are neither too apathetic nor too brainwashed to think or act for themselves.

Second, in spite of 70 years of official propaganda, the Soviet people have not been persuaded that the Communist Party necessarily represents their views or interests. Both the campaign and the outcome reveal a good deal of explicit distrust and dislike of party officials.

Third, the campaign also made clear that the Soviet people do believe their society is rent by a class struggle but not the one described by Karl Marx. Rather it is a class system created by Marxism, which pits a small privileged party elite against the people. Boris Yeltsin based his campaign on popular resentments of this elite.

Fourth, while the outcome was far worse for party conservatives such as Ligachev than for Gorbachev himself, Gorbachev had an opportunity to learn the same lesson the U.S. government was taught in El Salvador a few weeks ago: given a choice, people cannot necessarily be counted on to vote as their leaders wish. The election results provide strong proof of the persistence of intense national identifications of Baltic peoples and the Ukraine. The Estonian popular front won 25 of 36 seats, Latvia's popular front won 25 of 29 seats, and in Lithuania the nationalist Sajudis took 32 of the 42 seats. In the Ukraine several official candidates running unopposed were defeated when an electoral boycott deprived them of the 50 percent needed to win.

Finally, and most important, there is the fact of the elections and of Gorbachev's promise that those lacking party support might lose their jobs. When Gorbachev says officials should have public approval, he is moving toward the view that government should be based on the consent of the governed. That is a big step toward the democratic view of legitimacy that Lenin rejected. The biggest news of all is that Mikhail Gorbachev has reopened the question about the appropriate relations between people and their rulers.

Photocopy-Preservation

Rowland Evans and Robert Novak

BEYOND CONTAINMENT

Selected Speeches by President George Bush
on Europe and East-West Relations
April 17 - June 2, 1989



The White House

In this series of speeches, President George Bush projects a policy that seeks to move beyond containment—to integrate the Soviet Union into the community of nations.

It is a policy based on the strength and vitality of the Atlantic Alliance, which has brought Europe its longest period of uninterrupted peace in the modern age. The Alliance's unity and the force of its democratic foundations have opened up new possibilities—of a less militarized Europe, of a stronger and more united Western Europe, of a Europe whole and free and at peace with itself.

President Bush articulates policies and proposes concrete initiatives aimed at helping end the division of Europe. From proposals for more comprehensive and faster negotiated cuts in conventional arms to initiatives aimed at supporting the growth of democracy in Eastern Europe, they have the same purpose: to promote a reconciliation based on shared values, where East joins West in a commonwealth of free nations.

And let me say, it is truly gratifying that all of this was understood so well at home and abroad. While keeping our defenses up and our eyes wide open, we must go forward. We must stay on the offensive. We must get to work now to end the Cold War. The world has waited long enough, and if we succeed, the world your children will know—the world of the 21st century—will be all the better.

United States Information Agency
July 1989

preserving the peace in Europe—the longest period without war in all the recorded history of that continent.

And we were reminded that once again the future of so many nations depends on NATO's unity and resolve. We were reminded that NATO must remain strong and together, and we were challenged to seize this new opportunity for progress while staying true to the principles that got us here.

Well, we met that challenge. We agreed to strive—to hope—for a Europe that is whole and free. At the Rheingoldhalle in Mainz, in the heart of Germany, I said that the Cold War began with the division of Europe, and it must end with a reconciliation based on shared values, where East joins West in a commonwealth of free nations.

Arms and Environment

And that is my vision for the future, and here is how we get there. The Warsaw Pact has a lot more planes, a lot more arms, a lot more troops in Europe than the NATO Alliance, and we challenge the Soviets, if they are serious, to reduce to equal numbers. Our proposal is bold, but fundamentally fair, and every single one of our allies agreed with our proposal.

We proposed a new initiative for more comprehensive and faster negotiated cuts in conventional arms to lift the West at last from the shadow cast over Europe since 1945 by massive Soviet ground and air forces, and our allies agreed. And we proposed that Berlin, East and West, become a center of cooperation, not confrontation. And our allies agreed. And we proposed that we strengthen the Helsinki Process to support free elections in Eastern Europe, and our allies agreed.

Because the threat of environmental destruction knows no borders, we proposed that the West enlist the countries of Eastern Europe in one of the great causes of our time—the common struggle to save our natural heritage.

And, with our agreement in NATO on our short-range nuclear forces in Europe, we demonstrated as an Alliance that we can manage change while remaining true to the strategy of deterrence which has kept the peace.

New World

In short, this week's NATO summit in Brussels showed that we are ready to help shape a new world. In this period of historic change, the NATO Alliance has never been more united, never been stronger, and we issued a summit declaration detailing our vision for the future and plan of action. And ours is not an arrogant challenge to Mr. Gorbachev, it's an appeal in good faith. The summit was a triumph for the Alliance, a triumph of ideas, and—most of all—it was a triumph of hope.

Table of Contents

Remarks to Citizens of Hamtramck <i>Hamtramck, Michigan</i> <i>April 17, 1989</i>	2
Remarks at the Texas A&M University Commencement Ceremony <i>College Station, Texas</i> <i>May 12, 1989</i>	7
Remarks at the Boston University Commencement Ceremony <i>Boston, Massachusetts</i> <i>May 21, 1989</i>	12
Remarks at the U.S. Coast Guard Academy Graduation Ceremony <i>New London, Connecticut</i> <i>May 24, 1989</i>	16
Remarks Upon Departure for Europe <i>Andrews Air Force Base, Maryland</i> <i>May 26, 1989</i>	21
Remarks at Rheingoldhalle <i>Mainz, Federal Republic of Germany</i> <i>May 31, 1989</i>	23
Remarks Upon Arrival at Pease Air Force Base <i>Portsmouth, New Hampshire</i> <i>June 2, 1989</i>	31

REMARKS TO CITIZENS OF HAMTRAMCK

Hamtramck, Michigan
April 17, 1989

I want to address, at this important gathering, the health and prosperity of a whole nation: the proud people of Poland. You know, we Americans are not mildly sympathetic spectators of events in Poland. We are bound to Poland by a very special bond: a bond of blood, of culture and shared values. And so, it is only natural that as dramatic change comes to Poland we share the aspirations and excitement of the Polish people.

Old Ideas and New Thinking

In my Inaugural Address, I spoke of the new breeze of freedom gaining strength around the world. "In man's heart," I said, "if not in fact, the day of the dictator is over. The totalitarian era is passing, its old ideas blown away like leaves from an ancient lifeless tree."

I spoke of the spreading recognition that prosperity can only come from a free market and the creative genius of individuals. I spoke of the new potency of democratic ideals: of free speech, free elections and the exercise of free will. We should not be surprised that the ideals of democracy are returning with renewed force in Europe, the homeland

REMARKS UPON ARRIVAL AT PEASE AIR FORCE BASE

Portsmouth, New Hampshire
June 2, 1989

In the last week, Barbara and I have been to Rome and the Vatican, Brussels, Bonn and London, and working with our allies in Europe, we set a course for the future. And we must move to fulfill that promise, moving beyond containment, moving beyond the era of conflict and Cold War that the world has known for more than 40 years, because keeping the peace in Europe means keeping the peace for America. Our Alliance seeks a less militarized Europe—a safer world for all of us.

And I'm now returning from Europe with a message for the American people—a message of hope. We have a great and historic opportunity to shape the changes that are transforming Europe. This chance has been delivered not just because of our strength and resolve, but also because of our power of ideas, especially one idea which is sweeping the communist world—democracy.

Charting the Path to Peace

For the last six weeks, I've presented, in a series of speeches, ways to deal with these changes to make the most of this opportunity. And let me summarize: In Michigan I stressed that the United States will actively encourage peaceful reform led by the forces of freedom in Eastern Europe. The Texas speech explains America's commitment to a balanced approach in our relationship with the Soviet Union—that we must remain strong and realistic, judge their performance, not their rhetoric, all the while seeking a friendship with the Soviets that knows no season of suspicion.

And at Boston University the focus was our partnership with a more united Western Europe—how a strong Europe means a strong America. And then at the Coast Guard Academy I said that America is ready to seize every—and I do mean every—opportunity to bring the Soviet Union into the community of nations. And then, with my colleagues in Brussels, on the 40th anniversary of the founding of the North Atlantic Alliance, we celebrated NATO's 40 years of success in

can rejoice—a continent that is diverse, yet whole.

Forty years of Cold War have tested Western resolve and the strength of our values. NATO's first mission is now nearly complete. But if we are to fulfill our vision—our European vision—the challenges of the next 40 years will ask no less of us. Together, we shall answer the call. The world has waited long enough.

of philosophers of freedom, whose ideals have been so fully realized in our great United States of America. Victor Hugo said: "An invasion of armies can be resisted, but not an idea whose time has come." My friends, liberty is an idea whose time has come in Eastern Europe, and make no mistake about it.

For almost half a century, the suppression of freedom in Eastern Europe, sustained by the military power of the Soviet Union, has kept nation from nation, neighbor from neighbor. As East and West now seek to reduce arms, it must not be forgotten that arms are a symptom, not a source, of tension. The true source of tension is the imposed and unnatural division of Europe. How can there be stability and security in Europe and the world as long as nations and peoples are denied the right to determine their own future, a right explicitly promised by agreements among the victorious powers at the end of World War II? How can there be stability and security in Europe as long as nations which once stood proudly at the front rank of industrial powers are impoverished by a discredited ideology and stifling authoritarianism? The United States—and let's be clear on this—has never accepted the legitimacy of Europe's division. We accept no spheres of influence that deny the sovereign rights of nations.

Yet the winds of change are shaping a new European destiny. Western Europe is resurgent, and Eastern Europe is awakening to yearnings for democracy, independence and prosperity. In the Soviet Union itself, we are encouraged by the sound of voices long silent and the sight of the rulers consulting the ruled. We see new thinking in some aspects of Soviet foreign policy. We are hopeful that these stirrings presage meaningful, lasting and more far-reaching change. Let no one doubt the sincerity of the American people and their government in their desire to see reform succeed inside the Soviet Union. We welcome the changes that have taken place, and we will continue to encourage greater recognition of human rights, market incentives and free elections.

East-West Negotiations

East and West are now negotiating on a broad range of issues, from arms reductions to the environment. But the Cold War began in Eastern Europe, and if it is to end, it will end in this crucible of world conflict. And it must end. The American people want to see East and Central Europe free, prosperous and at peace. With prudence, realism and patience, we seek to promote the evolution of freedom—the opportunities sparked by the Helsinki Accords and the deepening East-West contact. In recent years, we have improved relations with countries in the region, and in each case, we looked for progress in international posture and internal practices: in human rights, cultural openness, emigration issues, opposition to international terror. While we

want relations to improve, there are certain acts we will not condone or accept, behavior that can shift relations in the wrong direction: human rights abuses, technology theft, and hostile intelligence or foreign policy actions against us.

Reform

Some regimes are now seeking to win popular legitimacy through reforms. In Hungary, a new leadership is experimenting with reforms that may permit a political pluralism that only a few years ago would have been absolutely unthinkable. And in Poland, on April 5th, Solidarity leader Lech Walesa and Interior Minister Kiszczak signed agreements that, if faithfully implemented, will be a watershed in the postwar history of Eastern Europe.

Under the auspices of the roundtable agreements, the free trade union *Solidarnosc* was today—this very day, under those agreements—*Solidarnosc* was today formally restored. And the agreements also provide that a free opposition press will be legalized, independent political and other free associations will be permitted, and elections for a new Polish Senate will be held. These agreements testify to the realism of General Jaruzelski [Chairman of Poland's Council of State] and his colleagues, and they are inspiring testimony to the spiritual guidance of the Catholic Church, the indomitable spirit of the Polish people, and the strength and wisdom of Lech Walesa.

Poland faces, and will continue to face for some time, severe economic problems. A modern French writer observed that communism is not another form of economics: It is the death of economics. In Poland, an economic system crippled by the inefficiencies of central planning almost proved the death of initiative and enterprise—almost. But economic reforms can still give free rein to the enterprising impulse and creative spirit of the great Polish people.

Agenda for Poland

The Polish people understand the magnitude of this challenge. Democratic forces in Poland have asked for the moral, political and economic support of the West. And the West will respond. My administration is completing now a thorough review of our policies toward Poland and all of Eastern Europe, and I've carefully considered ways the United States can help Poland. We will not act unconditionally. We're not going to offer unsound credits. We're not going to offer aid without requiring sound economic practices in return. We must remember that Poland still is a member of the Warsaw Pact. I will take no steps that compromise the security of the West.

The Congress, the Polish-American community..., the American labor movement, our allies and international financial institutions—our

our military activities. And therefore, I want to reiterate my support for greater transparency. I renew my proposal that the Soviet Union and its allies open their skies to reciprocal, unarmed aerial surveillance flights, conducted on short notice to watch military activities. Satellites are a very important way to verify arms control agreements. But they do not provide constant coverage of the Soviet Union. An "Open Skies" policy would move both sides closer to a total continuity of coverage, while symbolizing greater openness between East and West.

These are my proposals to achieve a less militarized Europe. A short time ago they would have been too revolutionary to consider. And yet today, we may well be on the verge of a more ambitious agreement in Europe than anyone considered possible.

But we are also challenged by developments outside of NATO's traditional areas of concern. Every Western nation still faces the global proliferation of lethal technologies, including ballistic missiles and chemical weapons. We must collectively control the spread of these growing threats. So we should begin as soon as possible with a worldwide ban on chemical weapons.

A Vision for Europe

Growing political freedom in the East, a Berlin without barriers, a cleaner environment, a less militarized Europe—each is a noble goal, and taken together, they are the foundation of our larger vision: a Europe that is free and at peace with itself. And so, let the Soviets know that our goal is not to undermine their legitimate security interests. Our goal is to convince them, step by step, that their definition of security is obsolete, that their deepest fears are unfounded.

When Western Europe takes its giant step in 1992, it will institutionalize what's been true for years—borders open to people, commerce and ideas. No shadow of suspicion, no sinister fear, is cast between you. The very prospect of war within the West is unthinkable to our citizens. But such a peaceful integration of nations into a world community does not mean that any nation must relinquish its culture, much less its sovereignty.

This process of integration, a subtle weaving of shared interests, which is so nearly complete in Western Europe, has now finally begun in the East. We want to help the nations of Eastern Europe realize what we, the nations of Western Europe, learned long ago. The foundation of lasting security comes, not from tanks, troops or barbed wire. It is built on shared values and agreements that link free peoples.

The nations of Eastern Europe are rediscovering the glories of their national heritage. So let the colors and hues of national culture return to these gray societies of the East. Let Europe forego a peace of tension for a peace of trust, one in which the peoples of the East and West

On Monday [May 29], with my NATO colleagues in Brussels, I shared my great hope for the future of conventional arms negotiations in Europe. I shared with them a proposal for achieving significant reductions in the near future.

And as you know, the Warsaw Pact has now accepted major elements of our Western approach to the new conventional arms negotiations in Vienna. The Eastern bloc acknowledges that a substantial imbalance exists between the conventional forces of the two alliances. And they've moved closer to NATO's position by accepting most elements of our initial conventional arms proposal. These encouraging steps have produced the opportunity for creative and decisive action, and we shall not let that opportunity pass.

Arms Reductions and Parity

Our proposal has several key initiatives.

I propose that we "lock in" the Eastern agreement to Western-proposed ceilings on tanks and armored troop carriers. We should also seek an agreement on common numerical ceilings for artillery in the range between NATO's and that of the Warsaw Pact, provided these definitional problems can be solved. And the weapons we remove must be destroyed.

We should expand our current offer to include all land-based combat aircraft and helicopters by proposing that both sides reduce in these categories to a level 15 percent below the current NATO totals. Given the Warsaw Pact's advantage in numbers, the Pact would have to make far deeper reductions than NATO to establish parity at those lower levels. Again, the weapons we remove must be destroyed.

I propose a 20-percent cut in combat manpower in U.S.-stationed forces, and a resulting ceiling on U.S. and Soviet ground and air forces stationed outside of national territory in the Atlantic-to-the-Urals zone at approximately 275,000 each. This reduction to parity, a fair and balanced level of strength, would compel the Soviets to reduce their 600,000-strong Red army in Eastern Europe by 325,000. And these withdrawn forces must be demobilized.

And finally, I call on President Gorbachev to accelerate the timetable for reaching these agreements. There is no reason why the five-to-six year timetable, as suggested by Moscow, is necessary. I propose a much more ambitious schedule. And we should aim to reach an agreement within six months to a year and accomplish reductions by 1992, or 1993 at the latest.

"Open Skies" and Proliferation

In addition to my conventional arms proposals, I believe that we ought to strive to improve the openness with which we and the Soviets conduct

allies—all must work in concert if Polish democracy is to take root anew and sustain itself. We can and must answer this call to freedom. And it is particularly appropriate here in Hamtramck for me to salute the members and leaders of the American labor movement for hanging tough with Solidarity through its darkest days. Labor deserves great credit for that.

Now the Poles are now taking steps that deserve our active support. I have decided as your president on specific steps to be taken by the United States, carefully chosen to recognize the reforms underway and to encourage reforms yet to come now that *Solidarnosc* is legal. I will ask Congress to join me in providing Poland access to our Generalized System of Preferences, which offers selective tariff relief to beneficiary countries. We will work with our allies and friends in the Paris Club to develop sustainable new schedules for Poland to repay its debt, easing a heavy burden so that a free market can grow. I will also ask Congress to join me in authorizing the Overseas Private Investment Corporation to operate in Poland, to the benefit of both Polish and U.S. investors. We will propose negotiations for a private business agreement with Poland to encourage cooperation between U.S. firms and Poland's private businesses. Both sides can benefit. The United States will continue to consider supporting, on their merits, viable loans to the private sector by the International Finance Corporation. We believe that the roundtable agreements clear the way for Poland to be able to work with the International Monetary Fund on programs that support sound, market-oriented economic policies. We will encourage business and private non-profit groups to develop innovative programs to swap Polish debt for equity in Polish enterprises, and for charitable, humanitarian and environmental projects. We will support imaginative educational, cultural and training programs to help liberate the creative energies of the Polish people.

When I visited Poland in September of 1987, I was then vice president, and told Chairman Jaruzelski and Lech Walesa that the American people and government would respond quickly and imaginatively to significant internal reform of the kind that we now see. Both of them valued that assurance. So, it is especially gratifying for me today to witness the changes now taking place in Poland and to announce these important changes in U.S. policy. The United States of America keeps its promises.

If Poland's experiment succeeds, other countries may follow. While we must still differentiate among the nations of Eastern Europe, Poland offers two lessons for all. First, there can be no progress without significant political and economic liberalization. Second, help from the West will come in concert with liberalization. Our friends and European allies share this philosophy.

Vision of Freedom

The West can now be bold in proposing a vision of the European future. We dream of the day when there will be no barriers to the free movement of peoples, goods and ideas. We dream of the day when Eastern European peoples will be free to choose their system of government and to vote for the party of their choice in regular, free, contested elections. We dream of the day when Eastern European countries will be free to choose their own peaceful course in the world, including closer ties with Western Europe. And we envision an Eastern Europe in which the Soviet Union has renounced military intervention as an instrument of its policy—on any pretext. We share an unwavering conviction that one day all the peoples of Europe will live in freedom. And make no mistake about that.

Next month, at a summit of the North Atlantic Alliance, I will meet with the leaders of the Western democracies. The leaders of the Western democracies will discuss these concerns. These are not bilateral issues just between the United States and the Soviet Union. They are, rather, the concern of all the Western allies, calling for common approaches. The Soviet Union should understand, in turn, that a free, democratic Eastern Europe as we envision it would threaten no one and no country. Such an evolution would imply and reinforce the further improvement of East-West relations in all dimensions—arms reductions, political relations, trade—in ways that enhance the safety and well-being of all of Europe. There is no other way.

What has brought us to this opening? The unity and strength of the democracies, yes, and something else: the bold, new thinking in the Soviet Union, the innate desire for freedom in the hearts of all men. We will not waver in our dedication to freedom now. If we're wise, united and ready to seize the moment, we will be remembered as the generation that made all Europe free.

Two centuries ago, a Polish patriot, Thaddeus Kosciuszko, came to these American shores to stand for freedom. Let us honor and remember this hero of our own struggle for freedom by extending our hand to those who work the shipyards of Gdansk and walk the cobbled streets of Warsaw. Let us recall the words of the Poles who struggled for independence: "For your freedom and ours." Let us support the peaceful evolution of democracy in Poland. The cause of liberty knows no limits; the friends of freedom, no borders.

Environment

My generation remembers a Europe ravaged by war. And of course, Europe has long since rebuilt its proud cities and restored its majestic cathedrals. But what a tragedy it would be if your continent was again spoiled, this time by a more subtle and insidious danger—the chancellor referred to it—that of poisoned rivers and acid rain.

America has faced an environmental tragedy in Alaska. Countries from France to Finland suffered after Chernobyl. West Germany is struggling to save the Black Forest today. And throughout, we have all learned a terrible lesson: Environmental destruction respects no borders.

So my third proposal is to work together on these environmental problems, with the United States and Western Europe extending a hand to the East. Since much remains to be done in both East and West, we ask Eastern Europe to join us in this common struggle. We can offer technical training, assistance in drafting laws and regulations, and new technologies for tackling these awesome problems. And I invite the environmentalists and engineers of the East to visit the West to share knowledge so we can succeed in this great cause.

Arms Control

My fourth proposal, actually, a set of proposals, concerns a less militarized Europe, the most heavily armed continent in the world. Nowhere is this more important than in the two Germanys. And that's why our quest to safely reduce armaments has a special significance for the German people.

To those who are impatient with our measured pace in arms reductions, I respectfully suggest that history teaches us a lesson—that unity and strength are the catalysts and prerequisites to arms control. We've always believed that a strong Western defense is the best road to peace. Forty years of experience have proven us right.

But we've done more than just keep the peace. By standing together, we have convinced the Soviets that their arms buildup has been costly and pointless. Let us not give them incentives to return to the policies of the past. Let us give them every reason to abandon the arms race for the sake of the human race.

In this era of both negotiation and armed camps, America understands that West Germany bears a special burden. Of course, in this nuclear age, every nation is on the front line. But not all free nations are called to endure the tension of regular military activity or the constant presence of foreign military forces. We are sensitive to these special conditions that this needed presence imposes.

To significantly ease the burden of armed camps in Europe, we must be aggressive in our pursuit of solid, verifiable agreements between NATO and the Warsaw Pact.

And I said that positive steps by the Soviets would be met by steps of our own. And this is why I announced on May 12 a readiness to consider granting to the Soviets a temporary waiver of the Jackson-Vanik* trade restrictions, if they liberalize emigration. And this is also why I announced on Monday [May 29] that the United States is prepared to drop the "no exceptions" standard that has guided our approach to controlling the export of technology to the Soviet Union—lifting a sanction enacted in response to their invasion of Afghanistan.

And in this same spirit, I set forth four proposals to heal Europe's tragic division, to help Europe become whole and free.

First, I propose we strengthen and broaden the Helsinki Process to promote free elections and political pluralism in Eastern Europe. As the forces of freedom and democracy rise in the East, so should our expectations.

And weaving together the slender threads of freedom in the East will require much from the Western democracies. In particular, the great political parties of the West must assume an historic responsibility—to lend counsel and support to those brave men and women who are trying to form the first truly representative political parties in the East, to advance freedom and democracy, to part the Iron Curtain.

The Wall

In fact, it's already begun to part. The frontier of barbed wire and minefields between Hungary and Austria is being removed, foot by foot, mile by mile. Just as the barriers are coming down in Hungary, so must they fall throughout all of Eastern Europe. Let Berlin be next. Let Berlin be next.

Nowhere is the division between East and West seen more clearly than in Berlin. And there this brutal Wall cuts neighbor from neighbor, brother from brother. And that Wall stands as a monument to the failure of communism. It must come down.

Now, *glasnost* may be a Russian word, but openness is a Western concept. West Berlin has always enjoyed the openness of a free city. And our proposal would make all Berlin a center of commerce between East and West—a place of cooperation, not a point of confrontation. And we rededicate ourselves to the 1987 allied initiative to strengthen freedom and security in that divided city. This, then is my second proposal—bring *glasnost* to East Berlin.

*These restrictions, set out in the Jackson-Vanik Amendment to the Trade Act of 1974, prohibit the extension of credits and Most-Favored-Nation (MFN) trade status to any non-market economy country that restricts the free emigration of its citizens.

REMARKS AT THE TEXAS A&M UNIVERSITY COMMENCEMENT CEREMONY

College Station, Texas

May 12, 1989

We are reminded that no generation can escape history. Parents, we share a fervent desire for our children, and their children, to know a better world, a safer world. Students, your parents and grandparents have lived through a world war and helped America to rebuild the world. They witnessed the drama of postwar nations divided by Soviet subversion and force, but sustained by an Allied response most vividly seen in the Berlin Airlift.

And today I would like to use this joyous and solemn occasion to speak to you and to the rest of the country about our relations with the Soviet Union....

Containment—and Beyond

Wise men—Truman and Eisenhower; Vandenberg and Rayburn; Marshall, Acheson and Kennan—crafted the strategy of containment. They believed that the Soviet Union, denied the easy course of expansion, would turn inward and address the contradictions of its inefficient, repressive and inhumane system. And they were right. The Soviet Union is now publicly facing this hard reality.

Containment worked. Containment worked because our democratic principles and institutions and values are sound and always have been. It worked because our alliances were, and are, strong and because the superiority of free societies and free markets over stagnant socialism is undeniable.

We are approaching the conclusion of an historic postwar struggle between two visions: one of tyranny and conflict, and one of democracy and freedom. The review of U.S.-Soviet relations that my administration has just completed outlines a new path toward resolving this struggle.

Our goal is bold, more ambitious than any of my predecessors could have thought possible. Our review indicates that 40 years of perseverance have brought us a precious opportunity, and now it is time to move beyond containment to a new policy for the 1990s, one that recognizes the full scope of change taking place around the world and in the Soviet Union itself. In sum, the United States now has as its goal much more than simply containing Soviet expansionism. We seek the integration of the Soviet Union into the community of nations. And as the Soviet Union itself moves toward greater openness and democratization, as they meet the challenge of responsible international behavior, we will match their steps with steps of our own. Ultimately, our objective is to welcome the Soviet Union back into the world order.

New Thinking

The Soviet Union says that it seeks to make peace with the world and criticizes its own postwar policies. These are words that we can only applaud. But a new relationship cannot be simply declared by Moscow or bestowed by others; it must be earned. It must be earned because promises are never enough. The Soviet Union has promised a more cooperative relationship before, only to reverse course and return to militarism. Soviet foreign policy has been almost seasonal: warmth before cold, thaw before freeze. We seek a friendship that knows no season of suspicion, no chill of distrust.

We hope *perestroika* is pointing the Soviet Union to a break with the cycles of the past—a definitive break. Who would have thought we would see the deliberations of the Central Committee on the front page of *Pravda*, or dissident Andrei Sakharov seated near the councils of power? Who would have imagined a Soviet leader who canvasses the sidewalks of Moscow and also Washington, D.C.? These are hopeful, indeed, remarkable signs. Let no one doubt our sincere desire to see *perestroika*, this reform, continue and succeed. But the national security of America and our allies is not predicated on hope. It must be based on deeds. We look for enduring, ingrained, economic and political change.

While we hope to move beyond containment, we are only at the beginning of our new path. Many dangers and uncertainties are ahead. We must not forget that the Soviet Union has acquired awesome military capabilities. That was a fact of life for my predecessors, and that's always been a fact of life for our allies. And that is a fact of life for me today, as President of the United States.

The Cold War began with the division of Europe. It can only end when Europe is whole. Today, it is this very concept of a divided Europe that is under siege. And that's why our hopes run especially high, because the division of Europe is under siege not by armies, but by the spread of ideas that began here, right here. It was a son of Mainz, Johannes Gutenberg, who liberated the mind of man through the power of the printed word.

And that same liberating power is unleashed today in a hundred new forms. The Voice of America, Deutsche Welle allow us to enlighten millions deep within Eastern Europe and throughout the world. Television satellites allow us to bear witness from the shipyards of Gdansk to Tiananmen Square. But the momentum for freedom does not just come from the printed word or the transistor or the television screen. It comes from a single powerful idea—democracy.

Struggle for Democracy

This one idea—this one idea is sweeping across Eurasia. This one idea is why the communist world, from Budapest to Beijing, is in ferment. Of course, for the leaders of the East, it's not just freedom for freedom's sake. But whatever their motivation, they are unleashing a force they will find difficult to channel or control—the hunger for liberty of oppressed peoples who have tasted freedom.

Nowhere is this more apparent than in Eastern Europe, the birthplace of the Cold War. In Poland, at the end of World War II, the Soviet army prevented the free elections promised by Stalin at Yalta. And today, Poles are taking the first steps toward real elections, so long promised, so long deferred. And in Hungary, at last we see a chance for multi-party competition at the ballot box.

As president, I will continue to do all I can to help open the closed societies of the East. We seek self-determination for all of Germany and all of Eastern Europe. And we will not relax, and we must not waver. Again, the world has waited long enough.

But democracy's journey East is not easy. Intellectuals like the great Czech playwright, Vaclav Havel, still work under the shadow of coercion. And repression still menaces too many peoples of Eastern Europe. Barriers and barbed wire still fence in nations. So when I visit Poland and Hungary this summer, I will deliver this message: There cannot be a common European home until all within it are free to move from room to room.

U.S. Proposals

And I'll take another message: The path of freedom leads to a larger home—a home where West meets East, a democratic home—the commonwealth of free nations.

old animosities. The NATO Alliance did nothing less than provide a way for Western Europe to heal centuries-old rivalries, to begin an era of reconciliation and restoration. It has been, in fact, a second Renaissance of Europe.

Four Decades

As you know best, this is not just the 40th birthday of the Alliance. It's also the 40th birthday of the Federal Republic—a republic born in hope, tempered by challenge. At the height of the Berlin crisis in 1948, Ernst Reuter called on Germans to stand firm and confident, and you did—courageously, magnificently.

And the historic genius of the German people has flourished in this age of peace. And your nation has become a leader in technology and the fourth largest economy on Earth. But more important, you have inspired the world by forcefully promoting the principles of human rights, democracy and freedom. The United States and the Federal Republic have always been firm friends and allies. But today we share an added role: partners in leadership.

Of course, leadership has a constant companion—responsibility. And our responsibility is to look ahead and grasp the promise of the future.

I said recently that we're at the end of one era and at the beginning of another. And I noted that, in regard to the Soviet Union, our policy is to move beyond containment.

For 40 years, the seeds of democracy in Eastern Europe lay dormant, buried under the frozen tundra of the Cold War. And for 40 years, the world has waited for the Cold War to end. And decade after decade, time after time, the flowering human spirit withered from the chill of conflict and oppression. And again, the world waited. But the passion for freedom cannot be denied forever. The world has waited long enough. The time is right. Let Europe be whole and free.

One Europe

To the founders of the Alliance, this aspiration was a distant dream, and now it's the new mission of NATO. If ancient rivals like Britain and France, or France and Germany, can reconcile, then why not the nations of the East and West?

In the East, brave men and women are showing us the way. Look at Poland, where Solidarity—*Solidarnosc*—and the Catholic Church have won legal status. The forces of freedom are putting the Soviet status quo on the defensive.

In the West, we have succeeded because we've been faithful to our values and our vision. And on the other side of the rusting Iron Curtain, their vision failed.

As we seek peace, we must also remain strong. The purpose of our military might is not to pressure a weak Soviet economy or to seek military superiority. It is to deter war. It is to defend ourselves and our allies, and to do something more: to convince the Soviet Union that there can be no reward in pursuing expansionism, to convince the Soviet Union that reward lies in the pursuit of peace.

Fulfilling a Vision

Western policies must encourage the evolution of the Soviet Union toward an open society. This task will test our strength. It will tax our patience. And it will require a sweeping vision. Let me share with you my vision. I see a Western Hemisphere of democratic, prosperous nations, no longer threatened by a Cuba or a Nicaragua armed by Moscow. I see a Soviet Union as it pulls away from ties to terrorist nations, like Libya, that threaten the legitimate security of their neighbors. I see a Soviet Union which respects China's integrity and returns the Northern Territories to Japan, a prelude to the day when all the great nations of Asia will live in harmony.

But the fulfillment of this vision requires the Soviet Union to take positive steps, including:

First, reduce Soviet forces. Although some small steps have already been taken, the Warsaw Pact still possesses more than 30,000 tanks, more than twice as much artillery and hundreds of thousands more troops in Europe than NATO. They should cut their forces to less threatening levels, in proportion to their legitimate security needs.

Second, adhere to the Soviet obligation, promised in the final days of World War II, to support self-determination for all the nations of Eastern and Central Europe. This requires specific abandonment of the Brezhnev Doctrine. One day it should be possible to drive from Moscow to Munich without seeing a single guard tower or a strand of barbed wire. In short, tear down the Iron Curtain.

Third, work with the West in positive, practical—not merely rhetorical—steps toward diplomatic solutions to these regional disputes around the world. I welcome the Soviet withdrawal from Afghanistan and the Angola agreement. But there is much more to be done around the world. We're ready. Let's roll up our sleeves and get to work.

Fourth, achieve a lasting political pluralism and respect for human rights. Dramatic events have already occurred in Moscow. We are impressed by limited, but freely contested elections. We are impressed by a greater toleration of dissent. We are impressed by a new frankness about the Stalin era. Mr. Gorbachev, don't stop now.

Fifth, join with us in addressing pressing global problems, including the international drug menace and dangers to the environment. We can build a better world for our children.

Arms Control and Openness

As the Soviet Union moves toward arms reduction and reform, it will find willing partners in the West. We seek verifiable, stabilizing arms control and arms reduction agreements with the Soviet Union and its allies. However, arms control is not an end in itself, but a means of contributing to the security of America and the peace of the world. I directed Secretary [of State] Baker to propose to the Soviets that we resume negotiations on strategic forces in June; and, as you know, the Soviets have agreed.

Our basic approach is clear. In the Strategic Arms Reduction Talks [START], we wish to reduce the risk of nuclear war. In the companion Defense and Space Talks, our objective will be to preserve our options to deploy advanced defenses when they're ready. In nuclear testing, we will continue to seek the necessary verification improvements in existing treaties to permit them to be brought into force. We're going to continue to seek a verifiable global ban on chemical weapons. We support NATO efforts to reduce the Soviet offensive threat in the negotiations on conventional forces in Europe. And as I've said, fundamental to all of these objectives is simple openness.

Make no mistake, a new breeze is blowing across the steppes and the cities of the Soviet Union. Why not, then, let this spirit of openness grow, let more barriers come down. Open emigration, open debate, open airwaves—let openness come to mean the publication and sale of banned books and newspapers in the Soviet Union. Let the 19,000 Soviet Jews who emigrated last year be followed by any number who wish to emigrate this year. And when people apply for exit visas, let there be no harassment against them. Let openness come to mean nothing less than the free exchange of people and books and ideas between East and West.

And let it come to mean one thing more.

"Open Skies"

Thirty-four years ago, President Eisenhower met in Geneva with Soviet leaders who, after the death of Stalin, promised a new approach toward the West. He proposed a plan called "Open Skies," which would allow unarmed aircraft from the United States and the Soviet Union to fly over the territory of the other country. This would open up military activities to regular scrutiny and, as President Eisenhower put it, "convince the world that we are...lessening danger and relaxing tension." President Eisenhower's suggestion tested the Soviet readiness to open their society. The Kremlin failed that test. Now, let us again explore that proposal, but on a broader, more intrusive and radical basis, one which I hope would include allies on both sides. We suggest that those countries that wish to examine this proposal meet soon to work out the

REMARKS AT RHEINGOLDHALLE

Mainz, Federal Republic of Germany

May 31, 1989

Today, I come to speak, not just of our mutual defense, but of our shared values. I come to speak, not just of the matters of the mind, but of the deeper aspirations of the heart.

A Common Heritage

Just this morning, Barbara and I were charmed with the experiences we had. I met with a small group of German students, bright young men and women who studied in the United States. Their knowledge of our country and the world was impressive to say the least. But sadly, too many in the West, Americans and Europeans alike, seem to have forgotten the lessons of our common heritage and how the world we know came to be. And that should not be, and that cannot be. We must recall that the generation coming into its own in America and Western Europe is heir to gifts greater than those bestowed to any generation in history—peace, freedom and prosperity.

This inheritance is possible because 40 years ago the nations of the West joined in that noble, common cause called NATO. First there was the vision, the concept of free peoples in North America and Europe working to protect their values. And second, there was the practical sharing of risks and burdens, and a realistic recognition of Soviet expansionism. And finally, there was the determination to look beyond

United Europe

The importance of the Alliance and its democratic underpinnings is the message I now take to Europe. NATO has been a success by any measure. But success breeds its own challenges. Today, dramatic changes are taking place in Europe, East and West. For us, those changes bring new challenges and unparalleled opportunities.

For too long, unnatural and inhuman barriers have divided East from West. We hope to overcome that division, to see a Europe that is truly free, united and at peace. We are ready to work with a united Europe, to extend the peace and prosperity we enjoy to other parts of the world. And we hope to move beyond containment—to integrate the Soviet Union into the community of nations.

We welcome the political and economic liberalization that has taken place so far in the Soviet Union and in some countries of Eastern Europe. We watch hoping that more changes will follow.

Trans-Atlantic Partnership

Many common concerns confront us. Beyond the traditional economic and security spheres, we and our partners in the Alliance are working hard on a growing international agenda—from a common approach to environmental protection, to cooperation against terrorism and drug trafficking.

We also welcome Europe's progress towards a truly common market and growing European cooperation on security issues as the basis of an even more dynamic trans-Atlantic partnership. As we approach 1992, it is essential that we work with our European partners to ensure an open and expanding world trading system, and that we take strong steps to prevent trade disputes from obscuring our common political and security concerns.

NATO is based on the many bonds between us: our shared heritage, history and culture; our shared commitment to freedom, democracy and the rights of the individual. These values represent the moral compass of America and the values I will bring to the summit.

necessary operational details, separately from other arms control negotiations. Such surveillance flights, complementing satellites, would provide regular scrutiny for both sides. Such unprecedented territorial access would show the world the true meaning of the concept of openness. The very Soviet willingness to embrace such a concept would reveal their commitment to change.

U.S.-Soviet Cooperation

Where there is cooperation, there can be a broader economic relationship. But economic relations have been stifled by Soviet internal policies. They've been injured by Moscow's practice of using the cloak of commerce to steal technology from the West. Ending discriminatory treatment of U.S. firms would be a helpful step. Trade and financial transactions should take place on a normal commercial basis.

And should the Soviet Union codify its emigration laws in accord with international standards and implement its new laws faithfully, I am prepared to work with Congress for a temporary waiver of the Jackson-Vanik Amendment,* opening the way to extending Most-Favored-Nation trade status** to the Soviet Union.... The policy I have just described has everything to do with you....

It is a sad truth that nothing forces us to recognize our common humanity more swiftly than a natural disaster. I'm thinking, of course, of Soviet Armenia, just a few months ago—a tragedy without blame, war-like devastation without war. Our son took our 12-year-old grandson to Yerevan. At the end of a day of comforting the injured and consoling the bereaved, the father and son went to church, sat down together in the midst of the ruins and wept. How can our two countries magnify this simple expression of caring? How can we convey the goodwill of our people?

Forty-three years ago, a young lieutenant by the name of Albert Kotzebue, Class of 1945 at Texas A&M, was the first American soldier to shake hands with the Soviets at the banks of the Elbe River. Once again, we are ready to extend our hand. Once again, we are ready for a hand in return. Once again, it is a time for peace.

*An amendment to the Trade Act of 1974 that prohibits the extension of credits and Most-Favored-Nation [MFN] trade status to any non-market economy country that restricts the free emigration of its citizens.

**A country receiving such status gets the lowest tariff rate that the U.S. government generally extends to its other trading partners.

**REMARKS AT THE BOSTON UNIVERSITY
COMMENCEMENT CEREMONY**

*Boston, Massachusetts
May 21, 1989*

Take a look at our world today. Nations are undergoing changes so radical that the international system you know and will know in the future will be as different from today's, as today's world is from the time of Woodrow Wilson. How will America prepare, then, for the challenges ahead?

It's with your future in mind that, after deliberation and a review, we are adapting our foreign policies to meet this challenge. I've outlined how we're going to try to promote reform in Eastern Europe and how we're going to work with our friends in Latin America. In Texas, I spoke to another group of graduates of our new approach to the Soviet Union, one of moving beyond containment, to seek to integrate the Soviets into the community of nations, to help them share the rewards of international cooperation.

Change in Western Europe

But today, I want to discuss the future of Europe, that mother of nations and ideas that is so much a part of America. And it is fitting that I share this forum with a very special friend of the United States—President Mitterrand, you have the warm affection and high regard of the American people. And I remember well about eight years ago when you joined us in Yorktown [Virginia] in 1981 to celebrate the bicentennial of that first Franco-American fight for freedom. And soon, I will join you in Paris, sir, to observe the 200th anniversary of the French struggle for liberty and equality.

This is just one example of the special bond between two continents. But consider this city. From the Old North Church to Paul Revere's home, nestled in the warm heart of the Italian North End, to your famous song-filled Irish pubs—the Old and New Worlds are inseparable in this city. But as we look back to Old World tradition, we must look ahead to a new Europe. Historic changes will shape your careers and your very lives.

The changes that are occurring in Western Europe are less dramatic than those taking place in the East, but they are no less

REMARKS UPON DEPARTURE FOR EUROPE

*Andrews Air Force Base, Maryland
May 26, 1989*

I depart for Europe this morning to meet with all our North Atlantic allies, and also to pay visits to Italy, Germany and the United Kingdom for discussions with the leaders of those Alliance nations on issues of common interest.

Celebrating NATO

I am especially pleased that my first visit to Europe as president is to celebrate the 40th anniversary of NATO. America is a proud partner in the Atlantic Alliance—and American interests have been well served by the Alliance.

Twice in the first half of this century, Europe was the scene of world war. Twice, Americans fought in Europe for the sake of peace and freedom. Today, Europe is enjoying a period of unparalleled prosperity and uninterrupted peace—longer than any it has known in the modern age. NATO has made the difference—and the Alliance will prove every bit as important to American and European security in the decade ahead.

Let me emphasize—our aim is nothing less than removing war as an option in Europe.

The USSR has said that it is willing to abandon its age-old reliance on offensive strategy. It's time to begin. This should mean a smaller force, one less reliant on tanks and artillery and personnel carriers that provide the Soviets' offensive striking power. A restructured Warsaw Pact—one that mirrors the defensive posture of NATO—would make Europe and the world more secure.

Openness

Peace can also be enhanced by movement towards more openness in military activities. And two weeks ago, I proposed an "Open Skies" initiative to extend the concept of openness. That plan for territorial overflights would increase our mutual security against sudden and threatening military activities. In the same spirit, let us extend this openness to military expenditures as well. I call on the Soviets to do as we have always done. Let's open the ledgers. Publish an accurate defense budget.

But as we move forward, we must be realistic. Transformations of this magnitude will not happen overnight. If we are to reach our goals, a great deal is required of us, our allies and of the Soviet Union. But we can succeed.

Inheritance of Freedom

I began today by speaking about the triumph of a particular, peculiar, very special American ideal: freedom. And I know there are those who may think there's something presumptuous about that claim, those who will think it's boastful. But it is not, for one simple reason: Democracy isn't our creation; it is our inheritance.

And we can't take credit for democracy, but we can take that precious gift of freedom, preserve it and pass it on, as my generation does to you, and you, too, will do one day. And perhaps—provided we seize the opportunities open to us—we can help others attain the freedom that we cherish.

As I said on the Capitol steps the day I took this office, as President of the United States, "There is but one just use of power, and it is to serve people." As your commander in chief, let me call on this Coast Guard class to reaffirm with me that American power will continue in its service to the enduring ideals of democracy and freedom.

fundamental. The postwar order that began in 1945 is transforming into something very different. Yet certain essentials remain because our Alliance with Western Europe is utterly unlike the cynical power alliances of the past. It is based on far more than the perception of a common enemy. It is a tie of culture and kinship and shared values. As we look toward the 21st century, Americans and Europeans alike should remember the words of Raymond Aron, who called the Alliance a "moral and spiritual community." Our ideals are those of the American Bill of Rights and the French Declaration of the Rights of Man. And it is precisely because the ideals of this community are universal that the world is in ferment today.

Now a new century holds the promise of a united Europe. As you know, the nations of Western Europe are already moving toward greater economic integration, with the ambitious goal of a single European market in 1992. The United States has often declared it seeks a healing of old enmities, an integration of Europe. At the same time, there has been an historical ambivalence on the part of some Americans towards a more united Europe. To this ambivalence has been added apprehension at the prospect of 1992. But whatever others may think, this administration is of one mind. We believe a strong, united Europe means a strong America.

Western Europe has a gross domestic product that is roughly equal to our own and a population that exceeds ours. European science leads the world in many fields, and European workers are highly educated and highly skilled. We are ready to develop, with the European Community and its member states, new mechanisms of consultation and cooperation on political and global issues, from strengthening the forces of democracy in the Third World to managing regional tensions, to putting an end to the division of Europe. A resurgent Western Europe is an economic magnet, drawing Eastern Europe closer, toward the commonwealth of free nations. A more mature partnership with Western Europe will pose new challenges. There are certain to be clashes and controversies over economic issues. America will, of course, defend its interests. But it is important to distinguish adversaries from allies and allies from adversaries. What a tragedy; what an absurdity it would be if future historians attribute the demise of the Western Alliance to disputes over beef hormones and wars over pasta. We must all work hard to ensure that the Europe of 1992 will adopt the lower barriers of the modern international economy, not the high walls and the moats of medieval commerce.

NATO: Maintaining Peace in Europe

But our hopes for the future rest ultimately on keeping the peace in Europe. Forty-two years ago, just across the Charles River, Secretary of

State George Marshall gave a commencement address that outlined a plan to help Europe recover. Western Europe responded heroically, and later joined with us in a partnership for the common defense—a shield we call NATO. This Alliance has always been driven by a spirited debate over the best way to achieve peaceful change. But the deeper truth is that the Alliance has achieved an historic peace because it is united by a fundamental purpose. Behind the NATO shield, Europe has now enjoyed 40 years free of conflict—the longest period of peace the continent has ever known. Behind this shield, the nations of Western Europe have risen from privation to prosperity—all because of the strength and resolve of free peoples.

With a Western Europe that is now coming together, we recognize that new forms of cooperation must be developed. We applaud the defense cooperation developing in the revitalized Western European Union, whose members worked with us to keep open the sea-lanes of the Persian Gulf. We applaud the growing military cooperation between West Germany and France. We welcome British and French programs to modernize their deterrent capability and their moves toward cooperation in this area. It is perfectly right and proper that Europeans increasingly see their defense cooperation as an investment in a secure future. But we do have a major concern of a different order—a growing complacency throughout the West.

Of course, your generation can hardly be expected to share the grip of past anxieties. With such a long peace, it is hard to imagine how it could be otherwise. But our expectations in this rapidly changing world cannot race so far ahead that we forget what is at stake. There's a great irony here. While an ideological earthquake is shaking asunder the very communist foundation, the West is being tested by complacency.

We must never forget that, twice in this century, American blood has been shed over conflicts that began in Europe. We share the fervent desire of Europeans to relegate war forever to the province of distant memory. But that is why the Atlantic Alliance is so central to our foreign policy. That's why America remains committed to the Alliance and the strategy which has preserved freedom in Europe. We must never forget that to keep the peace in Europe is to keep the peace for America.

NATO's policy of flexible response keeps the United States linked to Europe and lets any would-be aggressors know that they will be met with any level of force needed to repel their attack and frustrate their designs. Our short-range deterrent forces, based in Europe and kept up to date, demonstrate that America's vital interests are bound inextricably to Western Europe, and that an attacker can never gamble on a test of strength with just our conventional forces. Though hope is now running high for a more peaceful continent, the history of this century teaches Americans and Europeans to remain prepared.

—and second, the need to maintain an approach to arms reduction that promotes stability at the lowest feasible level of armaments.

Deterrence is central to our defense strategy. The key to keeping the peace is convincing our adversaries that the cost of aggression against us or our allies is simply unacceptable.

In today's world, nuclear forces are essential to deterrence. Our challenge is to protect those deterrent systems from attack. And that's why we'll move Peacekeeper ICBMs out of fixed and vulnerable silos, making them mobile and thus harder to target. Looking to the longer term, we will also develop and deploy a new highly mobile single-warhead missile, the Midgetman. With only minutes of warnings, these new missiles can relocate out of harm's way. Any attack against systems like this will fail.

We are also researching—and we are committed to deploy when ready—a more comprehensive defensive system, known as SDI (Strategic Defense Initiative). Our premise is straightforward: Defense against incoming missiles endangers no person, endangers no country.

Arms Reductions

We're also working to reduce the threat we face, both nuclear and conventional. The INF (Intermediate-Range Nuclear Forces) Treaty demonstrates that willingness. In addition, in the past decade, NATO has unilaterally removed 2,400 shorter-range theater warheads. But theater nuclear forces contribute to stability no less than strategic forces, and thus it would be irresponsible to depend solely on strategic nuclear forces to deter conflict in Europe.

The conventional balance in Europe is just as important and is linked to the nuclear balance. For more than 40 years—and look at your history books to see how pronounced this accomplishment is—the Warsaw Pact's massive advantage in conventional forces has cast a shadow over Europe.

The unilateral reductions that President Gorbachev has promised give us hope that we can now redress that imbalance. We welcome those steps because, if implemented, they will help reduce the threat of surprise attack. And they confirm what we've said all along, that Soviet military power far exceeds the levels needed to defend the legitimate security interests of the USSR. And we must keep in mind that these reductions alone, even if implemented, are not enough to eliminate the significant numerical superiority that the Soviet Union enjoys right now.

Through negotiation, we can now transform the military landscape of Europe. The issues are complex, stakes are very high. But the Soviets are now being forthcoming, and we hope to achieve the reductions that we seek.

American interests in light of the enduring reality of Soviet military power.

We want to see *perestroika* succeed. And we want to see the policies of *glasnost* and *perestroika*—so far, a revolution imposed from top down—institutionalized within the Soviet Union. And we want to see *perestroika* extended as well. We want to see a Soviet Union that restructures its relationship toward the rest of the world, a Soviet Union that is a force for constructive solutions to the world's problems.

The grand strategy of the West during the postwar period has been based on the concept of containment: checking the Soviet Union's expansionist aims, in the hope that the Soviet system itself would one day be forced to confront its internal contradictions. The ferment in the Soviet Union today affirms the wisdom of this strategy. And now we have a precious opportunity to move beyond containment. You're graduating into an exciting world, where the opportunity for peace—world peace, lasting peace—has never been better.

Our goal, integrating the Soviet Union into the community of nations, is every bit as ambitious as containment was at its time. And it holds tremendous promise for international stability.

Coping with a changing Soviet Union will be a challenge of the highest order. But the security challenges we face today do not come from the East alone. The emergence of regional powers is rapidly changing the strategic landscape.

Proliferation of Weapons

In the Middle East, in South Asia, in our own hemisphere, a growing number of nations are acquiring advanced and highly destructive capabilities—in some cases, weapons of mass destruction and the means to deliver them. And it is an unfortunate fact that the world faces increasing threat from armed insurgencies, terrorists, and as you in the Coast Guard are well aware, narcotics traffickers—and, in some regions, an unholy alliance of all three.

Our task is clear: We must curb the proliferation of advanced weaponry; we must check the aggressive ambitions of renegade regimes; and we must enhance the ability of our friends to defend themselves. We have not yet mastered the complex challenge. We and our allies must construct a common strategy for stability in the developing world.

Deterrence

How we and our allies deal with these diverse challenges depends on how well we understand the key elements of defense strategy. And so let me just mention today two points in particular:

—first, the need for an effective deterrent, one that demonstrates to our allies and adversaries alike American strength, American resolve;

East-West Relations

As we search for a peace that is enduring, I'm grateful for the steps that Mr. Gorbachev is taking. If the Soviets advance solid and constructive plans for peace, then we should give credit where credit is due. We're seeing sweeping changes in the Soviet Union that show promise of enduring, of becoming ingrained. At the same time, in an era of extraordinary change, we have an obligation to temper optimism—and I am optimistic—with prudence.

For example, the Soviet foreign minister informed the world last week that his nation's commitment to destroy SS-23 missiles under the recently enacted INF [Intermediate-Range Nuclear Forces] Treaty may be reversible. The Soviets must surely know the results of failure to comply with this solemn agreement. Perhaps their purpose was to divide the West on other issues that you're reading about in the papers today. But regardless, it is clear that Soviet new thinking has not yet totally overcome the old.

I believe in a deliberate, step-by-step approach to East-West relations because recurring signs show that while change in the Soviet Union is dramatic, it's not yet complete. The Warsaw Pact retains a nearly 12-to-one advantage over the Atlantic Alliance in short-range missile and rocket launchers capable of delivering nuclear weapons; and more than a two-to-one advantage in battle tanks. For that reason, we will also maintain, in cooperation with our allies, ground and air forces in Europe as long as they are wanted and needed to preserve the peace in Europe. At the same time, my administration will place a high and continuing priority on negotiating a less militarized Europe, one with a secure conventional force balance at lower levels of forces. Our aspiration is a real peace—a peace of shared optimism, not a peace of armed camps.

A Moral and Spiritual Community

Nineteen-ninety-two is the 500th anniversary of the discovery of the New World. So we have five centuries to celebrate, nothing less than our very civilization—the American Bill of Rights and the French Rights of Man, the ancient and unwritten Constitution of Great Britain, and the democratic visions of Konrad Adenauer and Alcide de Gasperi.

And in all our celebrations, we observe one fact: This truly is a moral and spiritual community. It is our inheritance and so let us protect it. Let us promote it. Let us treasure it for our children, for Americans and Europeans yet unborn.

REMARKS AT THE COAST GUARD ACADEMY GRADUATION CEREMONY

New London, Connecticut

May 24, 1989

Today our world—your world—is changing, East and West. And today I want to speak to you about the world we want to see, and what we can do to bring that new world into clear focus.

The Democratic Idea

We live in a time when we are witnessing the end of an idea—the final chapter of the communist experiment. Communism is now recognized—even by many within the communist world itself—as a failed system, one that promised economic prosperity but failed to deliver the goods, a system that built a wall between the people and their political aspirations.

But the eclipse of communism is only one-half of the story of our time. The other is the ascendancy of the democratic idea. Never before has the idea of freedom so captured the imaginations of men and women the world over. And never before has the hope of freedom beckoned so many: trade unionists in Warsaw, the people of Panama, rulers consulting the ruled in the Soviet Union. And even as we speak today, the world is transfixed by the dramatic events in Tiananmen Square. Everywhere those voices are speaking the language of democracy and freedom, and we hear them, and the world hears them, and America will do all it can to encourage them.

So today I want to speak about our security strategy for the 1990s—one that advances American ideals and upholds American aims.

Amidst the many challenges we'll face, there will be risks. But let me assure you, we'll find more than our share of opportunities. We and our allies are strong—stronger really than at any point in the postwar period—and more capable than ever of supporting the cause of freedom.

There's an opportunity before us to shape a new world.

Free Markets and Security

What is it that we want to see? It is a growing community of democracies anchoring international peace and stability, and a dynamic

free market system generating prosperity and progress on a global scale. The economic foundation of this new era is the proven success of the free market, and nurturing that foundation are the values rooted in freedom and democracy.

Our country, America, was founded on these values and they gave us the confidence that flows from strength. So let's be clear about one thing: America looks forward to the challenge of an emerging global market. But these values are not ours alone; they are now shared by our friends and allies around the globe.

The economic rise of Europe and the nations of the Pacific Rim is the growing success of our postwar policy. This time is a time of tremendous opportunity, and destiny is in our own hands. To reach the world we want to see, we've got to work, and work hard. There's a lot of work ahead of us.

We must resolve international trade problems that threaten to pit friends and allies against one another. We must combat misguided notions of economic nationalism that will tell us to close off our economies to foreign competition, just when the global marketplace has become a fact of life.

We must open the door to the nations of Eastern Europe and other socialist countries that embrace free market reforms.

And finally, for developing nations heavily burdened with debt, we must provide assistance and encourage the market reforms that will set those nations on a path towards growth.

If we succeed, the next decade and the century beyond will be an era of unparalleled growth, an era which sees the flourishing of freedom, peace and prosperity around the world.

But this new era cannot unfold in a climate where conflict and turmoil exist. And therefore, our goals must also include security and stability: security for ourselves and our allies and our friends; stability in the international arena and an end to regional conflicts.

Such goals are constant, but the strategy we employ to reach them can and must change as the world changes. Today, the need for a dynamic and adaptable strategy is imperative. We must be strong—economically, diplomatically and, as you know, militarily—to take advantage of the opportunities open to us in a world of rapid change. And nowhere will the ultimate consequences of change have more significance for world security than within the Soviet Union itself.

Change in the Soviet Union

What we're seeing now in the Soviet Union is indeed dramatic. The process is still ongoing, unfinished. But make no mistake—our policy is to seize every, and I mean every, opportunity to build a better, more stable relationship with the Soviet Union—just as it is our policy to defend