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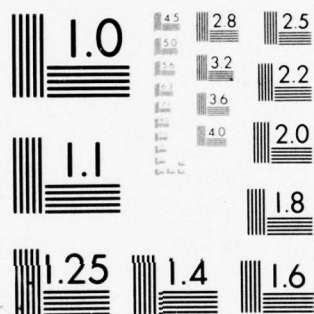
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PROCEEDINGS

of the National Security Affairs Conference - 1977

TOWARD COOPERATION
STABILITY AND BALANCE

STRATEGIC STABILITY
REGIONAL STABILITY
NORTH-SOUTH DIALOGUE
NON-MILITARY US-SOVIET
RELATIONS
POLICY FORMULATION

NATIONAL DEFENSE UNIVERSITY

FORT McNAIR, WASHINGTON DC
JULY 18-20, 1977

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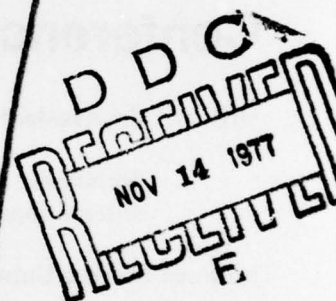
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PROCEEDINGS
OF THE
**National Security
Affairs Conference**

JULY 18-20, 1977
National Defense University ,

TOWARD
COOPERATION,
STABILITY
AND
BALANCE ,



11 Aug 77

PANEL 1 — Toward the Maintenance of Strategic Nuclear Stability

PANEL 2 — Toward Regional Stability

PANEL 3 — Strategic Resources and the North-South Dialogue

PANEL 4 — National Security and Nonmilitary US-Soviet Relations

PANEL 5 — Structure and Process in Forming National Security Policy

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Fort Lesley J. McNair
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August 1977

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Our approach to East-West relations must be guided both by a humane vision and by a sense of history. Our humane vision leads us to seek broad cooperation with Communist states for the good of mankind. Our sense of history teaches us that we and the Soviet Union will continue to compete. Yet if we manage this duel relationship properly, we can hope that cooperation will eventually overshadow competition, leading to an increasingly stable relationship between our countries and the Soviet Union.

President Carter, 10 May 1977
Remarks at the NATO Ministerial Meeting in London

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Foreword

Rarely, if ever, in our history have we faced so complex a series of international issues as those confronting us in the decade ahead. Some relate to the evolution of the global power relationship between the United States and the Soviet Union since World War II. The implications of current trends within this relationship suggest to some a particular urgency for a reexamination of our national security policy in the political and military aspects of that relationship.

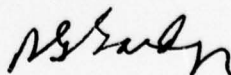
But in the dynamic environment in which this central relationship persists, we face still other issues which are derived from interests less directly central to our separate power postures but which depend on US leadership for resolution. As competition for the finite store of the world's resources intensifies, new relationships are being forged which clearly will impact sharply on our security interests. New threads are being woven into the fabric of US-Soviet relationships. Economic, technological, and human rights issues appear increasingly in the pattern at a time when the priorities and processes by which our own policies are determined are undergoing significant changes. Throughout, our fundamental values as a nation must be served as we seek balance and stability in a changing world.

Here, at the National Defense University, the mission of the two colleges—The National War College and the Industrial College of the Armed Forces—is to prepare selected military and civilian professionals for high level assignments in the formulation and execution of national security policy. At the War College, the emphasis is on national security policy formulation and strategy, while at the Industrial College of the Armed Forces the focus is on the management of the resources for national security. Both programs look to the future to try to anticipate the demands of change in our outlooks, in our interests, and in our objectives for advancing those interests.

This year's Conference provided an excellent forum in which to explore the topography of the future with a sampling of some of the best qualified thinkers from various sectors of our society. Our theme, expressed in broadest terms, was the challenge to be addressed as we seek to build cooperation, stability, and balance. Our purpose was to explore the issues, examine their implications, and evaluate policy options which government planners may profitably consider in confronting them.

The participants comprised a distinguished group of scholars and experienced professionals representing a spectrum of viewpoints, backgrounds, and interests. The papers prepared for the conference, discussion summaries, and plenary session panel reports, form the *Proceedings*.

Particular gratitude is extended to Secretary McGiffert and the Office of the Assistant Secretary of Defense for International Security Affairs, within the Department of Defense, for the vital support necessary to make the conference possible. The professional admiration of the National Defense University goes to all participants for making this Fourth National Security Affairs Conference an enriching experience for us all.



R. G. GARD, JR.
Lieutenant General, USA
President

Toward Cooperation Stability and Balance

AN OVERVIEW

In years past, the National Security Affairs Conferences have taken a single theme and explored aspects of that theme from viewpoints representative of several of its key elements. Last year, for example, the issue of Long Range US-Soviet competition drove a series of panel discussions which addressed competition between the super powers in terms of its implications on strategic relationships, in terms of the economic and technology aspects of that competition, and in terms of the impact of that competitive relationship on the People's Republic of China and on the Third World. In welcoming the participants and observers to this Fourth National Security Affairs Conference, Lieutenant General Robert G. Gard, President of the National Defense University, noted that while elements of competition between the global powers were clear and apparent, the elements of cooperation in the relationship were less obvious. For this reason, the theme of this year's Conference was phrased in terms of a policy agenda *toward* the cooperation, stability, and balance needed to guarantee the "humane vision" alluded to by President Carter in his May address to the NATO Ministers in London.

Instead of treating a single issue, then, this year's Conference took into account the interrelationship between strategic and regional policies, between economic and political issues, and between domestic and foreign policy generally. Five subject areas were addressed, each of central importance to the formulation and prosecution of national security policy.

The 1977 Conference brought together a distinguished group of Defense Department decisionmakers, current and former members of governmental policy planning agencies, leaders of private industry, academic authorities, and interested observers to explore the policy issues within these subject areas. This overview introduces and summarizes some of the materials contained within the *Proceedings*, although no summary can fully capture the variety of opinion and intensity of discussion which characterized the three days of meetings.

The *Proceedings* contain the foreword by General Gard, sections which address the activities of each of the five working panels, and biographical sketches of the panelists who participated in them. Each panel section contains a summary of the discussions themselves and includes the full text of the papers which were prepared to provide the framework within which these discussions took place. Panels addressed the issues of strategic nuclear stability (Panel 1), regional stability (Panel 2), the North-South dialogue (Panel 3), nonmilitary US-Soviet relations (Panel 4), and the process and structure of security policy formulation within the United States Government (Panel 5).

Panel 1 - Toward the Maintenance of Strategic Nuclear Stability

Probably the most vital element of security planning is to ensure that the relationship between the United States and the Soviet Union will retain its principal balances, that neither nation will attain dominance, and that a major war will not erupt. In the area of strategic nuclear forces, it is essential that whatever evolutionary changes do occur, the basic integrity of the principal balances remains. This working group set out to discuss, first, the strategic nuclear relationship in terms of trends of growth and development within the US and Soviet arsenals and employment strategies, and then to examine the prospects for long-term benefit to American security interests from the focal point of the arms limitation negotiation process.

Quickly agreeing that credible deterrence is critical to strategic nuclear stability, the panelists began their discussions by articulating their separate evaluations of the Soviet and American views of deterrence and stability. There was general agreement that given strategic balances as perceived, the Soviet Union was unlikely to launch a nuclear first strike "for profit," although the panelists were also in general agreement that while the probability was statistically quite low, it was at some value greater than zero. There are, moreover, easily conceivable scenarios in which the Soviet Union could view a nuclear attack on the United States as an alternative preferable to doing "nothing at all" in a specific crisis event, and there was general support for the thesis that this possibility of *undesired* war posed the greatest threat to continued nuclear stability.

Given this background, then, the panel agreed that deterrence must still be maintained and set out to explore the anatomy of deterrence, to determine those factors which impact on deterrence aside from the nuclear hardware contained in the respective arsenals. A highlight of this discussion was the lengthy treatment given by the panel to the concept of demographic and economic mobilization.

How does civil defense affect national security and strategic stability, and take its place as an element in the equation of deterrence? If deterrence fails, how important and how effective can civil defense be, both in terms of survival and in terms of recovery? The panel took the position that mobilization and economic recovery capabilities are, similarly, ingredients of deterrence. The Soviets, with a realistic grasp of the enormous economic resiliency in the West, are impressed by it to the extent it has become an important factor in regulating potentially destabilizing behavior.

Some attempt was made to identify and list the objectives of each side in the complex issues of strategic arms control negotiations and the conceptual, tactical, and cultural frameworks within which these negotiations take place. Some assessment of negotiating strategy was attempted, based on Dr. Ikle's point paper, and considerable attention was directed to establishing consensus on the nature of the Soviet national character. Viewed as rooted in the peasant, zero-sum bargaining habits of the Slavic character, the Soviet arms control negotiating positions were described as counterpoints to the non-Communist West. The Soviet preoccupation with security historically has always been understood in terms of neutralizing their neighbors. Given the fact that in this age the United States is their "neighbor," and their other neighbor—China—is far from neutralized, the Soviet bargaining techniques are bound to be somewhat flinty and it would do the western side well to understand these factors in advance. Short-term considerations are bound to dominate the objectives of a bargaining team so oriented, and the fact that there is so little original Soviet thinking on long range views of disarmament and arms control is consistent with such an orientation.

Panel 2 - Toward Regional Stability

Regional power relationships and the long-term value of these power balances to the global strategic balance were addressed in terms of three key regions—Europe, the Middle East, and North Asia. In addressing these balances, the deployment of US and other conventional forces as they affect regional stability is one factor, which with US security assistance and the nuclear proliferation issue, was assessed from a security policy aspect. These factors had to be placed in a global context with such items as the human rights issue, the distribution of wealth, and the potential for regional conflict over issues in which neither the United States nor the Soviet Union perceive vital national interests.

The panel discussed the concept of regional stability in the abstract to provide a framework for discussion of regional stability in more specific geographic terms. General agreement was reached that the notion of regional stability had, as its core concept, the idea of systemic capability for nonviolent change in social, political, and economic arrangements and institutions within some system for conflict resolution. Change and the continuity of change within regional systems constitute one key element in this working definition, and the panel sought to identify the changes which have occurred affecting regional stability in the postwar world. In identifying five of the families of changes common to the regional systems being examined, the panel addressed the diffusion of sophisticated weapons, the diffusion of economic and political power, resource scarcity, fluctuations in American perceptions and resolve, and the increased interdependence within and between regional arrangements globally.

In examining the phenomena of change, the panel addressed the transition from US military and economic dominance which followed the end of World War II through the bipolar relationship of the Cold War period to the current changes in the configuration of the global power structure. The panel agreed that the overriding problem confronting the US policymaker is the difficulty with which influence can be brought to bear to shape any future evolution of these power relationships to maximize the national security interests of the United States in regional areas. To the extent that these national security interests can be localized, Europe, the Middle East, and North Asia are the foci of the greatest threats to them. The problems which confront policy formulation in these regions have some common factors but in each region, other pressures and forces were identified which are at work and which are only tenuously related to one another.

The discussions dwelt on the sources of American strength relative to these regional issues. In identifying these sources of strength, the panel examined the phenomenon of residual goodwill which the United States enjoys, largely based on admiration for the American way of life. More concretely, US technology was seen to provide another source of considerable political strength, viewed as it is by the developing nations as a vital ingredient of the solution to many of the problems which they face. A traditional and continuing source of strength and influence is the military power of the United States, viewed as a salient indicator of our continued will but increasingly subject to constraints in its deployment, composition, and use.

The Carter Administration faces the puzzle of ameliorating a host of regional problems, many of which are the legacies of changes which have taken place in the last thirty years. Self-protecting regional systems, clearly in our national interest in terms of our desires for regional stability, are increasingly difficult to sustain and encourage since the elements of power historically useful in encouraging such arrangements are themselves increasingly subject to constraints designed to preclude automatic commitment or involvement in future regional wars. The panel suggested a series of regional approaches, geared to their perception of the problems facing the American planner, which would operate in behalf of intraregional interests and at the same time provide for the protection of our own long-term national security interests.

Panel 3 - Strategic Resources and the North-South Dialogue

"The North-South Dialogue" covers the very broad issue of the implications and modalities of cooperation and competition among the industrialized states, the developing nations, and the OPEC states whose petrodollar wealth and financial policies are key to the long-term stability of the international economic system. The United States and the other developed countries can offer manufactured goods, advanced technology, and food in return for strategic resources and other important primary products. The changing terms of trade for developing countries require, however, that some modifications be made in this system if development is to proceed. In addition, many of these nations play an important geopolitical role in affording access to other key regions through overflight rights and maritime choke point control. While economic considerations are vitally important in this dialogue, world politics is increasingly pluralistic and US policymakers must define approaches to influence the political climate in directions consistent with US interests.

Two factors—one economic, the other geographical—influence the political basis on which the relations between the United States and the developing nations take place. Stable development and increased prosperity are contingent on an equitable exchange of goods and services between the developed and developing countries. To the extent that the United States can initiate or encourage multilateral efforts to foster growth through the efficient use of both human and natural resources and the effective transfer of technology, valuable relationships are formed and economic growth takes place. As these relationships mature, their geopolitical implications can be vital to our national security policies. Toward some of these states, rich in petroleum and other strategic resources, there are still other policies which the United States must maintain to insure continued access to these resources. Between the two groups, political and economic relationships exist which the United States must consider carefully.

Among the changes which have occurred in the international system since 1945 has been that of increasing demands by the developing world for changes in the international trading system and commodity marketing arrangements; increased availability of public investment funds, technology transfers, and debt relief; and the increased development assistance embodied in the New International Economic Order pronouncement. The policy implications of this new and fluid north-south relationship were the overriding topics of discussion during the panel. The question raised was: How should the United States respond to the legitimate economic demands of the less developed countries?

In discussion, several responses were suggested. One such response was the continuation of bilateral development assistance and concessionary aid but retargeted toward the poorer end of the economic spectrum, concentrating on the most destitute nations where such assistance and aid would have the most dramatic impact. A second response suggested was the liberalization of trade with the lesser developed nations by establishing a generalized system of tariff preferences covering both manufactured goods and raw materials. Other US actions could include the acceleration of assistance in population control and food production, but the most important facet of any such program should be the clear and unmistakable attempt not to raise expectations unrealistically.

Closely related to any attempt to articulate suggested policy responses to the issues woven into the north-south dialogue is the clear necessity for the United States to carefully develop and formulate a domestic resource strategy. This issue received considerable discussion and much of it focussed on American vulnerability in minerals, with clear implications on national security issues. The panel felt that US import dependence in the mineral area was mixed and that although we are currently dependent on the South for supplies of from 12 to 15 key minerals, few are subject either to cartelization or abrupt market manipulation toward price increases. The primary danger in

this national security area is supply interruption and attendant shortage due to war, civil disorder, regional instability, or lack of investment overhead.

As a crucial domestic resource, energy policy and the national debate about that policy were perceived to be centered around three alternatives. On the one hand, there are well reasoned advocacy positions for a strategy of autarky or increased independence, ordered to the eventual although perhaps unreasonable objective of complete self-sufficiency. The opposing viewpoint would encourage increased interdependence while searching for and cementing relations with more reliable sources of international supply. The third strategy—really no strategy at all—was criticized by several panelists who identified it as the current policy of the United States and described it as “muddling through.” The panel selected a combination of the first two strategies to endorse, specifically suggesting that the nation rationalize its stockpile, increase domestic exploration and investment, and increase aid to the nations in the South for resource development purposes where there is some potential for long-term payoff in energy export.

Panel 4 - National Security and Nonmilitary US-Soviet Relations

This working group concentrated on the nonmilitary aspects of US-Soviet relations—trade, technology transfer, cultural relations, the human rights issue and other economic, academic and social roles of cooperation and interface with a view toward assessing the interrelationship—if any—between these issues and their individual contribution to stability in overall US-Soviet relations. The United States has stated positions on these matters and they are dealt with on a daily basis by policymakers, action officers, and by individuals outside of the government. The panel examined the full spectrum of these relationships to determine the potential advantages, disadvantages, and dangers to US national security interests in its nonmilitary but politically significant contacts with the Soviet Union.

In conducting their examination, the panelists attempted to determine whether, and in what ways, substantial changes in the US or Soviet positions on the issue of human rights would improve the United States security posture in any way. It attempted to come to grips with the determination of whether, and in what ways, greater or lesser Soviet and US involvement in East-West trade would affect this posture. It addressed the full meaning and objectives of national security and “human rights” and attempted, in formulating its position, to express the linkage among human rights, economic relations, and national security. Finally, it asked whether it is preferable to compete with the Soviet Union by cooperation or by direct confrontation.

Consensus was reached on the following general concept: Concern for human rights has a definite place in the long-term strategy of the United States. Human rights policies should be targeted against the vulnerabilities of the Soviet empire and founded on the traditional values of US ideology, taking into account the profound differences between the two value structures, although a majority of the panel felt that the United States should generally encourage greater normalization of relations with the Soviet Union.

Although the panel had some difficulty in identifying direct linkages between the human rights issue and economic policies, there was a profound feeling that the United States could best influence the Soviets to behave in a “civilized” manner by increasing rather than restricting commercial contacts. Their need for technology and management expertise and our potential for the consumption and processing of raw materials offer a number of openings which the United States can explore and exploit. Specific mechanisms suggested for review include the Jackson-Vanik and Stevenson amendments which restrict US-Soviet relations and the Export-Import Bank, which offers increased credit opportunities.

Although agreement was reached generally on these points, there was considerable difference of opinion on the modalities of conducting actual dealings with the Soviets and on the manner in which US security policies can be best articulated. Some panelists, for example, felt that national self-determination is a human right, while others felt that cultural and historic differences reduced the value of self-determination as an ideological weapon. Again, some argued that our policies should challenge the Soviets directly in an outspoken manner while others advised caution. One panelist expressed disapproval of the use of the term "human rights" in view of its imprecise meaning and the demonstrated ability of the Soviet Union to capitalize on ambiguities for ideological purposes.

There was a difference of opinion as to whether the United States should encourage the convergence of commercial interests by assisting the Soviets in energy production, in view of the penchant of the Soviets for turning any technology shared with them into useful military advantage. In this regard, the discussion explored both sides of the technology transfer issue and identified the opposing viewpoints rather than resolved them.

In summarizing its consensus, the panel reported that US national security objectives should take into account the fundamental differences between the two societies and governmental systems. The US should continue its human rights policies by designing an overall strategy against the vulnerabilities of the Soviet Union in human rights issues. Recognizing that the Soviet Union dedicates its command economy to military growth, US military postures, human rights initiatives, and economic strategies must be synchronized if the United States is to be an effective competitor. In light of our constitutional constraints, however, and the concept of the integrity of the free market system, the United States would be "well advised" not to surrender any of her fundamental values in the heat of such a competition.

Panel 5 - Structure and Process in Forming National Security Policy

The Nation's national security policies are the product of an evolutionary process with inputs from various interest groups to influence both the executive and the legislative branches of government. Although this policy is formally enunciated within the Executive Branch and implicitly endorsed by the Congress through funding authorizations and appropriations, each branch is subject to pressures, constraints, and balances characteristic of a pluralistic society. The historical evolution of this structure, as well as the successes and failures of the policies it has produced, have an important bearing on contemporary policy formulation as do the domestic influences of the media, labor, business and other interest groups both within and outside the government. The congressional interest in participating in national security debates in recent years, the strong competition for limited resources within the federal budget, and the credibility of the executive in assessing the threat to national security—each has had an impact on security policy. This panel surveyed trends in these several influences on policymaking and considered the possible future trends likely based on alternative configurations of the relations between elements of the society.

In light of the widespread belief that the term "national security" has been abused in the past, the panel attempted at the outset to define the term with both precision and consensus. Accordingly, national security policy was defined in terms of the process of utilizing the appropriate resources to protect all the assets of power necessary to secure the Nation's well-being from foreign military, economic, and political threats. Since a definition couched in such terms left the difficulty of identifying specific national issues as national security issues, it was suggested that national security had to be viewed as part of a continuum of goals which ranged from national survival, on the one hand, to the quality of American life, on the other. Since such a continuum is necessarily dynamic in current-day society, national security encompasses an ever-changing group

of national goals. Indeed, there was a broad consensus within the group that at no time in the past has the concept of national security covered so broad a range of values as it does today.

In structuring their further discussions, the panel elected to focus their attention on the five major "actors" in the national security formulation process--the President, the Executive agencies, the Congress, the pressure groups, and public opinion.

The panel agreed that the President and his immediate advisors together are the preeminent "actors" in national security policy formulation. Presidential personality and style dominate the process to the extent of altering and often bypassing the formally legislated "structure" of the system. Given this dominance, any national security policy apparatus should provide the President with accurate and timely information, all reasonable options, points of view of the principal advisors, and some means of monitoring decision implementation.

The role of the agencies, on the other hand, varies as a function of the nature of the issue, time available, and presidential style. Since the bureaucracy is the repository of a vast fund of knowledge which can be ignored only at great peril, the policy formulation process should ideally provide for the full and real presentation of the views of all principal statutory advisors and the full organizations to insure the best informed process possible. In addressing the bureaucratic capability to develop corporate memory and institutional foresight, the panel noted the lack of an effective long range planning capability in the policymaking structure in general. Rather than suggest the establishment of separate organizational entities for long range planning, however, the panel suggested that all levels would, with more profit, encourage the consideration of long range implications as an integral part of all decisionmaking--a "futures" impact statement.

In turning their attention to the Congress, the panel did not question the constitutionality of congressional participation in national security policy formulation, but the participants were in general agreement that it was both infeasible and of dubious constitutionality for Congress to become absorbed in the details of substantive policymaking. The group concluded that the Executive, in order to strengthen the cooperation of Congress needed to conduct national security policy, must provide information to the Congress more freely than in the past. Additionally, because of the increased sensitivity of the lawmaker to public opinion generally, the President should endeavor to see it in his interest to inform the public on national security issues more openly and more completely than in the past.

Finally, pressure groups and public opinion were considered in parallel. Recognizing the importance of the media in a free society, whether as creators or transmitters of public opinion, the panel was unable to satisfactorily resolve the question of how the national security policy structure should deal with the media. It was in agreement, however, with the proposition that the system must live honestly with the media rather than attempt to subvert them. It was also in agreement that the recent national mood of distrust and suspicion dictates that the security process must be more open, more informative, and more responsive to its constituency, possibly at the expense of a loss of a certain amount of effectiveness sacrificed for the sake of legitimacy.

Panel 1

Toward the Maintenance of Strategic Nuclear Stability

An examination of the strategic relationship between the United States and the Soviet Union in terms of nuclear capabilities. An analysis of the principal balances in hardware and strategic outlooks, including such force posture issues as civil defense, manned bombers, the cruise missile and mobile missile systems. An assessment of the prospects for enduring stability in the negotiations for arms limitation and the objectives of each side in these negotiations.

Chairman

Dr. Herman Kahn, The Hudson Institute

Authors

Dr. Roland Herbst, R&D Associates

Honorable Fred C. Ikle

Panelists

Mr. Seyom Brown, Carnegie Endowment for International Peace

Mr. Raymond L. Garthoff, Office of The Inspector General, US Foreign Service

Honorable William G. Hyland, The White House

Mr. Jan M. Lodal, Executive Vice President, American Management Systems, Inc.

Dr. Edward N. Luttwak, School of Advanced International Studies, Johns Hopkins University

Mr. Kenneth Mark, Director of Strategic Planning, The Boeing Company

Professor Richard Pipes, Harvard University

Mr. Walter Slocombe, Principal Deputy Assistant Secretary of Defense, International Security Affairs

Mr. Leon Sloss, Arms Control and Disarmament Agency, Department of State

Dr. Jeremy Stone, Federation of American Scientists

Dr. Richard Thornton, School of Public and International Affairs, George Washington University

Dr. James P. Wade, Deputy Assistant Secretary of Defense

Dr. Thomas Wolfe, Rand Corporation

Rapporteur

LTC John Friel, USAF

Panel 1

Toward the Maintenance of Strategic Nuclear Stability

Chairman's Plenary Session Summary

Dr. Herman Kahn

I want to start off with some general propositions which we had an amazing amount of agreement with. The first, and probably the most important, but the most obvious: We all felt that there was almost no possibility that the Soviets would launch an attack for profit. That is, there used to be a vision that they might want to use a surprise military attack to take over the world. I argued that was a perfectly feasible enterprise but the probability of its occurring was extraordinarily low. I happen to think it is more feasible than most people, but I also think it is very low. The reason is the basic concept that in almost all governments today the people who come to power are, relatively speaking, prudential. In all of human history you can find many governments that are perfectly willing to say "double or nothing." The argument here is: That kind of government no longer exists.

That is a big remark, if you believe it, and could lead to all kinds of disasters. Therefore, the second point is: Don't believe it. In other words, the deterrence has to be maintained, even though you don't think you are worried about a surprise attack out of the blue.

Dr. Roland Herbst took the position that also you don't know what you mean by "surprise attack out of the blue." That is, the other members of the panel took the position that if a deliberate Soviet attack occurred, it would only occur as the least worst of a lot of bad alternatives. In other words, there might be some situations (and we discussed some of the various scenarios—an uprising in East Germany, an uprising in Poland, sort of flaring across Eastern Europe, looking as though it would go to the Soviet Union) from their point of view, where the risks and uncertainties of an attack might be less than the risks and uncertainties of doing nothing at all; and that the one way to judge their posture is, how hard was it to write a scenario in which an attack would be preferable to doing nothing? We decided it would be very hard to write such a scenario. I maintained that it could be done. Most of the Soviet experts (not all) maintained it could be done. There was some skepticism.

History tends to be richer than our imaginations. I have always noticed that the World War I scenario doesn't fly. Things happened in that scenario which nobody would pass as a games scenario, but I am reliably sure they happened. Therefore, the fact that we cannot write such scenarios easily is not as reassuring as it might be. That was a very important concept from our point of view.

We also took the position that even if history looked like it was going against the Soviets, they would not preempt history; they would prefer to wait and see what happened.

Tom Wolfe took a slightly different position. He said, "The Soviets do military products really very, very well. It is almost the only thing they are being successful at, and it may well be that they would put more faith in that method of solving their problems than they would in the others." I think his position was a lonely one. I don't know if Tom feels lonely; he may not have noticed it.

We therefore went to the conclusion that undesired war is the greatest problem threatening the nuclear stability. We argued that the undesired war could occur in two ways: kind of completely independent of people's machinations, or people were manipulating the risk of escalation. From this point of view, either side might put the world in a situation and hold that situation where the world became very escalation-prone.

I noticed that almost a majority of the panel accepted the following concept, which is an interesting one. One session brought forth the concept that we might, instead of responding to a Soviet invasion of Europe, by attacking military targets with our strategic forces, avoid attacking cities. That got a good reception in Europe as opposed to the time when McNamara made a very similar proposal. I have talked with many Europeans about why it got such a good reception. They all gave me the same story: At the moment, the idea that the United States might strike Soviet cities because of an invasion of Europe is so incredible that even a very timid Soviet Union might not be deterred.

You Americans think, because you are kind of dumb, that you could hit the Soviet military targets without escalating the cities. The Soviets don't believe that, but they want to believe that you believe that. Therefore, you might well hit Soviet military targets, and that restores credibility to the escalation threat because you are kind of dumb. Whether we are dumb or not is a separate issue. It was interesting that this is the kind of situation which we worry about, which doesn't necessarily mean you shouldn't do it, by the way. There were a number of rather hawkish people in the panel, including myself, who were in some cases perfectly willing to entertain the threat of escalation, but nobody was overjoyed at the idea.

This escalation kind of a war, which is not so carefully preplanned, has different characteristics from the war which is preplanned. Many measures which don't work well in the preplanned war might work well in the less preplanned war; and vice versa, particularly if a war comes about without preplanning, and we thought this should be very important.

If you believe in the undesired war, unpreplanned or only partially planned, then you are also worried about prudential preparation for limiting damage. In other words, the weapons exist. They may be used. If used, they cause a lot of damage. It is better to have less damage than more damage. That is a fairly simple idea which has not percolated very far in this country (I am talking about going upstairs). It strikes me as an extraordinarily important idea. If anybody has a sense of fiduciary responsibility toward the country, he has to look at "if deterrence fails" and what happens at that point.

It was also pointed out, however, that where you could have measures that are purely prudential, many prudential measures, particularly in the civil defense area, often had a strategic implication—you could not separate the two. Let me give you a prudential measure which I happen to favor which has a negative strategic implication.

I have often advocated defending people in cities with a very light fallout shelter which would protect them if they were not the objects of Russian attack. As a Russian war planner who wishes to separate the civilian target system from the military target system in order to blackmail us, to have intrawar deterrence, post-attack deterrence, an ability to protect civilians in place (which is very cheap, by the way), the light fallout shelter is extraordinarily useful because it works much

better. He can limit his civilian casualties. It would, however, in my judgment, result in a significant decrease in deterrence. I am still willing to do it because I think that probability of war is high enough anyway, that the fact that you save millions of people, if this occurs, is perfectly all right.

Most of the measures I believe would go the other way, would represent a sort of strategic threat to the Soviets. But what I am saying is the necessity for protecting civilians may be large enough that one would be willing to accept reasonably large totals in other areas to meet that particular obligation. This is a very lonely way of thinking. I don't think many people share it to the extent that I do, but I found a higher level agreement in the committee than I would have expected.

These prudential measures for civil defense can often have bigger strategic implications even if unintended. Imagine you have something going on in Europe in which actually nuclear weapons were used. I would make the assumption that in both countries (the United States and the Soviet Union) you would have a major strategic evacuation which is not touched off by intelligence but by the newspapers. Such a strategic evacuation in the Soviet Union, except maybe in the dead of winter, we think would be an orderly process and very effective against the current American weapon systems. I want to emphasize that statement—very effective. I mean it would cut casualties down from approximately thirty to forty million to substantially less than ten million, if you believe the calculations.

This obviously changes the bargaining situation, whether the Soviets intend it or not. If they are evacuated, if their people are in a place of safety and your people are not, the bargaining looks very different. In fact, if you are a European country being bargained over, you are likely to make a deal right away and not wait for the Americans to make the deal. We think this is of extraordinary importance.

We did note that the roof cover (that is, the industrial establishment) of the Soviets would still be at risk. Many of us believe that the Soviets place at least as much emphasis on their roof cover as they would on the civilians. It was also noted, however, that many of the civilians at risk were Russians. You may know that, for the first time in Russian history, the Russians now represent not a majority of the population of the Soviet Union. This condition will be exacerbated over time. Many of the Soviet minorities have a much higher birth rate than the Russians do. We think the Russians care about this a great deal.

In any case, we believe if deterrence fails, the nature of the scenario and the nature of the civil defense preparations will make an enormous difference to both the casualties and the events. In other words, even improvised and no prudential civil defense may be strategically important.

We spent a great deal of time discussing civil defense, and there was some concern that this would dominate my report. We all agreed on the importance of defense but that this shouldn't become just a civil defense report, so I am going to move on now.

In looking at recovery, we pointed out that it is very important to look at the worldwide resources available. We agreed that in many scenarios the Soviets would take over Europe and would think of the European resources as part of their recovery potential, whether it represented moving plants or simply managing Europe as a large number of Socialist Soviet communities with a view that they might even break up countries—break up the Germans into their provinces, separate the Basques from the Catalans—and run it as a kind of continentwide recovery.

There was a great deal of discussion and no conclusion as to whether this prospect would make the Soviets more willing to take chances. In other words, we all agreed it was an important

point, but we did not agree whether it would actually affect Soviet planning or thinking. They would plan for it, but they might not be more willing to take risks because of this possibility. If I have ever heard an inconclusive discussion, that was an inconclusive discussion.

Finally, the last of the general propositions: Mobilization is very important. In general, we feel that probably the largest single deterrent for regulating Soviet behavior is simply the existence of this enormous economic system in the West which, if it is provoked, looks very impressive. This is without any preparations at all, just the system as it exists now. It is very important, from their point of view, not to provoke a rearmament race. We all pointed out they clearly cannot have forgotten the experience of 1950. As many of you will remember, the previous (1949) budget had been \$13 billion. Congress was arguing whether the budget should be \$14 billion, \$15 billion, or \$16 billion. Eisenhower and Bradley attested that at \$18 billion we strained the country's finances but \$16 billion was okay. North Korea marched into South Korea and Congress authorized \$60 billion, and no nonsense about \$18 billion.

That authorization changed the balance of power for the next twenty years. If you had had the three services getting just \$5 billion a year or \$6 billion a year or \$7 billion a year, every weapon system procured since then would have been infeasible because they all ran about \$5 billion for a while. I am talking about SAGE, about the B-52s, NIKE 2s, NIKE HERCULES, POLARIS; all would have been infeasible.

We spent a short time on how one would spend \$500 billion, which seems to me a reasonable authorization in some extreme circumstances. Think of the so-called "phony war period." We discussed the possibility that war might occur and be preceded not by a massive exchange but by a phony war period, just as in World War II, for the same reason: both sides scared.

Most of the committee (not including me; I was clearly outvoted here) thought it very important to look at a mobilization base at a much lower level, particularly in connection with arms control agreements. In other words, when you have an arms control agreement, you limit yourself in some way. You might prepare a mobilization capability to remove that limit rapidly if the thing were violated. I think there was a consensus that was a very important concept of mobilization. There was much less consensus on the grand scale, mobilization-type thing.

In many ways I found the most interesting discussion to be on something that is covered over and over. I read last year's report, and they had the same discussion and came out much the same way. Nevertheless, I learned a lot from this particular one. Let me report the flavor of it, if I can.

I was raised at RAND on the operational code of the Politburo and the hostility to that operational code. There is a standard debate in RAND: Did Nathan Leites know what he was talking about? We went back to the debate. There is a kind of Hegelian reasoning here which is very useful. Somebody pointed out that the Russians and the Americans are raised very differently. Dick Pipes pointed out that we live in a bourgeois society, tend to look at the long-run commercial relationships, tend to think of a contract that is mutually beneficial, and have no concept of the zero-sum game, really. They live in a society which is best characterized, although unfairly, as a peasant society, where you have very grasping concepts, where people think very much of zero-sum, one guy gets the better; the people do not think in terms that we call life and self-interest (the system as a whole). As Dick put it, they believe that everybody should look out for themselves, and any reference to world interest looks like an attempt to trick them—the worst way to handle it.

It was then pointed out that this was probably not a bad characterization of the Soviets say 10, 20, or 30 years ago, who were then not perfect, but they have been changing. This is the

thesis/antithesis. We went to the synthesis not that much; we went to antithesis, but more than you think. Then we went back to the synthesis, but there is still enough difference to be very important negotiations. It's antithesis, but don't rely on it. That is a very important way to think; in fact, it is the only way to think, as far as I know, and score one for Hegel!

Let me give you the flavor of this discussion, if I can. First and foremost, it is very important to have an image of the Soviets because if you don't, you have a *mirror image* and have no other choice. We all agreed that mirror imaging was disastrous or at least bad—from bad to disastrous. We all agreed that Americans still mirror-image, and we continued to mirror-image throughout the discussion. That is just the way most of us are.

Second point: The Soviets, even given this "peasant" metaphor, are, like most peasants—realistic, shrewd, knowledgeable, stubborn, and extremely conscious of their own interests—and we should be too. They are not abstract. It is very interesting that although the Anglo-Saxon is supposed to be very pragmatic, in strategic thinking we have learned to be very Germanic, Teutonic. I am one of the major offenders or suppliers of this Teutonic vocabulary and do not apologize for it. It can be very misleading and quite disastrous, if you take it too seriously, particularly the dividing up of various functions into neat categories and trying to design separate weapons systems for each function and taking these too seriously. It was pointed out there is almost no such thinking in the Soviet Union; they think in terms of multipurpose—such as, if you build a road, obviously you don't think of the road as being for commercial transportation or pleasure or getting people to work; it serves all purposes at once. They don't make this distinction as we do between counterforce and countervalue, between deterrence and war-fighting. These are American distinctions which have been learned by the Soviet arms controllers, and they can throw it back at you, but there is literally no original thinking of this type in the Soviet Union, which shows it is purely a learned phenomenon. There is very little discussion of it in their literature.

This is also true in the whole arms control area. Since Litvinov made the suggestion in 1917 for universal disarmament, there have been no creative original suggestions in the Soviet arms control literature, we were told, and nobody could think of a counter example. There may be; we couldn't think of any. There is no discussion of SALT in the Soviet literature. It is quite clear that these things play a very different role in the two societies. We all agreed that they think of both war and arms control as a continuation of politics by other means, while we think of them as very different from normal operations. A lot ensues from this.

It was pointed out that even though the Soviets want to do many things with their establishment, they do, first, what is necessary or easy (as we do, too). And it is very important to disentangle hopes from reality.

Their first priority is security. Then we went through the whole Hegelian dialogue here. Just to summarize it, security to them includes neutralizing their neighbors. In other words, as long as there is a powerful neighbor on their border, they are not secure. It turns out, under modern conditions, we are their neighbor. The fact that they are security-minded, and defensive-minded, if you will, doesn't mean as much as it might in another context, to put it mildly.

On some issues they are willing to look out for the world interests—maybe nuclear proliferation, hotline, things like that—but it is clear that their own interests are involved.

I think most of the Soviet experts, but not including Ray Garthoff, took the position that in terms of arms control negotiations and in terms of military posture they are still very much the peasants: shrewd, sophisticated in their own way, tough, with no interest in the larger world. I would say a number of the non-Soviet-experts took a different position. In fact, one guy started

out by saying, "I have the advantage of not being a Soviet expert." Of course, that is an unnecessarily hostile way to start the discussion.

On the whole, by the way, we had an incredibly civilized discussion. Everybody acted like a knee-jerk moderate. Somebody must have read them the riot act ahead of time.

Let me spend three or four minutes on the US. Then I think I'll have five minutes for questions.

We made all the usual invidious comments about the Americans, particularly American planners. They're too arrogant. We always tend to feel that if our allies or our enemies disagree with us, it is because they don't understand the problem and that as soon as they will sit down with us and have a decent conversation, they'll agree with us. That happens so rarely that maybe the hypothesis is wrong. We are too theoretical, too superficial, too technological, too naive, too unserious, too easily manipulated, too bourgeois. It was then also pointed out we have the virtues of our defects as well as the defects of our virtues. All of these things, in a different context, can be virtues, so we ended up patting ourselves on the back a little bit. And it felt good!

We tended to agree that Congress is now in a mood to accede to any reasonable request to regain or maintain parity. Something very funny has happened in the United States. Congress has switched from being extremely anti-defense to being relatively pro, and it did that without any great national debate, so in some sense the general public never noticed it. It is kind of interesting. You know that generally these things are preceded by a big national debate. The absence of this national debate may mean that this is a superficial phenomenon.

It is basically based upon the record increase in the establishment. I have made the comment that even if McGovern were President of the United States, he would be asking for military budget increases in the face of the Soviet record.

On the other hand, I think there was general agreement that Congress would not be willing to go along with any program to attain a significant degree of superiority or to restore extended deterrence. That doesn't mean you shouldn't recommend it, because you may want to do an educational program, but I think most of the people, except a couple of Soviet experts, felt it was hopeless to try to get more than that and to beat your head on closed doors.

Finally, neither Congress nor the Executive Office is sufficiently aware of the potential consequences of the erosion of extended deterrence (the things that Kissinger mentioned), but the consequences of this erosion are often exaggerated by theorists. Again we have the thesis/antithesis. The erosion is terribly important, but it can be exaggerated.

I think that summarizes all the things I want to report. As far as I am concerned, it was an extremely productive meeting, but it is like a gold mine: a lot of trash among the nuggets. But there were a lot of nuggets.

Any questions or comments? First of all, let me ask any members of the committee to add something to this if they feel they were unfairly represented or if they just want to add something. We have a number of the members of the committee here.

PARTICIPANT: (A) brilliant attempt to summarize. There was one important thing left out: the surprising consensus against firing on warning.

DR. KAHN: Oh, yes, very important.

Let me be fair about this. Twenty years ago the word "Failsafe" meant you went ahead to target. Did you know that? That was changed, I would say, basically by the introduction of the civilian strategist. The battle was fought, and many of us feel absolutely locked in on it psychologically, and without any discussion we all agreed that any concept of firing on warning was just wrong.

Many of us believe that in fact the missile force may not survive attack because you have not really tested it, so we agreed that's a genuine problem, that firing on warning is far and away the safest way to arrange for a launch. We nevertheless came out absolutely against it. There were a number of reasons. We don't believe the statement that it is foolproof. You remember Con Edison gave a talk saying there would be no problems this summer. Of course, that was an act of God, but that is the kind of thing you are worried about.

Secondly, even if it were foolproof, which we don't believe, it looks bad, it looks irresponsible, it looks crazy.

Thirdly, General Welch made the comment that it certainly tells you when to fire, not whether to fire. It has to be a presidential decision.

Some of us were afraid the Soviets would adopt this technique if we adopted it; and this would be very dangerous. I think aside from Jay, nobody took that seriously because we think the Soviets just aren't that dumb. We thought if anybody would be dumb enough to do it, it would be us, not them. And we feel that way.

I am not saying we considered it. We didn't consider it. We have strong positions here, our minds are totally closed, you couldn't open them with dynamite, and that's the way it should be. Does that satisfy you?

Any other comments? [None] I have about run out of my time. I have three minutes and am going to take every one of them!

PARTICIPANT QUESTION: Does the peasant metaphor imply that the Soviets have few if any external interests?

DR. KAHN: No, they have a great deal of interest in the rest of the world, but not like the peasant who wants to take over every farm in the country; he doesn't have a world view. Really, the Soviet Union is much more introspective than, say, almost any big power in the world today. It was raised that way. This not only goes back in the Soviet character, but it is reinforced by many modern institutions. They are basically introspective. They have an interest in the world as the peasant does. You know, a traveler comes in and can earn many free dinners telling about the outside world.

There was some discussion whether they are brilliant or not. There is no question in our mind that they are learning to play us. You remember the old concept of the Politburo—the Americans are too serious to be provoked, these are people who know what they are doing, they do what they should do, and despite any actions of ours, except counteractions? They have dropped that concept. They no longer think we are too serious to be provoked; they understand we can be played. There is general agreement on that. There was disagreement on the skill with which they play us, on how skillful they are at it.

Panel 1

Toward the Maintenance of Strategic Nuclear Stability

Rapporteur's Report

LTC John Friel, USAF

The panel discussed the following general topics:

- The Foreign Policy Objectives of the Soviet Union
- Three Sets of Criteria for Arms Control Negotiations
- Trends in the Strategic Balance

THE FOREIGN POLICY OBJECTIVES OF THE SOVIET UNION

In an attempt to obtain a basis for agreement and an understanding of the reason for disagreements when they occurred, the panel was polled on the subject of their individual perception of the objectives of the Soviet Union. There were basically two positions. The first, majority position held that the basic objective of the Soviet Union was security. Conditioned by her history, the objective of security translates into a desire to have the states with whom she shares a border, in a relative sense, powerless clients. The advent of nuclear weapons and intercontinental delivery systems has, in effect, placed the United States on the geopolitical border of the Soviet Union, and she will not feel secure until the United States is in a position of comparative weakness. The Soviet Union will do whatever is required to protect her Eastern European buffer states. In addition, she wants to have a hand in all the major international arrangements that take place in order to make sure that her vital interests are not compromised. The prospect of her going to war with the United States, except if she perceives herself to be in dire straits, is remote. One dissenting panel member pointed out that we may not realize that she perceives a situation to be desperate, and may continue our threatening course of action with unfortunate consequences. The basic danger comes from the inadvertent war resulting from mismanaged crisis or escalation. One difficulty expressed is that the only arena of international competition in which the Soviet Union has been successful has been the development and production of weapons. At some time in the future, frustrated in other avenues of competition, she may turn to the one thing she is good at, the use of weapons. Although she does not plan to attack the United States, the Soviet Union believes that everything possible must be done in the attempt to gain a war-fighting capability in the event deterrence fails.

The other (minority) point of view is that we have more to fear from the arms race than we do from the Soviet Union, but we must be aware of the possibility of the war that nobody wants. One problem is that we perceive their decisionmaking as more rational than it really is. Developments that look ominous are sometimes merely the result of bureaucratic inertia, internal power politics, and the like.

THREE SETS OF CRITERIA FOR ARMS CONTROL NEGOTIATIONS

The talking paper with the above title was presented by the Honorable Fred C. Ikle. The three criteria for arms control negotiations proposed in the paper are: Arms Control Aspects, Effect on US-Soviet Adversary Relationship, and Noncompliance and Abrogation. The first two points did not generate extensive discussion since they had been treated at some length during the earlier portion of the panel dealing with the objectives of the Soviet Union. The Noncompliance and Abrogation portion of the arms control process was presented as a continuing task, consisting of five elements, necessary to maintain Soviet compliance:

- Specific terms in the agreement
- The ability to verify
- The political determination to reach a verdict on a possible violation
- The political determination to abrogate the agreement when faced with serious violations
- The economic industrial mobilization capability to win a new arms race with the Russians

The panel discussed the conflicting relationship between specific treaty elements which are difficult to negotiate and general treaty elements which are easier to negotiate but harder to enforce. The point was made, however, that if the United States had been able to negotiate some arms control limits on the early 1960s, the massive Soviet buildup in strategic weapons in the mid-to-late 1960s might well have triggered a US response.

The last point, concerning the economic-industrial mobilization capability of the United States generated considerable interest among the panel. The consensus seemed to be that the major potential sanction that we could apply in order to modify Soviet behavior was the threat of a new arms race. Just prior to the Korean Conflict the debate over the Defense budget centered around a figure in the 13-15 billion dollar range. After the start of the Korean Conflict the Congress voted a 60 billion dollar defense budget. In the early 1960s when the United States entered the "space race" we again demonstrated the nature of our technological/industrial capacity. The panel felt that we were neglecting our mobilization base lately and that something should be done to keep it in decent condition. The suggestion was made that some serious planning should be done on an annual basis in order to prepare for a quick mobilization at several budget levels. One point of view was that industry should be provided with more profit incentive for R&D programs, so that the weapon system acquisition cycle could be shortened if the decision was made to mobilize. On the other hand, the armed services proclivity for developing weapon systems has helped keep the industrial base intact. The position was taken that mobilization plans with a specific trigger function, such as a Berlin crisis, may be politically unacceptable.

TRENDS IN THE STRATEGIC BALANCE

The paper presented by Dr. Roland Herbst generated considerable discussion. An initial point was made to the effect that it was important to develop a "view" of the Soviet Union, a conceptual framework for the analysis of their strategic behavior. In the absence of a conceptual framework we were bound to fall prey to the mistake of mirror-imaging, i.e., believing that they look at a problem in the same way that we do. This was thought to be a dangerous failing since we are products of our mercantile origin and the Soviets are products of their peasant origin. However,

several members of the panel argued that there must be some area of interest shared by the Soviet Union and the United States, which could lead to a reduced chance of nuclear war.

One area of concern in the strategic balance is the effect the increased civil defense program in the Soviet Union has had on the balance. The panel felt that the civil defense program of the Soviet Union had gone a long way toward negating the extended deterrence policy of the United States. It was felt that threatening a nuclear strike against the Soviet Union, to deter a Soviet conventional strike against NATO would lack credibility given the asymmetry between the US and Soviet civil defense programs. The point was made that prudential civil defense was not necessarily intended for strategic gain, and that indeed the Soviet efforts made a lot more sense in the context of the nuclear threat from the People's Republic of China. It was suggested that the ABM treaty that had been negotiated helped extend the deterrent life of the British and French nuclear forces. However, the Soviet civil defense programs greatly reduced that deterrent. The discussion then turned to the survivability of the Minuteman missile system. One member pointed out the geographic, economic and environmental problems associated with the attempt to deploy a mobile ICBM make this option unlikely. When the question of launch-on-manning was raised as an aid to Minuteman survival, the panel was unanimous in their condemnation of the techniques. It was the only issue on which the committee was unanimous.

Panel 1

Trends in the Strategic Balance

Roland F. Herbst

It is ironic that I have been asked to give a paper concerning the strategic balance, since in spite of the large number of recent discussions on this subject, I have often expressed skepticism about the usefulness of most strategic balance studies and debates. The concept of strategic balance is presumably intended to simplify a discussion of the detailed military/political situation at any given time. Avoiding the complications of a complete analysis, it is therefore a vehicle presumably intended for public discussion rather than a tool for the internal use of the government. Yet this shorthand fashion of describing the situation is often extremely sensitive to detailed intelligence assessments and projections, as well as details of the scenarios implied by the arithmetic. In spite of my misgivings about the usefulness of these types of calculations, I believe a discussion of the trends in the strategic balance and of the possible reasons for those trends can give some insight into likely future problems for the United States. Therefore, the subject of this talk will be about those trends and reasons, rather than any attempt to describe the present balance.

* * *

The various balance calculations often compare static indicators such as equivalent megatonnage, or equivalent weapons. I assume that this audience is familiar with the past trends shown in these calculations, for instance, the data shown by Paul Nitze in various publications¹; therefore, I will not attempt to restate them. The static indicators have obvious deficiencies and are often replaced by scenario-dependent calculations. For instance, after some particular counterforce exchange, the residual forces are compared by some index. The details of the exchange and the significance of the residual forces are often debatable matters, different persons viewing the problem in different ways. In addition, at this particular time, the results of the initial exchange depend upon the detailed and often subtle properties of the two forces. This, of course, need not necessarily be true. For instance, in the early 60s, one could conclude fairly confidently that the Soviet Union could not target enough weapons against the Minuteman forces to threaten a large fraction of the Minuteman silos. At present though, they do have sufficient forces for such an attack. Our survivability assessment then depends upon a detailed assessment of the technological capabilities, the CEP, the time-on-target control, and the yields, etc., of the Soviet ICBM.

Figure 1 summarizes a Minuteman drawdown as a function of CEP. Notice that a change of a factor of two in CEP can take the threat from a modest problem to an overwhelming one. It is not possible to have any informed public discussion of Soviet capabilities which depend upon a precise understanding of the Soviet missile CEPs.

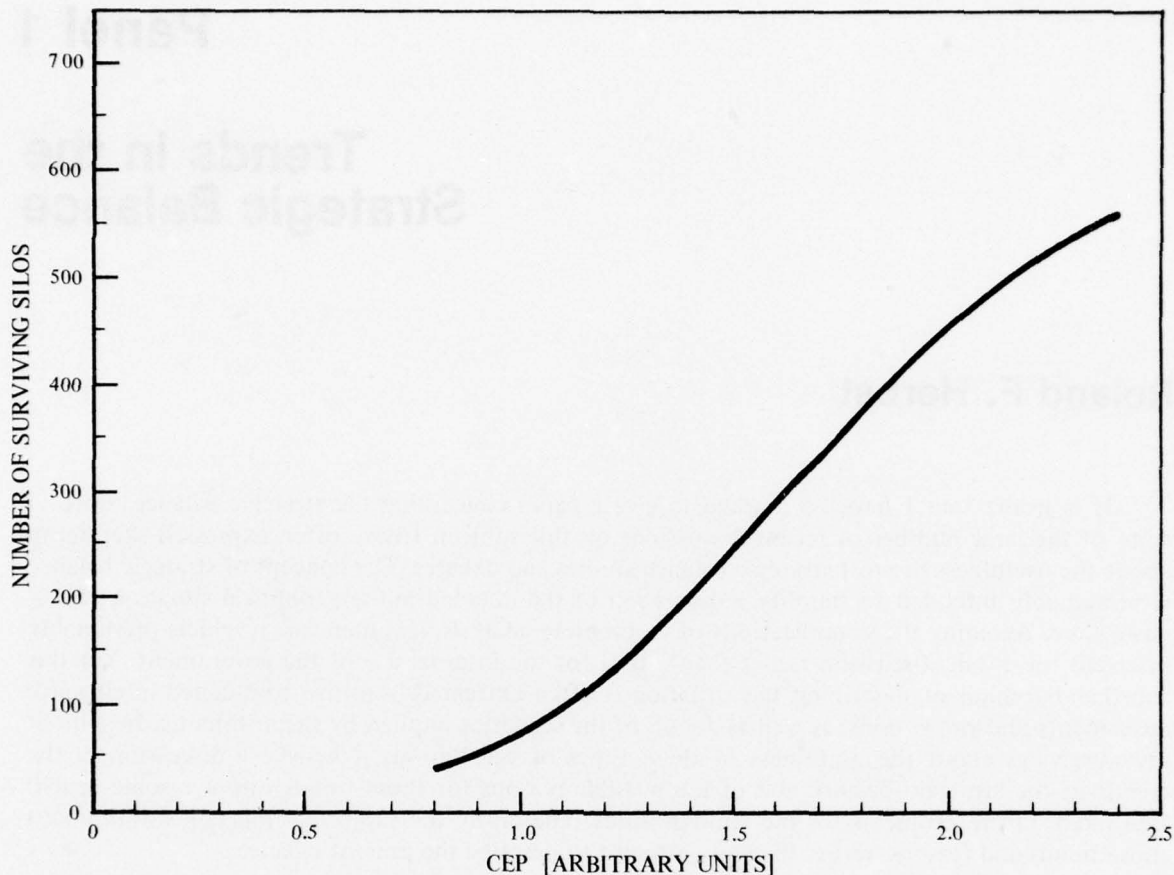


Figure 1. Silo Drawdown Sensitivity

Let us take another example. If the air defenses of the Soviet Union consisted of only a modest number of components, one could have confidence that the low-altitude penetration tactics of the US bomber force would overwhelm the Soviet defenses. This limitation of Soviet defenses, of course, is not correct since they appear to have greater than 10,000 SAM launchers, several thousand fighter interceptors, and thousands of search, warning and ground control radars. Even with this massive a defense, if the equipment were "fixed in concrete" one could pretarget critical components of the defenses and fly through the holes. However, the Soviet defensive forces are, in most cases, either mobile or quickly transportable.

The Soviet defenses then have the *gross* properties that could potentially constitute an effective defense. We are forced to make our analysis much more involved. This analysis must contain detailed assessments of the actual capability of each type of component in the force. Let me take a simple example. With the numbers of components described for the Soviet home defenses, it would appear that there are about 2,000 defensive sites, either SAM sites or search radar sites. If a bomber penetrated deeply into the Soviet Union, even at very low altitude, it would be seen by the sensors of possibly 15 or 20 individual defensive sites. If the probability of a successful intercept at each of these sites were 2 or 3 percent, 60 or 70 percent of the bombers would penetrate to their targets. On the other hand, if the probability of a successful intercept were about 25 percent, possibly only one bomber would penetrate to targets deep in the Soviet Union (see Figure 2). Again, we have a situation wherein the analysis is extremely sensitive to our understanding of the performance of the Soviet weapons systems—a very unsatisfactory situation for a discussion of the strategic balance.

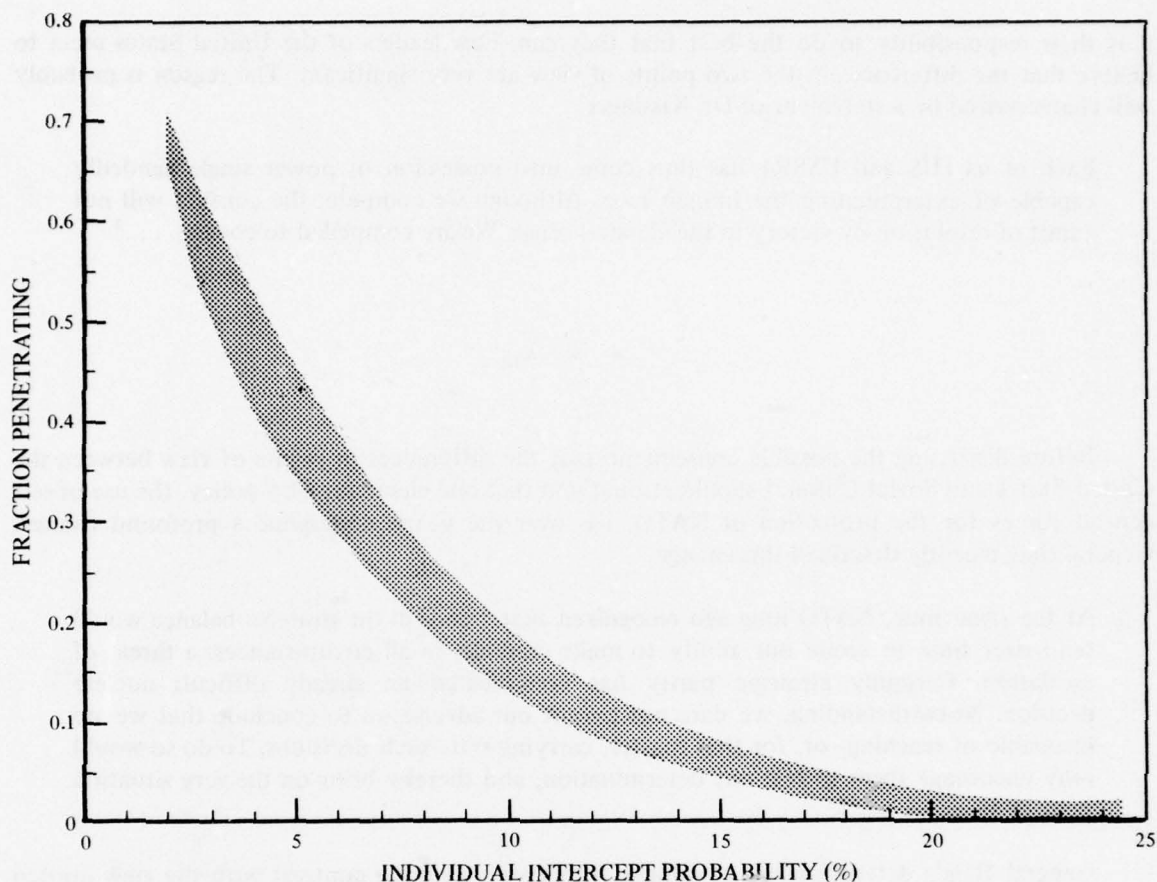


Figure 2. Defense Effectiveness Sensitivity

I will return to the technical issues concerning the balance later in the talk; but for the moment, I would like to discuss US and Soviet objectives and policies and the countries' understanding of the implementation of these policies which make for the balance—and it is these policies which presumably will determine the trend in the balance.

Both nations, in situations not involving the most vital interests of the nation, have attempted to use the threat implied by their central nuclear forces to influence the course of events in various parts of the world. This process, which in earlier times might have been called "saber rattling," is the basic ingredient of the nuclear umbrella for the NATO alliance, and in the Soviet Union's case, they have used implied nuclear threats to attempt to influence crises situations in the Near East.

Further, both countries have pursued a policy of deterrence relative to the other superpower. They have attempted to deter the other power from making moves against their most vital interests by the threat of unacceptable damage to their potential opponent.

Finally, both nations have pursued postures in which they prepared for the possibility of a general war. The United States has, to some degree, prepared its forces for damage-limiting missions both with counterforce, offensive missions, as well as, in the past, defensive capabilities.

In the case of the Soviet Union the tone is somewhat different. The Soviets appear to believe that it is their duty to prepare for the possibilities of a war in such a way as to maximize the chances that they will survive that war and emerge after the war victorious. They seem to reject the view that the concept of winning is meaningless but rather that, independent of the horrors of war,

it is their responsibility to do the best that they can. Few leaders of the United States seem to believe that the differences in the two points of view are very significant. The reason is probably well characterized by a statement of Dr. Kissinger:

Each of us [US and USSR] has thus come into possession of power single handedly capable of exterminating the human race. Although we compete, the conflict will not admit of resolution by victory in the classical sense. We are compelled to coexist. . . .²

* * *

Before discussing the possible consequences of the differences in points of view between the United States and Soviet Union, I should remind you that one element of US policy, the use of our central forces for the protection of NATO, has over the years, undergone a profound change. General Haig recently described this change:

At the same time, NATO long ago recognized that trends in the strategic balance would tend over time to erode our ability to make credible, in all circumstances, a threat of escalation. Certainly strategic parity has complicated an already difficult nuclear decision. Notwithstanding, we dare not permit our adversaries to conclude that we are incapable of reaching—or, for that matter, carrying out—such decisions. To do so would only encourage them to test our determination, and thereby bring on the very situation we seek to avoid.³

General Haig's determination, of course, forms an interesting contrast with the view quoted before by his former boss, Dr. Kissinger. After the quoted paragraph, General Haig then proceeds to attempt to solve the dilemma by describing the Flexible Response doctrine. This doctrine has been the basis of our NATO policy for about 15 years and is well summarized in the German White Paper on defense policy. The margin title of the following paragraph is "incalculable response."

The three types of reaction [direct defense, deliberate escalation or general nuclear response] comprise NATO's strategy of Flexible Response, a commensurate response. To an attacker the type, scope, and point of time of each form of response must be incalculable. He must expect the conflict to spread and be aggravated in a measure involving risks which he cannot estimate.⁴

In the same section, the German paper gives an interesting insight into the Western view of uses of tactical nuclear weapons:

The initial use of nuclear weapons is not intended so much to bring about a military decision as to achieve political effect. The intent is to persuade the attacker to reconsider his attention, to desist in his aggression, and to withdraw. At the same time, it will be impressed upon him that he risks still further escalation if he continues to attack. Such further escalation would mean that strategic nuclear weapons would be used against the attacker's own territory.⁵

In other words, in spite of the US view that mutual deterrence is almost absolute, the threat of escalation is still supposed to be the tool of the West, apparently because in the European environment our determination will be stronger and we will be willing to take chances. This point

of view makes for a situation in which the alliance forces need not be designed with any military plan in mind, but rather to remind our enemy that he's taking chances. The outcome of this doctrine appears to result in NATO forces which always seem to be in some kind of trouble because they have no real military mission. After these many years of Flexible Response, the NATO nuclear forces are still excessively vulnerable to a Soviet "first use," because, after all, first use is our weapon. Similarly, after years of Conventional Emphasis, NATO is poorly configured to counter a quick conventional thrust.

We are often tempted, after viewing the unsatisfactory nature of this posture, to depend further upon conventional weapons for NATO defense. However, if at some point the Soviets do decide to take the risks of a full-scale war in Europe, they will do so in light of their well-established understanding of the great advantages of a nuclear preemption, and they will be able to choose their own time and place.

The doctrine of deterrence by threat of general nuclear war will always have connected with it some elements of doubt, some difficulty in making it believable. With the trends which appear to be occurring and which I will cover subsequently, its credibility can only be further eroded. The erosion will be the deepest relative to our external commitments, and so our NATO policy can only become less and less satisfactory unless some determined effort is made to emphasize a policy of defeating, or at least stalemating Warsaw Pact action in Europe.

* * *

Returning then to the basic strategic policies of the two nations, the United States put deterrence in a supreme role and considers any policy beyond that role as essentially futile. The Soviet position, that they will attempt to survive and prevail, is considered a doctrinal policy with little basis for successful acceptable accomplishment. But can the Soviet Union expect to survive a central war? It would appear reasonable to them to make the attempt. After a high-level nuclear exchange, the Soviets can expect to have surviving a large population, possibly still the third largest in the world. This population will constitute a nation if they can take the steps to prevent anarchy and protect that nation from its external enemies.

Relative to the internal problem, it does not take much imagination or very large resources to guarantee preparation for the dispersal or hardening of large parts of the police apparatus and of the party bureaucracy. Further, in a wartime situation, the supplies necessary for subsistence survival for times like a year appear to be compatible with peacetime storage practices with modest additions in certain areas.

Relative to the external problems, the Soviet military literature shows a keen understanding of the steps necessary to keep a land army relatively invulnerable to "blind" nuclear attack, and the Soviets have made the preparation for large and survivable nuclear forces directed at regions on the Eurasian continent. They should be able to plan on the survival of large conventional military forces. These forces may have been badly damaged logistically in the nuclear exchange, but the Soviets will be able to enforce even higher levels of damage on the forces of any likely opponent. Further, after a high level nuclear exchange the number of Soviet nuclear weapons surviving is likely to be much larger than those of the rest of the world. Under these circumstances, the Soviets

should be able either to conquer or coerce *all* of their neighbors, and demand and receive from those neighbors "reparations" which can rebuild the Soviet economy in a relatively short period of time.

The Soviets, of course, have no guarantee that they can make this all work out; but, considering the state of the world and the Leninist view about the stability of the West, they certainly have a reason to try. All of the data concerning their military buildup and their relative priorities would indicate that they are trying.

On the other hand, what has happened to the US view of our nuclear deterrent? In the 1960s, the US national position was that the deterrent was important and we were determined to keep it healthy. Mr. McNamara indicated the following to Congress in 1966:

The vital first objective, which must be met in full by our strategic nuclear forces, is the capability for Assured Destruction. Such a capability will, with a high degree of confidence, ensure that we can deter under all foreseeable conditions a calculated, deliberate nuclear attack upon the United States or its allies. This capability must be provided regardless of the costs and the difficulties involved.⁶

In other words, we will do what is necessary. However, by 1975 a different nuance is added to our position. Secretary Schlesinger told the Congress:

It is not within the realm of possibility for the United States or the Soviet Union to deny each other the ultimate ability to destroy the urban industrial base of the other's civilization.⁷

Secretary Schlesinger went on in the statement to indicate this situation would be true for "several decades—as far ahead as we can see." In other words, nothing need be done. Secretary Brown has expressed similar views except not in quite as absolute terms.

These views are not simply those of Secretary Schlesinger and Secretary Brown; they are a prevailing view within much of the defense establishment and have created a significant level of complacency concerning the actual health of our strategic forces. Contrasting, and sometimes countering, this tendency is the growing worry throughout our society that the large growth of Soviet strategic strength is somehow very dangerous. These two attitudes seem to be the pressures which are determining the direction of the US force evolution. What are these directions? I will review the health of US strategic forces—one force at a time.

* * *

As I indicated in the opening comments, the size of the present Soviet ICBM force can potentially constitute an extreme threat to the Minuteman force. The issue of whether such a threat is now in existence or when it will be in existence is determined primarily by the CEP of the Soviet missiles. The trends in the accuracy of ballistic missiles are relatively clear; the exact status of Soviet technology is not. However, historical trends can illuminate the likely situation. The United States and the Soviet Union started in a relatively similar position in their technologies—both "captured" the inertial guidance technology of the German V-2 system. If this guidance system had been placed upon an ICBM, the CEP would be expected to be somewhere in the neighborhood of 50 or 100 miles. Both the United States and the Soviet Union deployed inertially guided ICBMs in the early 1960s. It is very likely that at that time these weapon systems had CEPs in the neighborhood of one mile; it is likely that they would have used other types of guidance techniques if they had not been about that good. This is a very dramatic improvement in

technology, a gain of about a factor of 50 in a little over a decade. The other surprising feature is that two nations, working in relative isolation, having at that time very different degrees of technological sophistication, made such similar improvements. Significant continuing improvements in inertial guidance appear to be taking place. There appear to have been a number of indications in the press about CEPs in the neighborhood of 1/10 of a mile; and at the 1970 Pugwash Conference, D. G. Hoag [7], the Draper Laboratory Director of the Apollo Guidance and Navigation Program, indicated that he felt that CEPs of about 1/60 of a mile were reasonable expectations for the not too distant future. In other words, if a weapon system CEP is not good enough for a given mission, just wait a bit and it is likely that a new system will be good enough. This technological path has been clear for about a decade, yet as recently as this fiscal year's budget requests, only about 1/8 as much money was being spent on the basing research for the MX missile system as was being spent for the research on the missile itself—in my mind obvious complacency both on the part of the Air Force and the Nixon and Ford administrations.

What is the view of the new Administration concerning this problem? One should expect that the Moscow/SALT reduction proposals would constitute a measure of the desirable world as seen by the President. In connection with a modest reduction in Soviet force level, all new ICBMs, including mobile ones, are to be banned. Under these circumstances, one might expect some slight slowing of Soviet advances in the guidance area, but one cannot expect to irapee greatly these improvements. Yet the reduction proposal will allow the Soviets more than 4000 ICBM reentry vehicles—the Minuteman problem is not solved and we are allowed no options for fixing the problem.

A reduction in levels of arms may under many circumstances be a desirable outcome of SALT and indeed any reduction can make it somewhat easier to find a solution for the Minuteman problem. But a reduction of this modest amount coupled with a freezing of Minuteman's present configuration appears to be only counterproductive relative to maintaining survivable forces. I can only interpret the reasons for this proposal to be connected with a general complacency about the *actual* health of our strategic forces as compared to a concern for public *perceptions* of Soviet strength.

* * *

Let's turn to the bombers. As described earlier in this paper, the Soviet air defense systems are large, extensive, varied and improving. Their effectiveness does not depend upon further growth, but rather upon relatively subtle technological details. Technologies which may or may not be presently incorporated into that force, but which have been US state-of-the-art for more than a decade, could make that defense very effective. The Soviets clearly keep working on this problem and in spite of their general technological inferiority to the United States, they should be able to solve it. For this reason, if the bomber forces are to continue as an important part of the deterrent, penetration techniques must be vigorously improved.

How does President Carter's recent decision to cancel the production of the B-1 and instead to deploy an air-launched cruise missile impact our capability to penetrate Soviet air defenses?

The B-1 has significant penetration advantages relative to the B-52. The lower penetration altitude and higher speed of a B-1 would stress the defenses more than a B-52. However, the B-1 would still need to use penetration aids for confident penetration. On the other hand, the cruise missile due to its small size, minimal flight altitude, and particularly sheer numbers represents the most impressive penetration technique invented since the incorporation of the low-altitude attack mode into the B-52 force.

Given the choice described by the President, either the B-1 or the ALCM, I believe the right choice was made and I hope that this decision indicates an appreciation by the Administration for a need to vigorously improve the effectiveness of our forces.

However, published statements do not fully support this hope. Only three weeks before the announcement of this decision, the *Los Angeles Times* quoted President Carter, when discussing the forthcoming decision, as emphasizing:

...the impact on our own nation's consciousness of our adequacy of defense [and] the general image of whether or not we are aggressive in providing an adequate defense force.⁸

There are other aspects of this decision which are worrisome. Judging from the past, the Soviets are unlikely to give up on air-defense just because the US is fielding an impressive new weapon system. What improvements are they likely to pursue? A cruise missile is not an invincible weapon, but any planner faced with several thousand of these missiles is likely to look for ways of destroying significant fractions of them *before they are launched*. It is likely that the Soviets will look for ways to attack the carriers at their bases or during midcourse—outside the boundaries of the Soviet Union.

The threat to the bomber bases may come from the Soviet SLBM force. The rapid expansion of that force has apparently overloaded their maintenance and overhaul facilities⁹ which in turn may account for the rather low utilization rates of the Soviet submarines. As the Soviet force matures, more of the boats are likely to be at sea and they may begin to have a significant number of patrols near the US. These circumstances could threaten US strategic aircraft at their bases. Since the B-1 has significant escape advantages over a B-52, if this threat develops the B-1 would contribute greatly to force safety and this, plus the fact that a B-1 force *with cruise missiles* is likely to have penetration advantages over a B-52 force with those missiles, makes the termination of the B-1 regrettable. However, it is a reversible decision if the need arises.

However, there appears to be the possibility of a virtually irreversible aspect of the present decision. The President has indicated that we are willing to agree at SALT to limit the range of air-launched cruise missiles—the expected limit being, in the President's view, adequate. Various published reports indicate that this limit is 2500 km (1350 nm), but Mr. Zbigniew Brzezinski's April news conference indicates this range is negotiable—in this context, of course, if the number changes it will be downward.

What range is adequate? Given the present general configuration of Soviet defenses, 2500 km is probably adequate. However, here and in the Soviet Union, the technology of both nuclear delivery systems and sensors is developing in a direction which is very likely to make midcourse defense systems feasible. As I indicated before, the cruise missile is very likely to accelerate Soviet efforts in this area. If these defenses do develop, any treaty obligation to stay with ranges of 2500 km or less is likely to be very painful.

But what about SALT II? What should our position be? The Soviets have given up nothing in SALT with respect to their aircraft defenses. There has been no agreement, or as far as I know, no serious US proposal, to limit in any way the size or quality of these defenses. Under these circumstances, it would appear both wrong in principle and wrong in practice to accept any limitation on penetration techniques or aircraft armaments. Indeed, a more reasonable position is a US demand that we be compensated for the large Soviet defenses. I can only interpret the US SALT position as due to an Administration opinion that our forces are fat and hence we can give away advantages.

* * *

The United States then appears to be willing to discount the survivability of the part of the Triad that constitutes a thousand aimpoints, Minuteman. It appears at least compromising concerning the part of the Triad that constitutes about 50 peacetime aimpoints, the bombers. Presumably the complacency is due to confidence in the SLBM force—a 25 aimpoint system. Even if the Soviets felt that they had no opportunity of reducing the effectiveness of this “invulnerable” force, it would still make sense for them to continue to pursue methods of reducing the effectiveness of the ICBM and bomber forces. In the case of a war, any significant reduction in this effectiveness will ease the Soviets’ problems in recovery. Further, if they should successfully counter both of these forces, then they probably have good reason to believe that after a Soviet counterforce strike, the US President would most likely sue for peace while still withholding the SLBM force.

However, how absolute is the invulnerability of the Polaris/Poseidon force? As in the case of Minuteman and the bombers, there are technologies developed by the United States which if deployed by the Soviets could have a very substantial impact upon the survivability of the Polaris force. In this case, however, the situation is different from that of the missile and bomber forces. We have no evidence that the Soviets have with much success pursued conventional ASW technology, the detection of submarines by acoustic techniques. The Soviets may have recognized that the successful US efforts in producing quiet submarines have made conventional ASW very difficult for them. In any case, they appear to have taken a different approach. For instance, in a 1965 *Morskoy Sbornik* (Nautical Miscellany) article, A. L. Prostakov wrote that:

These and certain other shortcomings lead to the conclusion of the desirability of creating means of submarine detection based on nonacoustic principles.

The objective prerequisites for this are found in the physical fields of the submarine, which make it possible to design various instruments reacting to one or another of these fields.¹⁰

Prostakov goes on to discuss, using unnamed foreign references as illustrations, a number of nonacoustic ASW techniques involving radars, magnametric devices, gas analyzers, infrared detectors, television and visual devices, and lasers. Since this discussion appears in an unclassified paper, one may feel that the Soviets have shown these techniques to be poor. However, there is a large number of articles of this type in the Soviet open literature—an indication that the Soviets may be pursuing nonacoustic ASW techniques vigorously. Admiral Gorshkov’s December 1974 *Morskoy Sbornik* article on naval developments may be referring to these techniques.

On the basis of the latest advances of science, technology, and production, the mission to repulse and disarm that (SSBN) threat was accomplished successfully.¹¹

While this statement will be regarded by most Western observers as a considerable exaggeration, it nevertheless suggests that Soviet Navy policy is to pursue the development of new ASW techniques to reduce the threat of the US SSBN forces.

Such a view is consistent with the high level of oceanographic research in the Soviet Union—much greater than in the United States—and in the many open literature technical publications that concern nonacoustic phenomena that have ASW implications.

There could be significant technological surprises in this area. We do not know that it will happen, but we have opened ourselves to the possibility. However, even if the Soviets do not succeed in finding a method of countering the Polaris force in this fashion, they have other options.

As I indicated, the alert force consists of about 25 boats. These boats have been carefully monitored with respect to their exit and entry into their bases by Soviet intelligence trawlers for many years. It does not take a large amount of imagination to conceive of a variety of ways in which this small number of vitally important facilities could be either sabotaged or tagged by a determined foe. It is hard to believe that this possibility has not entered into Soviet consideration.

What are the US defense establishment's attitudes relative to the health of the SLBM force? In this particular case, a very valuable improvement is being planned. The Trident I missile, the C-4 missile, is in development. This missile can be deployed both on the new Trident submarine as well as aboard the Poseidon submarine. The range of this missile is comparable to that of an ICBM, and the operating sea-space which it will allow the boats to occupy may be increased by as much as an order of magnitude over that of the Poseidon force. One would expect then that any broad-area search threat would be very significantly reduced by the deployment of such a force.

On the other hand, at the same time, the Trident submarine has been designed and is being built. This behemoth of a boat is so expensive that the Navy was forced to put 24 missiles aboard rather than the previous 16 in order to keep the cost per missile anywhere reasonable, thus reducing the potential number of boats for a given number of missiles. While this boat is expected to be very quiet, the large size is bound to make other possible observables larger than the present force. Further, in the Moscow proposals, the United States not only intends to limit the testing of ICBMs, but the testing of SLBMs. The very considerable gain due to the expected deployment of the C-4 missile could be significantly delayed by this procedure if that missile gets into some kind of testing trouble. The design of the missile is a very considerable technological advance over present missile systems; and when such a jump is planned, troubles can also be expected. . . troubles that could be difficult to fix with a testing limit.

* * *

Most of the above comments concern decisions of the present Administration, but a detailed examination of the decisions of the last eight years leads me to the same general conclusions concerning the attitudes of the Nixon and Ford administrations, the Services and the operating commands—a complacency about the detailed health of the forces contrasted with a largely undirected worry about Soviet force levels.

To summarize, the Soviets have pursued over recent years a fairly consistent policy of a broad buildup of military forces designed for most possible contingencies including that of a central nuclear war. The potential of success in their moves is beyond anything that would have been expected in the mid-1960s, and the continuing US defense attitudes give little promise of reversing that trend.

* * *

The one phenomenon apparent in the US society which might reverse the trend is the largely undirected but real uneasiness on the part of the American public and much of the US Congress relative to the Soviet massive military buildup of recent years. Whether this phenomenon does reverse present tendencies is probably greatly dependent upon Soviet actions. The Soviet Union has acted in a fashion which would lead one to believe that they view the decreasing effectiveness of US military forces as an irreversible phenomenon. Relative to the expansion of their forces, they seem to have shown little restraint for the sake of influencing US opinion. On the other hand, Soviet experts in US politics, such as Mr. Arbatov, show a very clear understanding of how to manipulate information in order to play to our prejudices.

In the past, the Soviet Union has had a conflict of interest relative to the publicity concerning their military forces. On the one hand, it was important to them to impress both the United States and the rest of the world with their military strength. On the other hand, there should have been a natural desire not to exaggerate US reactions. Soviet force levels are such now, and the world's perception of those levels are such that it would appear that the first purpose has been largely accomplished. Under these circumstances, one may not be able to plan on the Soviet Union always saving us from our own folly. It is clear, as I indicated before, that most of the important military improvements in the strategic area can be made with Soviet forces of the present size. Many improvements can consist of detailed technological changes which can be either hidden or obscured from Western intelligence collectors. Under these circumstances if the Soviets choose to play to our public opinion the dangerous trends, which I believe I have described here, can continue.

ENDNOTES

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Panel 1

Negotiations, Limitations and the Prospects for Enduring Stability:

Three Sets of Criteria for Arms Control Negotiations

Honorable Fred C. Ikle

Arms control agreements are an attempt between adversaries to cooperate on issues both central to their conflict and vital for their survival. Therefore, arms control agreements are subject to strains and stresses more than any other kind of agreement. They have to be judged by three different sets of criteria: (1) the extent to which their terms contribute to our arms control objectives, (2) their effect on the adversary relationship (Which side gains?), and (3) how large the risks of non-compliance or abrogation by the adversary.

The Soviets regard each of these sets of criteria differently. On the first one (the "arms control objective"), they tend to stress political and propaganda implications more than we do. The second set (Which side gains, which side loses?) is probably of overriding importance to them, far more important than the question of whether the agreement is good arms control. The third set (problems of noncompliance), we must assume, the Soviets view entirely differently than we.

Arms Control Aspects

- Does the agreement result in "good arms control?" The answer to this question, of course, depends on one's arms control objectives.
- The threshold test ban was criticized (for example, by the Arms Control Association and the FAS) for being "bad arms control": formally sanctioning testing up to a high yield and making seem less urgent a comprehensive test ban. Some also expressed concern that the threshold test ban would strengthen the objections to a comprehensive test ban by focusing on the verification problems. (Or to put it less charitably: The TTB was objected to because its inner logic makes it clear that a CTB can be verified down to a certain threshold only.)
- SALT has been criticized for (1) too high ceilings (Vladivostock), (2) stimulating the arms competition because of the need for "bargaining chips," (3) not solving the vulnerability of the Minuteman. A more detailed point of criticism relates to the fact that, for historic and verification reasons, SALT locked in on delivery vehicles rather than throwweight, whereas for stability reasons one would want many small launchers. President Carter's comprehensive SALT proposal is an attempt to obtain more in behalf of arms control objectives.

Effect on U.S.-Soviet Adversary Relationship

- Understandably, the most tenacious bargaining takes place about those terms where we would stand to gain what the Soviets would lose: "zero-sum" issues directly relevant to our adversary relationship. Backfire versus cruise missiles is an example.

- Almost every arms control agreement is scrutinized from this point of view. The Interim SALT Agreement has been criticized for conceding to the Russians larger number of missiles.
- Looking at the historic trend, the United States has done poorly on the adversary dimension. The benchmark for an acceptable or "fair" deal has constantly eroded in the Soviet Direction. In the 1950's, we rejected nuclear arms limitations unless coupled with a reduction of Soviet conventional superiority. In the early 1960's, we expected the Soviets would not try to catch up in strategic arms and proposed a freeze that would have preserved some of our advantage. And the same was the case with our proposal on fissionable materials. In 1968-69, we at last accepted parity levels as the price for SALT; but then in 1972 we found it necessary to settle for inferior levels, and some of this inferiority has since been carried over into Vladivostock (the heavy missile limit: zero for us, some 300 for them). A troublesome question is whether a key objective of the Russians in arms control negotiations is to promote and accelerate this erosion of the benchmark as to an "equitable" deal.

Noncompliance and Abrogation

- For this set of criteria, US and Soviet concerns are entirely asymmetric (in contrast to the preceding set). Soviet negotiators often try to trade concessions on these asymmetric issues to improve terms affecting the zero-sum issues. That is to say, they try to obtain more favorable arms limits than we "in exchange" for making these limits verifiable. By and large, we have resisted paying for verification by granting the Russians larger numbers in this or that weapons category.
- It ought to be the US objective to make arms control agreements under which US security would not be jeopardized in a major way if they were violated (with timely US response) or abrogated. In particular, the violation must not become "fatal" before we have time to respond.
- The effort of keeping agreements viable (maintaining Soviet compliance) is a continuing task, consisting of five elements:
 - (1) Specifically in the terms of the agreement so that verification can produce "yes" or "no" answers. (We always encounter an uphill fight in seeking such specificity, but it is essential for verification to function properly.)
 - (2) The capability to verify, even if—or rather, particularly if—the Russians use deception.
 - (3) The political determination to reach a verdict if the technical readings indicate a violation. It is for this step that specific treaty language becomes so important: to help us resolve whether or not we are confronted with a clear case of violation.

(4) The political determination (if the violation is serious and not corrected) to abrogate part or all of the arms control agreement. We might also abrogate other agreements—an act warranted under international law as a form of “retortion.”

(5) The economic-industrial mobilization capability to win a new arms race with the Russians.

—The more convincing this fivefold linkage, the more likely will violations be deterred. This points out the importance of our industrial mobilization capability as the ultimate enforcer of all arms control agreements. Yet, this capability is a badly neglected aspect of our defense posture.

Panel 2

Toward Regional Stability

An examination of regional power relationships and the US role in key regions of the world. An assessment of current US conventional forces, the maritime balance, international security assistance programs, arms proliferation implications and the impact of the human rights issue on the US role in these relationships. An analysis of US interests in Europe, the Middle East and the Western Pacific as they relate to one another and to US-Soviet relations, and the potential for new regional policy initiatives.

Chairman

Dr. Barry Blechman, The Brookings Institution

Authors

Dr. Barry Blechman, The Brookings Institution

Professor Geoffrey Kemp, Fletcher School of Law and Diplomacy, Tufts University

LCDR Harlan K. Ullman, USN, The National War College

Panelists

Mr. Steven Bryen, Senate Foreign Relations Committee

Ms. Priscilla Clapp, Bureau of Politico-Military Affairs, Department of State

Dr. Lynn Davis, Deputy Assistant Secretary of Defense, International Security Affairs

LTGEN Howard M. Fish, Director, Defense Security Assistance Agency

Dr. Colin Gray, Hudson Institute

RADM M. Staser Holcomb, Office of the Secretary of Defense

Mr. Leslie Janka, Deputy Assistant Secretary of Defense, International Security Affairs

Mr. David Kassing, Center for Naval Analyses

Commissioner Richard T. Kennedy, Nuclear Regulatory Commission

Dr. William R. Kintner, Director, Foreign Policy Research Institute

Honorable John F. Lehman, Abington Corporation

Mr. Andrew W. Marshall, Office of the Secretary of Defense

Mr. A. J. Pierre, Council on Foreign Relations

Dr. Dale Tahtinen, American Enterprise Institute

Dr. William W. Whitson, Foreign Affairs Division, Congressional Research Service, Library of Congress

Dr. Paul D. Wolfowitz, Deputy Assistant Secretary of Defense (PA&E), Regional Programs

Rapporteur

COL Daniel K. Malone, USA

Panel 2

Toward Regional Stability

Chairman's Plenary Session Summary

Dr. William W. Whitson

I thought I would try to summarize a very wide ranging discussion of cabbages and kings by highlighting what Herman Kahn suggested we call the few nuggets in the dross.

One of the biggest problems we encountered in the panel on regional stability was the definition of the term stability. That problem of definition unfortunately was left to emerge indirectly rather than to emerge from a very clear discussion of that subject. For a time we talked about outcomes to regional situations as the proper way to assess both a situation in any given region and our appropriate role therein. Stability was not accepted as a permanent status quo, but a continuing process of change whose outcomes could be favorable or unfavorable to the United States. We finally generally agreed that what we really were concerned with was a continued role for the United States—a vital, if not a decisive, role in the process of change to secure outcomes favorable to the United States.

In assessing our desired role, one central theme which I think may have affected all panels, but certainly was a ghost hiding behind some of our discussion, was the two schools of thought concerning the motives by which to define that role. One group, both last year—and I will not say the group was that clearly defined this year, which may be a mark of either maturity or greater confusion, and possibly both—but one group argued that in 1945 we had a monopoly of power, we were the world's greatest power, we had enormous influence, and we frittered it away, gave it away, bargained it away, and today we lack influence, stand essentially vulnerable, and talk about parity. We no longer talk about massive retaliation. We have lost all of the concepts that reflected an aggressive, powerful state, and we must somehow recapture that.

I am not saying that anyone on our panel said this, but there is that kind of a set of premises standing behind some of the concepts of proposed actions and perceptions of the current situation of where we should go. In a sense this school of thought reflects a perception of the past that fosters the notion that we really should try to recapture a bipolar world, that a zero-sum game is something you can plan against, that you can evaluate the status quo, and that while you cannot return to that unchallenged power position, somehow you can recapture the essentials of the superpower game while others become secondary. Hawks, one might say, fall in this category.

The other view is, yes, we were powerful in 1945. We didn't fritter away power; we transferred it. We really had no other way to go. We could not become more monopolistic; we

NOTE: Dr. Whitson delivered the Panel II plenary summary in lieu of Mr. Blechman, panel chairman, who was unable to attend.

couldn't rule the whole world. That wasn't our style. We did it, in some cases, thoughtfully, in other cases unwisely; but in many cases we fostered the creation of a hundred political units in the world and bought time for them to experiment with their own style internally and externally. In effect we helped create the kind of society that I think Herman Kahn was discussing earlier—that is, one which is a global society, a global community, which in fact poses many obstacles today to American attempts to influence situations.

In effect we wondered, given the obstacles and opportunities presented by the new environments in various regions and globally, how does the United States continue to influence those regions? If you would follow the logic of the doves as I just described it, their argument might be: We do so by attempting to create strong regional systems. That is, stability may be defined as a process within each regional system whereby their problems, whether created internally or imposed on them by the superpower and external initiatives, may be largely resolved by their own efforts and decreasingly by the involvement of the superpowers.

That is a postulate. I am not suggesting that was a consensus or that everyone was arguing this is what we should be doing. The prime question remained: How does the United States influence the evolution of these regional systems in some way to accord with American interests?

We noted, on the one hand, the existence of new obstacles created by the new world environment, and, on the other hand, old perceptual fixations. Among the new obstacles discussed were the increased diffusion and availability of very sophisticated weapons, none of which were available to major powers, not to mention minor powers, in 1945; the diffusion of economic power; and the phenomenon of resource shortages (discussed by Dr. Jordan in his Panel 3 summary).

Finally, the fact of economic interdependence has made all of these things constrain American initiatives. We could name many others: multilateral diplomacy, multinational corporations, and the way power in all of its varied forms has moved away from central control. All of these factors make it very difficult to take strong initiatives.

The fixations were somewhat a product of a lag in perception of changed world environment on the part of the United States. The panel's consensus was that we have an excessive fixation on Europe and the central front; that this, while very valid for the 1940s, the 1950s, and perhaps some of the 1960s, has been overdrawn in all the services and in our planning in the State Department; and that somehow we must shift (and I will go into that in a moment) to a different geographic focus by which foreign defense policy should be driven.

Another fixation was our continued preoccupations with military balances, particularly hardware, and with net assessment, in a sense of hardware assessment rather than doctrinal assessment. Andrew Marshall enlightened us very well with his efforts to assess doctrine and doctrinal differences rather than differences in hardware.

There is now a question of American will. I think Herman Kahn's portrayal of a mood in Congress is that it is shifting. Also, the same shift of moods is occurring among young people today. Those of you who teach have encountered some of this—that the generation of the 1960s that was rebellious and antiestablishment, has moved into other places; but the younger generation is remarkably aggressive, with one difference—they don't want us to be aggressive in the name of doing good for the world but to, in effect, eschew hypocrisy. They believe you should do what you do because you want to do it; because you are powerful enough to do it. So there is some doubt about the notion that American will is lagging and is no longer present.

Given these obstacles to action, a few opportunities did present themselves. One which frankly surprised me—because I think there is a general tendency to say that military power has lost its appeal, its image, particularly nuclear military power—was American military power. There was general agreement that American military power still retains strong residual symbolic influence in all three of the regions that we considered: Europe, the Middle East, and Northeast Asia. These local regional perceptions of the political utility of American military power might be quite divergent—that is, in one region naval power might be the form of power that was perceived to be most important, or air power perhaps in another region, or the presence of American ground troops in a third. Nevertheless, the symbolic significance of American military power has not been damaged as much as perhaps the popular mood would lead one to believe.

American technology represents an enormous opportunity. It is part and parcel of a third factor, which is the tremendous amount of residual good will that America has despite what one might believe from detractors. Certainly, American will is not something we can trade on forever to overcome our mistakes with. But American technology is the key to paradise in the eyes of many less developed countries and certainly many of the developed countries, both as a fact and as a symbol.

Finally, the appeal of the American way of life presents another opportunity to influence people. This can be overdrawn. Nevertheless, the Statue of Liberty is not just, in the eyes of many people, a concrete monument. The principal dilemma for our panel was, after 30 years of deep involvement in one bipolar system, a system which obviously has been changing tremendously—and the starting date is anyone's guess: 1962, 1949, the mid-1950s—the difficulty of knowing quite when thesis created antithesis and the synthesis really began to reemerge. But the question is: How can we attain a new flexibility? How can we attain a new flexibility to help regions help themselves without at the same time fostering an image either of the American “bugout” or destroying an old alliance system which obviously is in process? In the search for flexibility, certain alliances and old commitments are going to have to be foresworn. Even going to the image of a Fortress America the question is: How can a new system in effect be attained without creating these images and paying the costs that go with them?

THE REGIONS: MIDDLE EAST, EUROPE, NORTHEAST ASIA

In the Middle East the first thing we discussed was the notion that after 30 years of focus on Europe, it is the Middle East and the stability of that region (nonviolent change in social, political, and economic forces and in a system of conflict resolution) that are most important for the future of US policy worldwide because the Middle East has such enormous leverage, primarily, through the arteries of oil, on the other two regions—on Japan and the stability in Northeast Asia, and on stability in Europe itself. We could debate this, of course, but the impact of the 1973 war on less developed countries, on foreign exchange holdings, on treasuries, on economic development plans, and on expectations of the future was quite shocking for military planners as well as economic planners.

Having said that, we then asked: What role have we played in the region? I think it is striking, and we all were patting ourselves and planners on the back about this, that in spite of a history of really benign (if not malign) neglect in the Middle East, our influence there today is dominant. It is probably ill deserved, considering the amount of attention given in the past. But the feeling was that the American role—not just military but the general political image of the United States—is critical to both adversaries, to both sides in the Middle East. Yet several people commented that, “Remember, this can be a very transient phenomenon. Things can move very rapidly in the Middle East.” So for a moment we enjoy remarkable leverage, influence, and status. There is a promise that somehow Americans will help bring it off. Yet that could change rapidly.

The next question we addressed was: How about the role of American military power? This also surprised me. I am not a Middle East specialist. Being a China specialist, I am somewhat dubious about area specialists anyway. But I seemed to hear over and over the notion that Arabs, and certainly Israelis and apparently anyone else involved in the region, have a profound respect for American military power, actual power as well as arms sales. One could understand, given the dollar volume of arms sales to the region, that they had better have some respect for those weapons because that is primarily what they are using against one another. Nevertheless, looking for the origins of this perception, we talked about technology, both military and commercial, that these military things, these weapons, as well as the American facility for rapidly deploying these weapons, and here we emphasized especially the aircraft carrier, naval and air power, apparently symbolize a great deal to Arab leaders if not Israeli leaders. This visible evidence of American power was terribly important to stability in the region; it provided and does provide a certain base upon which leaders can make calculations—just the sheer presence of American military power.

What were the regional problems, then, that we identified? Several are very important. One of the most important, given the importance of American presence, was what was generally believed to be a tragic mistake that has occurred in our relations with Turkey, that a very important component of American presence obviously consists of the bases and the intelligence collection facilities in Turkey. What has happened in the bilateral relationship between the United States and Turkey may have a profound spinoff, a direct consequential impact on our ability to influence the whole Middle East region. So we strongly urge Mr. Carter and the US Congress to do something about that.

The other question was the problem of continued US relations with Israel. How long and in what way can a guarantee of a new system be provided? Some of you are familiar with the notion that we homeport some aircraft carriers in Haifa. There are other recommendations. I know some members of the panel took that notion only with a grain of salt and were very opposed to it.

Another recommendation was stationing aircraft carriers in the Persian Gulf and in the western Indian Ocean. (Barry Blechman has written a good deal about this.) In any case, given the importance of American naval power and the general importance of American military power, resources might well be shifted from one region, or both Northeast Asia and Europe, into the Middle East area because of the overriding importance of this region and of American continued influence in that region because of its impact on other regions.

We then moved to Europe and Northeast Asia. For my part—and I must say I am here editorializing a little—I was fascinated. I didn't know that there has been much done on this subject, but I was fascinated by the shared problems of the two flanking regions, those flanking the Eurasian land mass. We didn't really have time to go into the comparisons between the two regional systems. I happen to belong to a school in China-watching that believes China is still a regional system, that they have the illusion of central government, but there is a great deal of central regional tension at work today in China. I would say they are further along the track of an imperial central system than Europe may be. This, of course, is one of the questions that we addressed: How soon can we expect a United States of Europe? The general feeling was we are further from that goal than we were 10 years ago by virtue of such things as pressure from the Middle East and the linkage between that region and fears in Europe of economic weakness.

Indeed, I think the central point on which we all agreed was that the European system, to the extent that it has depended on strong governments, is now very frail, so frail that we cannot expect initiatives from European governments to recover economically or to recover politically from the damages of the early seventies. Therefore, the Europeans are expecting some leadership from the United States, some reassurances. In this regard, it was suggested that at the very time the

Europeans want this kind of reassurance, they are not getting it. Instead they are being criticized for the one panacea to their problems that they thought was in the offing—nuclear energy. The Administration is not at all encouraging on that.

Indeed, another solution, if not a panacea, at least a temporary holding action that Europeans felt would buy them some time to resolve their own problems, was detente. Here again they are not being reassured by the superpower relationship. So there is a great deal of suspicion among European governments and leaders about American style and American direction. Again we come to the problem: Are we in effect attempting to create a more flexible response capability while sacrificing prematurely, at a time when Europe needs some strong reassurances, the faith that European leaders have had in the past in the American presence?

That brought us to the role of American military power. Here our preoccupation with the central front was stressed repeatedly in our discussion of Europe, that in fact the sources of instability in the European system and of political and economic weakness are much greater on the flanks than in the center. Germany is the strongest economic power in Europe, and indeed, if you examine the situation, the strongest military power, and therefore a source of grave concern to the Soviet Union.

There was general consensus that American military presence is still a salient signal of American will and American commitment. Having said that, then, I found we had a fascinating discussion of the gap between the perceived capability of American military power and actual power, that is, between perceived NATO military power and its reality. There was general consensus that that gap is widening, not narrowing, despite the deployments of our tactical nuclear weapons and our theater nuclear weapons, and very limited likelihood that they would ever be used effectively or otherwise. Also recognized was the snarl of the command and communications system and the lack of NATO standardization of equipment. John Lehman gave us, I found, a fascinating factual portrayal of this situation which our technicians understand very well and which most of us agreed politicians in Europe either do not understand or do not want to pay attention to because to rectify the situation would be too costly economically and politically.

Given this gap, there was a feeling that all we need is some minor shock to the European system, not even a Yugoslav succession crisis, but some other crisis which would suddenly dramatize how ineffectual this very expensive NATO system has become; given such a shock, frail governments would have great difficulty in explaining either their blindness or their refusal to do something about this. In this regard, one suggested option was that at current costs a great deal can be done to rationalize the system in Europe and make that military presence much more credible.

Finally we shifted to Northeast Asia where I think the American role there is clearly as it is in Europe: a hostage role. The efforts of the Carter Administration are to somehow withdraw enough force, enough involvement to preclude an automatic involvement of the United States in war should one occur in Korea or elsewhere, but particularly in Korea. The problems, then, really have to do with the impact of withdrawal—timing of withdrawal: How much force is symbolically necessary to assure Asians that we are still involved? This was the nature of the discussion.

It finally came down to the question: What is the nature of a system that we would leave that would still behave out of intraregional interests in such a way as to assure our own interests would be protected? At the core of this was the fate of the PRC and its relationship to Japan.

I think the general feeling was that in order to preserve globally a triangular relationship, to keep the Soviets at bay, and to keep the Northeast Asia regional system operating, the central government of China must remain strong and independent. How much closer it might be to Japan remained a question mark and one that is worthy of considerable study and debate.

Let me conclude with the notion that I think while the panel did not offer this conclusion, a major revolution has occurred since 1945 in the focus geographically and functionally of American interests and its applications of power. This is very difficult to digest on our organizational system, our planning system. Geographically the focus shifted to the Middle East, which drives a great many of the perceptions and outcomes of events elsewhere. Functionally, the shift has occurred from military power, which remains symbolically very important but very difficult to use, to economic power.

Panel 2

Toward Regional Stability

Rapporteur's Report

COL Daniel K. Malone, USA

INTRODUCTION

Panel II examined US roles and interests in each of three regions: Europe, the Middle East, and Northeast Asia. The purpose of the discussions was to air conclusions and recommendations to assist national security policy formulation. The purpose of this report is to record those conclusions along with the consensuses or polemics supportive of them or preventing an agreed position.

Specific trains of collective thought of the diverse group of panelists were difficult to capture intact. However, the threads of logic do coalesce somewhat holographically into substantive thoughts possessing a synergy of their own which might be missed from a single panelist's perspective. It is hoped the essence of argument is accurately reflected, especially wherein the same or similar facts were variously interpreted by several panelists.

The panel proceeded from a general session to which additional regional issues concerning the North Cape, the Persian Gulf, and the Indian Ocean were appended, to discussions of specifics. The additional regions were discussed again in their interrelationship to the three regions on the agenda discussed in order—Northeast Asia, Europe, and the Middle East.

THE GENERAL DISCUSSION

The panel met the problem that a given US action could simultaneously serve divergent purposes when considered in the global sense on the one hand and in the regional sense on the other—not necessarily simultaneously beneficial in each sense. This divergence was supported by the thrust of the two papers submitted as the basis for panel discussion. The Kemp-Ullman paper tested the global situation, with US-USSR strategic parity accepted as a reality, against US force flexibility in regions made significant by US-USSR global strategic objectives. The regions in question were North Cape and the Persian Gulf. Mr. Blechman's paper, on the other hand, examined each region in its own terms.

The general discussions, ranging across both global and regional contexts, nevertheless pivoted on the questions, "What are the US interests?" "What is the US role in the world of the 1970s and the 1980s?" "What is, in fact, the stability which seemed taken as an a priori accepted objective of US policy?"

Articulating US interests proved difficult. Those on which the panel could agree waxed too broadly. Those too specific could be dismissed in passing as time sensitive. A general US objective emerged of keeping open our sources of raw materials, keeping access to our markets, and keeping other nations in our camp by combined military, political, economic, and psychological lines of effort. One specific objective survived uncontested: to keep oil flowing at the lowest possible price. The discussion, moving over a variety of general issues and the two additional regions, North Cape and the Persian Gulf, continued to reflect the divergent vectors of regional and global significance of single actions.

Some contended that battles in a US-USSR conflict could not occur as independent engagements in North Cape and the Persian Gulf as allowed in the Kemp-Ullman paper, but only as part of a general, global strategic war. The contention did not negate the significance of US actions in both areas in a regional sense, however, as propositions the value of arms transfers to the regions, and reassignment of carriers from the Pacific to the Mediterranean and to the Indian Ocean were made. The carrier redeployments evoked far from unanimous acceptance, though arms transfers, including those to Iran seemed to receive acceptance both in the regional sense and in the geopolitical strategic sense contemplating superpower war and its deterrence.

Three specific trends in US ability to intervene in regional disputes wherein US interests or, as some preferred to phrase it, to secure outcomes favoring US interests, were noted and generally agreed upon. First, it was generally agreed that US capability for projecting military power regionally has lessened. Second, a corresponding rise in regional capability to resist our intervention caused by the diffusion of arms to the Third World where the Soviet Union is or can deploy, or where higher technology weapons already are deployed, raises the power threshold to make military intervention possible. A third trend discussed was that declining base rights and diminishing access to facilities we would require to support force deployment further restricts US freedom of action in projecting military force into areas in which the United States might wish to intervene.

A corollary to the latter is the commitment, often by treaty, of US forces to, for example, NATO, and the restriction on their use, redeployment, or withdrawal, should, as in 1973, local regional interests not coincide with our own objectives of intervention, arms transfers, or other support in another region. Raising the issue of conflicting interests introduced the second major question, "What should be the US role in the world of the 1970s and 1980s?" Two schools of thought subsequently were articulated.

The first line of reasoning was that the United States, emerging the unchallenged power in the world following World War II, has frittered away its power and should restore a bipolar status quo. The second school held, contrariwise, that the United States, by the Marshall Plan and a series of military, economic, political, and diplomatic actions, bought time for regional systems to develop and should now let these systems resolve their own problems, be they internally or externally generated. While neither model was formally adopted, the flow of subsidiary questions underscored their overpowering fundamentality: Should the United States maintain an intervention capability at all? Are interests other than in NATO sufficiently vital to be fought for, or if so, could they be fought for? At what point if any, should the United States intervene when a Marxist government takes over in, say, a small Caribbean country? Does it matter *how* a Marxist government takes over? Would a civil war in the country be prerequisite? What cost can we accept in regional stability in exchange for global strategic changes in balance? How is an intervention force sized? Does stability equate to military power as the two papers, unintentionally, appear to assume?

The ebb and flow of discussion reached no certain conclusions. The point was made that wars break out in unexpected ways and places, that interests change, and that a war could be fought in

one locale for reasons rooted entirely elsewhere. Although the panel was not intended to provide time nor place nor detailed expertise to address what specific size or type of intervention force might be desired, near unanimity congealed from a statement that the unexpected is not necessarily an empty set, that it is possible to plan in advance and that flexibility, much more so than exists with present force structure, is needed.

Discussion threaded its way to the third of the panel's main thematic questions, "What, in fact, is regional stability?", then turned to drawing conclusions. Regional stability, never questioned as a desirable US objective, was redefined as a more fluid situation than often assumed, amounting to regional change whose outcomes favor the United States. Influencing these outcomes, it seemed agreed, requires the capability to regionally intervene. Furthermore, clear regional perception of an intervention capability must exist if regional diplomatic initiatives are to have effect. The panel also concluded that:

1. NATO draws too much of the focus of US force planning and force structuring. We should diversify our portfolio of investments.
2. More flexibility than presently exists must precede an improved perception of the US capability to intervene. We should maintain the perception that the United States can act militarily if it so chooses.
3. There may be conflict between President Carter's present arms transfer policies and the possibility of substitution for US capabilities by proxies.

THE REGIONS: NORTHEAST ASIA

Mr. Blechman relinquished the chair at this juncture to present his paper for the panel's use as a basis for discussion. The paper proposes withdrawal of the Second Division from ROK, leaving the air wing, intelligence, and communication activities in place, and redeploying part of the Pacific naval forces to the Atlantic for more probable Mediterranean requirements vice the usual 50-50 division of naval force between Atlantic and Pacific Oceans. The paper also envisages withdrawing nuclear weapons from the Korean Peninsula.

The discussion generated much interest because three of what were noted as becoming the four most novel areas of policy in the first year of the Carter Administration were involved:

- Revision of positions on nuclear proliferation
- Withdrawal of troops from Korea
- Rediscussion of arms transfer policies
- Human rights (deferred to Panel IV)

The panel generally agreed the troop withdrawal would not severely impact the military balance between South and North Korea. However, the political symbolism, psychological effect, and interweaving with nuclear and conventional arms issues in the region invited wide ranging possibilities for change in the overall regional balance.

Some panelists believed Korea a case where the military balance does equate to stability and that the uncertain outcomes of changing it after 20 years of effective results involves unnecessary risk.

Others believed some instability would be desirable so as to propel Japan towards a more active regional role. It was noted the PRC, too, desires a wider role, though not necessarily benign.

The very large psychological impact on the regional political balance was discussed in terms of the paper tiger image deriving from the soured Vietnam experience. The point was made that credibility of US intent to defend Korea was not a function of presence or absence of ground troops but of commitment. Naval power, according to one panelist, holds more historical regional significance. Contrariwise according to another, a US division fanned out in front of Seoul was considered the best deterrent in the eyes of Japan, the United States, the USSR, and the PRC. To highlight the special importance of the psychological dramatization of force adjustments in Korea's case, a panelist reminded the group that, in the last renegotiation of US use of Japanese bases, Japan asserted the right to case-by-case consultation. She could reason to deny base use to support a US return to a Korean war not only on grounds she might not agree with fighting the war, but if she merely believed the United States might not follow through.

Extrapolating the Korean discussion to the global strategic sense elicited general agreement that the Soviet Pacific Fleet, due to geographic constraints as well as relative naval power vis-a-vis US, plus present, let alone reawakened, Japanese naval capability posed no grievous threat. The argument was used to help provide the freedom of action to redeploy selected US carrier task forces for employment in the Mediterranean. However, the same argument was used contrariwise, highlighting Japan's ultimate reliance on the sea lanes to the Persian Gulf for oil, as well as the fact that the bottling effect of the Mediterranean and Suez make a Pacific approach to the Indian Ocean/Persian Gulf far more strategically important for the United States as well as for Japan.

Debate weighed the pluses of withdrawing troops against the minuses of inviting ROK, Taiwan, and Japan to pursue nuclear capability of their own to counterbalance US retrenchment and parried the pluses with minuses of necessitating arms transfers, otherwise avoidable. Arms transfers traded their minus image for a plus when later presented as a desirable substitute for US troops.

The panel, again arguing the global strategic sense, noted the desire on the part of the PRC that the United States remain a power in Asia counterbalancing Soviet Asiatic military and naval force deployments and intentions. The role of a strong NATO from the PRC perspective was noted, punctuated by observing that China is not as unified as is implied by one school of China-watchers, and therefore needs insurance to buy time.

Some panelists raised the question of possible transfers of defensive weapons or medium technology early warning equipment to the PRC, with a general response of "bad idea." A plethora of agricultural and technological avenues of assistance were obvious along with other politico-economic measures, which need not await formal normalization. Subliminally, a tripolar US-USSR-PRC strategic balance was welcomed with its operative value being global deterrence.

Casting the regional issues in another perspective, one panelist observed that Japan especially, and Korea following suit, have adopted Western technology and Western style industry, spurred by our own example and encouragement. The phenomenon is likewise true in other parts of Asia. The question now turned, he said, to how we can withdraw militarily while keeping our access to raw materials and availability of markets.

Discussion returned to the regional military balance. Would US troop withdrawal stimulate nuclear initiatives? Would arms transfers abate desires for indigenous nuclear capability, or simply whet the appetite? While no formal accord was reached, the frequency and decibel level favored being bountiful to assure a successful withdrawal but with commitment sustained, and to dampen nuclear proclivities insofar as such dampening is possible.

The cornerstone argument favoring troop withdrawal to which the panel invariably returned, was that troop presence would involve us automatically in a ground war in Asia. It was generally agreed a US President would prefer an option, or at least a calculated ambiguity.

EUROPE

The panel reflected far more unanimity in the regional discussions concerning Europe than about any other region. The US objective was simply stated, keep the Soviets out of Western Europe.

Discussion began with raising the question, "Why has not the military balance lost its salience in view of the political East-West balance?" Points counterwise emerged in rapid series. The economic aftermath of oil price increases left the state of health of European economies severely hampered. Present European governments, with possible exception of The Federal Republic of Germany (FRG), were relatively weak—their options curbed by the threat posed from opposition leftist parties.

Politically, Eurocommunism was described as playing a particularly significant role in a discussion which seemed to receive less panel reaction than it deserved. Eurocommunism, it was said, experienced three phases:

- The Portuguese phase about 2 years ago.

- The Italian phase about 1 year ago.

- The French phase now, with the elections in 1978 looming crucial and portending uncertain outcomes ranging from a constitutional crisis and Communist control to a more likely Socialist-Communist compromise.

On the other hand, expanding Eurocommunism adds to the centrifugal forces working against European political unification. On the other, the schism between Eurocommunists and the Soviet brand fosters liberalization in Eastern Europe and invites opportunities to further it.

Economically, the Common Market was observed as simply treading water. A Europe far from recovered from worldwide recession would resist increasing their defense budgets. Economically, there is less cohesion than existed 10 years ago.

Against this political-economic backdrop, a theme developed best expressed by noting that while the USSR is a European power, the United States is a power in Europe. Europeans, viewing US political trends, begin to question the permanence of that role, hence, the salience of the military balance looms quite large, not only militarily but in the context of buttressing political stability and economic cohesiveness. Consequently, what improvements will be made in the overall balance will come only if leadership is exerted by the United States. The Europeans will probably do enough to please the US Congress, but not enough to reflect that there is a tradeoff in scale between US and European contributions.

Europeans were characterized as suspicious of the new Administration's style, especially US emphasis on human rights which to Europeans appears carrying US-USSR relations and detente on a downward trend and of the new Administration's policies regarding nonproliferation. The human rights issue was the domain of another panel. The significance of nonproliferation policies was clarified by noting Europe's vision that nuclear energy holds the solution in advance for another Mideast oil embargo or catastrophic rise in price.

The panel developed positive recommendations for future policy evolutions. There was general agreement:

—That we need to study Soviet doctrine, such as its focus on fighting via alliances and its emphasis on command and control survivability and redundancy.

—That arms control should extend to BACKFIRE, SS-20, SU 19, or SU 24 type weapons in order to be operative in this most serious area of potential imbalance and where the arms race is most intense.

—That cruise missiles potentially could substitute for Pershing missiles and Quick Reaction Aircraft, militarily to threaten fixed rear area targets such as rail heads, and politically, to rectify the imbalance stemming from Soviet targeting of West European cities and not the reverse.

Finally, it was agreed that NATO could muster significantly greater capabilities from existing resource levels, if it could rationalize its forces so they could operate together, depend upon one another more, and standardize weapons and equipment to a greater degree.

MIDDLE EAST

Identifying US interests in the Middle East came quickly. Protect the oil flow. Help our friends, Arab and Israeli alike, and ensure the survival of Israel.

In the 3 days of meeting, a perception emerged that the focus of importance since World War II had really become the Middle East, whereas our preoccupation with Europe tends to obscure that fact. In retrospect, it may be that importance is being confused with immediacy, that a more fine-tuned perception at large within the panel was that preoccupation with Central Europe obscures the global-strategic cruciality of the flanks from North Cape to the Persian Gulf. If in fact Mideast oil captures the focus of US-USSR strategies, then the European Peninsula becomes the flank and the Indian Ocean approach, mentioned elsewhere, assumes an entirely new level of interest. Unfortunately, the Indian Ocean was not a region tabled for discussion and shift in perception of a need to make the Mideast the focus of US global strategy occurred too late to be pursued, or even to establish the validity of such a premise. Perhaps next year's panel could reopen the question. With few exceptions, discussion of Middle East issues remained in the regional context and did not spill over into the global-strategic.

It was generally agreed that the perception of US military power—that the United States could dictate the outcome to any conflict in the Middle East—fundamentally underpins US policy in the region. The perception comes to the fore in crises, but even at other times—like now—it provides leverage which enables the United States to influence moderate Israel and Arab states to arrive at a peace settlement or to influence oil prices.

The basis of this perception was stated to be a long heritage of good will and close relations, respect for US technology, nuclear strength, preference for US weapons over Soviet, and visible evidence of US capabilities, particularly Sixth Fleet carriers. Though unspoken, the first day's thesis of the US need for perceived ability to intervene as backup for diplomatic influence seemed party to this discussion by silent acclamation. Though no unanimity was apparent, concern was expressed that if US arms transfers to the region were unduly limited, the perception of US power might erode. The long-term success of the United States and relative lack of it by the USSR in this region was brought to the fore as a factor in the reality as well as the perception of US power.

Turning to US military capabilities in the region, the erosion of US-Turkish relations was singled out particularly and emphatically as a critical factor limiting ability to project military power into the region and/or to prevent the Soviets from intervening. It was noted that if the Turks begin to view their historically brief connection with Europe as a mistake, internal political ability to reverse the trend might be found wanting.

With considerable optimism, the panel congealed two recommendations for Administration policy in the Middle East:

—One, that steps be taken to correct US-Turkish ties.

—Second, because the confluence of events supporting a perception of US prowess may be transitory, steps should be taken toward a peace settlement before the window in time has passed.

The Balance of Conventional Forces and the US Role in Assuring Regional Stability¹

Barry M. Blechman

Discussions of the now 12-year long build-up of Soviet military power tend to focus on gains in strategic nuclear forces. This is understandable. After all, these are the only Soviet forces that threaten US territory and society directly; and the growth in their capabilities has been stark and foreboding. Still, improvements in Soviet conventional forces, if not as dramatic, have been taking place long enough so that the cumulative impact has been marked. And, even though Soviet conventional forces do not threaten US territory directly, they are arrayed against comparable US forces in third areas, where trends in the balance of conventional military power are believed to have significant influence on the course of political events.

Consequently, assessments of the trends in relative US and Soviet conventional military capabilities are essential elements in determining the appropriate response to the Soviet build-up. Such assessments are provided in the pages that follow for three regions: Europe, the Middle East, and East Asia. The purpose is to judge how, if at all, US interests may be threatened by the trend in relative conventional military capabilities, and to suggest ways to offset or directly counter any adverse developments that are uncovered.

The Balance in Europe

The importance of Europe to the security and economic and political well-being of the United States needs no elaboration. The maintenance of a not unfavorable balance of conventional power in Central Europe is an essential, if not by itself sufficient, factor in protecting these interests. By balancing Soviet military power, and thus deterring Soviet adventures, US forces in Europe have enabled political rapprochement between East and West to develop and stabilize. By making credible US guarantees of the security of Western Europe, US forces have helped avoid West German perceptions of the need to develop nuclear weapons, thus also facilitating East-West rapprochement and greater cooperation among the nations of Western Europe, as well as close US-West European economic and political cooperation.

Most public comment on the military situation in Europe emphasizes improvements in Warsaw Pact capabilities. This demonstrates the pronounced and persistent effect of adverse developments during the late 1960s and early 1970s. During this period, US capabilities to fight a conventional war in Europe declined as the fiscal, materiel, and manpower demands of the war in Vietnam caused delays in weapon modernization programs, drawdowns in equipment stocks and manpower in Europe, and erosion of the operational readiness of military units not engaged in Southeast Asia. At the same time, substantial improvements were initiated on the Soviet side.

Quantitatively, the Soviet Union added five divisions to its forces in Eastern Europe when one of the Army Groups that occupied Czechoslovakia in 1968 remained there. The number of divisions in the Western Soviet Union, location of the strategic reserve for war in Europe, also has been increased from 60 to 66. And the size of each of the 20 divisions that comprise the Group of Soviet Forces Germany has risen, with a better than 20 percent increase in the manpower assigned to each, a 40 percent increase in the number of tanks in each of the 10 motorized rifle divisions, and a doubling of artillery assets in both motorized rifle and armored divisions.

Qualitative improvements in Soviet equipment have been even more impressive. New tanks and armored personnel carriers have been deployed, each clearly superior in design to its predecessors. Soviet armored personnel carriers now mount cannons and antitank weapons, the first in any army to do so. The mobility of Soviet forces is much greater because towed artillery has been augmented with self-propelled units, and because mobile gun and missile air defense systems have been introduced. The quality of Soviet aircraft also has been markedly improved, with the general trend being toward aircraft with greater range and payload—important for strike missions—at the expense of maneuverability and other characteristics important for defensive missions. All in all, these new weapons finally provide the mobility and firepower needed to generate the shock power and achieve the high rates of advance long emphasized in Soviet military doctrine.

In more recent years, however, the trend has been much more favorable from NATO's perspective. Since the early 1970s, both sides have been expanding and modernizing their forces at comparable rates. As a result, gross comparisons of force levels, like the one below, show no significant change so far in the 1970s:

The Balance of Forces in Northern and Central Europe, 1970 and 1976

Component	NATO			Warsaw Pact		
	1970	1976	Change (Percent)	1970	1976	Change (Percent)
Combat & direct support troops (000)	580	635	9	900	910	1
Tanks (number deployed with units)	5,500	7,000	27	14,000	19,000	35
Tactical aircraft	2,200	2,100	-5	3,940	4,200	6
Tactical nuclear warheads ^a	7,000	7,000	0	3,500	3,500	0

Source: IISS, *The Military Balance, 1970-1971* and *1976-1977* (London: IISS, 1970, 1976).

^aWarsaw Pact figures have not been verified in official sources.

* * *

Changes in the balance of forces resulting from the modernization of weapon systems are more difficult to assess, yet in side-by-side comparisons of similar weapons' technology, NATO appears to be at least holding its own.

- The modernization of Warsaw Pact air forces has been substantially matched by NATO. While the Warsaw Pact has acquired more new combat aircraft in the last few years, the aircraft acquired by NATO can carry a larger total payload. Other improvements, such as those in avionics and precision-guided ordnance, may also have favored NATO.

- Approximately 2,000 new Soviet tanks, T-72s, have been produced since 1970, along with 15,000 tanks of the previous model, the T-62. NATO has acquired about 4,000 new tanks during this period—mostly the US M-60 and the West German Leopard I, both of which appear to be as capable as the T-72. The Warsaw Pact, which traditionally has emphasized armor, continues to have about three times the tank inventory of NATO, but NATO has narrowed the gap in tank production rates—the ratio by which NATO is outproduced having been cut from about 4:1 to about 2:1.

- Increases in antitank capabilities seem roughly balanced. NATO's antitank guided missiles are considerably easier to operate and have shorter flight times than those deployed by the Warsaw Pact. Shorter flight times are a significant advantage, of course, because they increase the probability that the antitank gunner will be able to guide the missile to its target before the target disappears from view and because they reduce the amount of time the gunner must remain exposed to enemy observation or fire. This advantage is offset, however, by the greater protection offered to Pact antitank gunners from artillery and small arms fire because their weapons are often operated from inside armored vehicles.

- Improvements in air defense capabilities also appear roughly balanced. Since 1970 the Soviet Union has introduced four mobile air defense missile systems, which, along with continued procurement of previously introduced items such as the ZSU-23-4 air defense gun, have greatly increased the protection offered by Pact air defenses to combat units on the front lines. This specific effort has not been matched by NATO. However, with NATO's deployment of very capable fighter aircraft such as the F-15, its air combat capabilities have probably increased more than those of the Warsaw Pact.

Both sides have deployed roughly comparable tank-destroying helicopters. The Soviet Union has doubled the number of artillery tubes with its forces; NATO has increased its artillery capabilities by developing substantially more effective artillery munitions. The list could go on, but it seems evident—within the limits of uncertainties surrounding any such assessments—that since about 1970 the modernization of Warsaw Pact forces has been essentially matched by NATO improvements. Even if one accepts this conclusion, however, a question remains: have the characteristics of these new weapons changed the nature of warfare in a way that would favor one side or the other? Two hypotheses seem to have gained wide acceptance: (1) new weapons have increased the rates at which materiel would be destroyed and consumed in battle; and (2) the expected ratio of combat losses has shifted in favor of defensive ground forces at the expense of attacking ground and air forces.

The second hypothesis favors NATO, which, despite the necessity for counterattacks, is likely to be on the defensive more than the Warsaw Pact. The first hypothesis, however, given its on-line quantitative advantages, favors Warsaw Pact efforts to achieve a quick victory before NATO reinforcements could be mobilized. Combined with long-standing concern about a mismatch between the Soviet emphasis on intense short wars and NATO preparation for more protracted conflicts, this presumption that battle in Europe would result in heavy losses and the rapid

consumption of materiel has contributed to misgivings about the adequacy of NATO's defenses should it fall victim to a surprise attack. It is this scenario which now dominates discussions of the balance in Europe.

If all Pact forces in Eastern Europe were to attack at full strength without warning, existing NATO forces would doubtless be faced with the unfortunate choice of yielding substantial territory or using nuclear weapons. Moreover, the cost of providing conventional capabilities sufficient to stop such an attack would be considerably more than NATO is now willing to spend. It seems likely, however, that fears of such an attack rest on overly pessimistic assumptions. In reality, the Soviet Union would face severe problems in orchestrating a surprise attack—problems of sufficient magnitude to place an effective conventional defense well within NATO's reach.

For example, is it not unrealistic to assume that Warsaw Pact ground forces could launch a major attack without giving warning that something was up? For one thing, Eastern European army units are manned in peacetime at less than 75 percent full strength; they would have to be filled out. For another, the normal peacetime activities of Soviet ground forces in Eastern Europe, which are believed to be almost fully manned, include training and maintenance activities that at most times would inhibit their immediate availability. Finally, supplies that would be consumed relatively quickly in combat, particularly ammunition and fuel, would have to be distributed to combat units before an attack. In short, Soviet preparations for an attack would probably take at least a few days and Eastern Europe preparations somewhat longer. These efforts would be noticed by the West almost immediately.

The frequently cited danger that NATO would receive this strategic warning but be unable to react because of political indecision also seems exaggerated. There is no doubt that a political decision for NATO to mobilize could take some time—perhaps days. But military commanders of active units have the authority to cancel training and begin preparation for war before that. For example, such steps as loading vehicles, conducting last minute maintenance, and updating and reviewing operational plans should allow NATO ground forces to begin to move almost immediately after a political decision is reached. Since armored or mechanized forces can travel more than 200 kilometers a day if unopposed, well-prepared forces located as far away as the Benelux countries would have a good chance of reaching defensive positions near the East German border within forty-eight hours of a political decision to mobilize.

The danger of a surprise attack by Warsaw Pact air forces also seems exaggerated. To be sure, aircraft based in Eastern Europe could reach targets in Western Europe after flights of only fifteen to twenty minutes. However, a large-scale air attack could not be conducted without preparation, and would not be conducted before the initiation of preparations for the ground attack. Thus, again without need for a political decision to mobilize, NATO military commanders should have time to shelter aircraft, and possibly to disperse some to auxiliary airfields, as well as to place air defense on alert.

Another possible indicator of an impending Soviet attack would be the activity of Soviet naval forces. Most of the time, a preponderant fraction of the Soviet Navy is located in the Barents, Baltic, and Black Seas where ships would be of little use to support a conflict in Europe and where they would be relatively vulnerable to NATO operations to restrict their movements. Accordingly, the Soviet Union would be taking a sizable risk by initiating an attack in Central Europe without first moving much of its Navy into the Mediterranean and the Atlantic. Such a step would require several days to accomplish and would provide NATO with another warning signal.

There are, of course, dangers to NATO even when strategic warning is available. The Soviet Union might decide to build up its forces in Eastern Europe for weeks or even months before initiating an attack. Soviet leaders might decide that stocks pre-positioned near the front lines were too small, that Eastern European forces were too unreliable, or that lines of communication were too vulnerable to guarantee an adequate supply of forces and materiel after the initiation of hostilities without such a buildup. Indeed, despite the military advantages of surprise, the USSR might decide that an overt mobilization effort could provide a show of force sufficient to bring about the favorable settlement of a crisis without war. Even with warning, the longer NATO waited to mobilize, the worse its military situation would become. And the fact that NATO's military position would begin to improve as soon as it took steps to mobilize could in itself provide an incentive for the Warsaw Pact to attack as soon after NATO mobilized as possible. Ironically, this worry might make it difficult for NATO political leaders, hopeful of a peaceful settlement, to decide to mobilize for war.

In summary, in this writer's view, adverse trends in the balance of conventional forces in Europe have been halted, and the initial steps taken to improve NATO's posture. Present NATO conventional forces would have a good chance of conducting a forward conventional defense if an attack occurred after some period of tension and mobilization on both sides or if the Soviet Union received less than full cooperation from its Eastern European allies. There is room for worry, however, about NATO's capabilities if all Warsaw Pact forces were committed on short warning or if NATO were slow to mobilize. In these cases, the Warsaw Pact would have a fair, though far from certain, chance of forcing NATO to choose between the first use of nuclear weapons and a large loss of territory. For these reasons, NATO's first priority should be to increase the conventional capabilities of immediately available and readily mobilizable forces.

Five of the proposals in the present defense program for strengthening US military forces for Europe seem to be most responsive to this need.

1. Redeployment of an Army brigade from Southern Germany to the North German Plain;
2. Conversion of two active Army infantry divisions and one reserve brigade to mechanized forces;
3. Increases in stock of pre-positioned equipment;
4. Increases in strategic airlift capabilities; and
5. Hardening of airbase facilities in Europe on an accelerated schedule.

Additional measures which might be considered would include: (a) accelerated modernization and deployment of air defense systems, particularly those of lesser technological sophistication that might be inexpensive enough to be acquired in larger numbers; (b) procurement of large numbers of lightly armored fighting vehicles armed with antitank missiles; (c) increases in the US Army's artillery assets and the reintroduction of free-fire rockets with the ground forces.

Over the longer term, the assurance of a favorable conventional balance in Europe will hinge on the overall political cohesion and will in the alliance—qualities that depend on far broader considerations than those discussed here, and on what progress can be made toward rationalizing NATO's force posture. It is evident that NATO can afford to defend itself. What is uncertain is whether it will be willing to allocate the necessary resources and use them efficiently. The solutions found to now familiar problems such as inter-operability and weapons standardization, and how

well they are implemented, may well prove to be decisive in determining NATO's ability to sustain an adequate conventional defense over the long-haul.

The Balance in the Middle East

US armed forces serve important purposes in the Middle East. They embody US commitments to the states on the southern flank of NATO and provide the ultimate guarantee of the survival of Israel. Their acknowledged strength has made it possible for the United States to assume a central role in coaxing both Israelis and Arabs away from violence and toward negotiations, and more generally helped to maintain American influence among the many states of the region. They stand ready to protect the flow of oil to the United States, its allies, and its friends. They can be used to protect US citizens when local conflicts erupt.

The extent to which the United States can honor its commitments and protect its interests in the Middle East has been tested on many occasions, most recently during the October 1973 Arab-Israeli war. There are bound to be future tests of similar importance and danger. A key factor in resolving such crises relatively favorably has been the perception of local actors and Soviet leaders alike that the United States is both willing and able to prevent the Soviet Union from intervening unilaterally in the region with combatant forces. The continued maintenance of this perception is thus a key element in any successful US Middle Eastern policy.

Neither the United States nor the Soviet Union currently station combat forces in the Middle East itself, but each maintains a large and powerful naval force in the Mediterranean.² These fleets are nearly the same size, but their capabilities differ significantly.

Although its strength can vary widely—especially during international crises—the Soviet Mediterranean Squadron typically consists of some fifty to fifty-five ships. Roughly half are combatants; of these about half are submarines and half are various types of surface ships. The remaining twenty-five or so units are auxiliaries. The submarine contingent, which includes both torpedo- and cruise-missile-launching units, provides the Squadron's most effective firepower. Before 1972 the Squadron was supported by reconnaissance, anti-submarine warfare, and missile-launching aircraft operating from bases in Egypt. Since the expulsion of Soviet forces from Egypt, however, Soviet naval forces in the Mediterranean have operated largely without direct air support. The size of the Squadron itself also has decreased, as it became difficult for the Soviets to sustain their units at sea for so long without Egyptian (or alternative) facilities.

The Soviet Mediterranean Squadron seems to be designed for use primarily against surface ships, principally as a counter to US aircraft carriers—and it poses a serious threat to them. It also has some capability for antisubmarine warfare, but apparently lags in this area. If the Soviet Union succeeded in reintroducing land-based naval aircraft in the Mediterranean, their already formidable capability to attack the carriers would receive still another boost, but their antisubmarine capability would not gain appreciably.

As matters now stand, the USSR would not find attacking the Sixth Fleet an easy task. Aside from the defensive potential of the carriers' own aircraft, the Sixth Fleet would receive significant additional protection from US Air Force fighter aircraft operating from NATO bases in Italy and Turkey. (More accurately, it could receive such protection if fleet air defense was a priority mission of those aircraft and they had permission of the host nations to carry it out.) At the moment, the nearest Soviet missile-carrying aircraft are based along the northern coast of the Black Sea; to reach and attack targets located in the Mediterranean, they would have to cross NATO-controlled airspace. Even in a non-NATO contingency, the Soviet aircraft would probably suffer considerable losses on their way to the Mediterranean.

The size and composition of the Sixth Fleet do not change often, nor by much. The Sixth Fleet is normally composed of some forty to forty-five units. Three-fourths are combatants, organized into two aircraft carrier task groups and one amphibious landing force; roughly 2,000 Marines are embarked on the latter. A network of underway replenishment and afloat maintenance and repair forces support all three groups.

In contrast to its Soviet counterpart, the Sixth Fleet's most effective firepower is concentrated in its air component—about 200 aircraft, most of which are carrier-based. Some reconnaissance and maritime patrol-antisubmarine aircraft are based ashore, operating from airfields in Spain, Italy, and Greece. The Sixth Fleet's submarine component, much smaller than that of the Soviet Mediterranean Squadron, is employed primarily for antisubmarine warfare.

If military resources were employed with equal skill, the eventual result of combat between US and Soviet forces in and near the Mediterranean would almost certainly be Soviet defeat. Achieving that outcome could cost the United States a great deal, although losses would be reduced substantially if the United States were joined in combat by its NATO allies. Still, in any circumstances, the fact would remain that the USSR has gone to great lengths to establish a position from which it could make the United States pay a price for undertaking military action in and around the Middle East; the United States is not likely to be able to dislodge the USSR from that position without paying the price.

Assessments of the specific losses which the United States might suffer in the Middle Eastern conflict vary widely. They depend largely on factors which are not really knowable in advance: the specific disposition of the two sides' forces, the strength and tactical character of the attack, the actual performance of weapons and electronic systems. Still, estimates of these factors can have a significant impact on events, in that military advice to political leaders is likely to be conditioned, at least in part, by whatever "best estimates" of relative capabilities are available and credible. If the USSR believes itself unable to impose a significant price on the United States in the event of war in the Mediterranean, it is unlikely to press whatever issues might be at stake. If, on the other hand, the price for the United States is estimated by Soviet leaders to be high, deterring Soviet intervention in the Middle East is likely to be more difficult.

Of course, the importance of the state of the military balance in the Mediterranean should not be exaggerated. Developments in the Middle East will depend far more on local events than on actions by the superpowers. And even to the extent that the United States or the USSR can influence events, the overall tone of their foreign policy, their relative economic advantages and disadvantages, and many other non-military instruments of policy are likely to have a more decisive influence than projections of how steep a price the US would have to pay to prevent the Soviets from intervening. Still, if a new crisis occurs, the balance of conventional power will not be insignificant; thus, among others, the three steps outlined below which would enable the US to increase its capabilities in the Mediterranean may be important:

First, carrier operating patterns could be modified to increase the US Navy's capability to surge a truly large force into the Mediterranean (or the Indian Ocean) when the situation warrants such a presence there. This could be accomplished by improving maintenance, manning, and training procedures so as to decrease the "turn-around time" between cruises; by modifying the current essentially rigid pattern of forward deployments, which results in a large fraction of the available force being present in the Mediterranean whether the situation requires their presence there or not, and in the process uses up the slack that might otherwise be available for crisis deployments; and by moving away from the prevailing equally rigid 50-50 split between Atlantic and Pacific in the disposition of Navy general purposes forces, so as to increase the number of ships based in the Atlantic and thus the pool of forces available for deployment to the Mediterranean.

Second, the activity levels of deployed naval forces—the time ships and aircraft actually spend at sea and in the air—could be increased substantially. At present, the resources allocated to operations provide only “the minimum operational time they need to perform the absolutely necessary combat training.”³ This, however, does not provide the steaming days and flight hours necessary to maintain optimal proficiency. As the gap between US and Soviet naval capabilities continues to narrow, the importance of operational proficiency increases. Furthermore, constraints on operating time often have debilitating collateral effects. Given both the fiscal constraints on operations and the present political situation in the eastern Mediterranean, which has restricted Sixth Fleet’s access to Greek and Turkish ports, not only has the fleet become less active, but it has become something of a fixture at bases in the western Mediterranean. This imposes heavily on the hospitality of Spain and Italy, and possibly gives misleading signals to both friends and opponents.

Third, and closely connected with the problem outlined above, is the question of what the United States might do to regain access to the military facilities previously provided by Greece and Turkey. The present situation, in which access to local facilities has been curtailed in both nations, is—from a military standpoint, at least—the worst of all possible worlds. If friendly relations cannot be restored with both Greece and Turkey, then the United States could decide, in effect, to choose one side or the other. Potential gains must of course be weighed against the cost of alienating one side in the Greece-Turkey controversy. Presumably, however, such a decision would permit the return of US forces to bases in the nation that was selected, not only increasing the freedom of movement of the Sixth Fleet, but also permitting the US Air Force to deploy a larger number of tactical air squadrons to the eastern Mediterranean. Ultimately, the benefit would be the reestablishment of a more favorable balance in the eastern Mediterranean, improving the US ability to defend its NATO allies and to affect the course of events in the Middle East.

The Balance in East Asia

The situation in East Asia is quite different from that in Europe or the Middle East. Here, the possibility of direct military confrontation between the United States and the USSR is remote. The Soviet Union does maintain approximately one-fourth of its ground and tactical air forces in the Far East, but they are arrayed primarily against Chinese forces across the border in Manchuria. They do not threaten US interests directly and the likelihood of US forces being drawn into conflict with them is minute. Despite previous concerns about what might happen in China following Mao’s death, there is no indication of an improvement in Sino-Soviet relations such that these Soviet military forces would be freed for use against NATO.

Direct US military involvement with China is also a remote possibility. China, though its armed forces are immense, has little ability to project military power beyond its borders. Its small nuclear weapons inventory is a threat primarily to the USSR. Since the early 1960s, when China’s direct access to Soviet military technology was severed, its forces have been operating with increasingly obsolescent equipment. While the China-Taiwan question remains a possible source of friction for the United States, the adjustment of US relations with both those nations is proceeding diplomatically.

The reason for a US military presence in East Asia is not that US interests are directly threatened, but that long-term trends in the Asian military balance might influence the policies of the principal US ally in the region, Japan. That Japan has eschewed the buildup of a strong armed force despite its obvious economic capacity to do so is in part the result of a continuing faith in the US defense commitment, as embodied in the US-Japan Mutual Security Treaty. Japan’s policy of maintaining a low military profile, a policy strongly supported by the United States, was reaffirmed in 1976 when Japan ratified the Treaty of the Non-Proliferation of Nuclear Weapons. There are other obstacles to Japan’s development of nuclear weapons, not least of which is adverse domestic

opinion. Nevertheless, a nuclear-armed Japan is not an inconceivable future development, one which would doubtless have major unsettling effects on relations in Asia. Since Japan is unlikely to decide to develop nuclear weapons unless it is suddenly imbued with an overriding sense of national insecurity, the US forces that provide visible confirmation of American defense commitments in Northeast Asia have thus assumed major political significance.

While watching with interest the relative strength of all US armed forces, Japanese leaders take special note of the naval balance in the western Pacific and prospects for stability on the Korean peninsula.

An island with meager natural resources, Japan has developed an economy critically dependent on generous imports of raw materials and access to world markets for exports. The flow of petroleum from the Persian Gulf is the most obviously vital sea lane, but the trans-Pacific trade route is also important.

Fortunately, compared to Soviet naval capabilities elsewhere, the maritime threat in the Pacific is a relatively small one. There has been a relative increase in the Soviet Pacific Fleet's strength since 1968, but this reflects the initiation and growth of Soviet naval operations in the Indian Ocean. These deployments are supported by the Pacific Fleet, which has received additional resources to carry out this task. Even so, the Soviet Navy in the Pacific remains relatively weak as compared to the Fleets that deploy forces into the Atlantic and Mediterranean.

Arrayed against the Soviet Pacific Fleet are the small but relatively modern Japanese Navy and the more powerful US Seventh Fleet. The latter includes two aircraft carrier task groups, one of which is home-ported at Yokosuka, Japan. The United States also maintains the Third Fleet—including four more carrier task groups—in the eastern Pacific. Many of these ships could move westward fairly rapidly to reinforce the Seventh Fleet if needed. Finally, the United States maintains some land-based antisubmarine and fighter aircraft in the Western Pacific, which could be useful in any naval battle that took place there.

The prospects of a blockade of Japan succeeding are related to how long both the Soviet Union and Japan think it could be maintained, and how long the Japanese economy could survive without the normal flow of imports. Petroleum reserves illustrate the magnitude of this question. In the wake of the 1973 oil embargo, Japan set a goal of stockpiling ninety days' supply of petroleum. The stockpiles now contain more than sixty days' worth and are scheduled to reach the objective by 1979. This reserve, coupled with rationing measures, would make a successful blockade of Japan's petroleum shipments a *tenuous proposition* so long as the Japanese were prepared to resist the coercion. This, in turn, would hinge on Japanese leaders being convinced that they have the support of the United States and that the US and Japanese navies were adequate to defeat the Soviet Navy in the Pacific.

On balance, this latter task does not seem insurmountable. Most of the Soviet Pacific Fleet's operations originate in Vladivostok; ships from this naval complex must pass through one of several straits bounded by Japanese territory before reaching open waters. The straits are choke points that can be mined or blockaded, bottling up Soviet submarines and warships caught inside the Sea of Japan and isolating those already deployed. Without free access to their home port, Soviet combatants previously deployed would not be effective for long. Soviet naval facilities elsewhere, such as those in Somalia, could provide only limited assistance. To circumvent the restricted access from Vladivostok on the open ocean, the USSR has expanded operations at Petropavlovsk on the Kamchatka peninsula, but this has not solved the problem. Petropavlovsk does not have adequate road or rail links with the mainland and must be supplied by ship, a vulnerable link. Without this resupply, it is not clear how long operations from Petropavlovsk could continue.

Thus, fewer forces are needed to counter the Soviet Navy in the Pacific than elsewhere; the Soviet Pacific Fleet is less capable and the geography of the region places the Soviet Navy at a distinct disadvantage. In all likelihood, the forces the United States now maintains in the region are larger than required by a realistic assessment of needs. Hence, from a military standpoint, shifting some US naval forces from the Pacific to the Atlantic to help counter the threat to US interests in the Middle East seems sensible. The difficulty would be to do so without implying a lessening of the US commitment to the defense of Japan, particularly in view of the changes being made in US forces in Korea—the second Japanese concern.

In 1971, the US Army's Seventh Infantry Division was removed from Korea, leaving the Second Infantry Division as the last US ground combat force on the peninsula. This withdrawal reflected the general satisfaction of the US and South Korean governments with the military balance. Still, in that same year, the Republic of Korea (ROK), with \$1.5 billion assistance from the United States embarked on a five year program to upgrade the quality of its armed forces.

Today, ROK active ground forces are well armed, reputed to be tough, well-trained, and disciplined, and total about 560,000 men; they face a North Korean army of 430,000 men. ROK forces have developed significant capabilities against armor—the essence of the threat against them. In addition, the mountainous terrain in Korea means that invading tank forces would be generally restricted to corridors. Consequently, the amount of armor that the North could usefully employ in battle would be limited and its massed road-bound armor would be vulnerable to attack by air or ground forces. In short, the balance of ground combat forces appears to be adequate; from a military standpoint, the US Second Division contributes only marginally to the South's combat potential. In March 1977 President Carter announced his intention of removing all US ground forces from the peninsula by 1982.

The ROK Air Force, on the other hand, is not adequate for South Korea's needs. The North has about three times as many aircraft as the South. Although ROK aircraft are generally more modern and its pilots are believed to be better trained, South Korea could not rely on its air power surviving against the North. However, the United States maintains a full air wing of F-4D/E tactical fighter aircraft in Korea, sixty-six in all. These units train with ROK units and are prepared to operate jointly with them. Although adding in the US aircraft does not wholly eliminate the North's advantage in numbers, the combined ROK and US air resources represent an overall capability at least comparable to that of North Korea. Moreover, US Air Force and Marine Corps aircraft based in Japan would be available for rapid re-inforcement, as would US Navy aircraft based on carriers.

The United States maintains other types of units on the peninsula as well. Americans participate in the command and control system, man warning systems, operate surface-to-air and surface-to-surface missile systems, and provide logistics support. Many of these units now seem likely to be withdrawn; in this writer's view, such withdrawals are prudent and sensible.

Now that the ROK has succeeded in building up a strong conventional defense, it would seem particularly appropriate for the US nuclear weapons remaining in Korea to be removed. Maintaining the weapons in Korea—symbolic of US reliance on nuclear threats—contradicts the emphasis in US policy on curbing the proliferation of nuclear weapons, as well as incurring some risk of seizure or accident. The Carter administration has moved at least partway toward the adoption of such a course by withdrawing some nuclear-capable surface-to-surface missiles; removing the remaining Army and Air Force weapons would also make sense. If a threat from the North seemed imminent and a strong deterrent signal seemed advisable, nuclear weapons could be returned to Korea in short order.

Since the US Second Division contributes only marginally to ROK defenses, the administration's decision to withdraw the division and turn over full responsibility for ground combat to South Korea also is reasonable. The decision to remove the division is principally a political one. In the President's view, the American people should not be asked to, and in any case would not, support a new ground war in Asia. Hence, the deployment of US forces should not raise false expectations on the part of US allies. The United States can provide air and naval power, technologically advanced weaponry, and the political support necessary to cause China and the USSR to act to restrain Kim Il-sung (or at least not to encourage him). Adequate ground combat forces will have to come from the South Koreans themselves, especially, as noted above, since the withdrawal of US ground forces is clearly justified on military grounds, when considered alone.

US Air Force units will remain in Korea, training and exercising with the ROK Air Force and providing visible evidence of the US commitment to South Korea's defense. Army air defense units will remain while ROK personnel are trained to operate the missile, and US personnel that operate sophisticated communications and surveillance systems would remain as well. All told, there might be 12,000 US military personnel in Korea following withdrawal of the Second Division and supporting logistic units.

The favorable ground balance on the Korean Peninsula also raises the question of whether it is necessary to maintain the Third US Marine Division in Okinawa. The presence of the division causes some difficulties with the local population and, because Marines on this tour of duty are unaccompanied by their families, aggravates recruitment and retention problems for the Corps. The Japanese pay little attention to the Marines as evidence of US commitments. A modest Marine presence in the western Pacific remains desirable for various minor contingencies, but these purposes could be fulfilled by maintaining one or two battalions afloat on amphibious ships in the region and supporting them, in turn, from Hawaii or by a smaller Marine force on Okinawa.

Thus, on military grounds alone, sizable reductions could be made in the US military presence in East Asia: the ground forces and nuclear weapons can be withdrawn from Korea, some of the Marines could leave Okinawa, and part of the Navy now in the Pacific could be redeployed. Clearly, changes like these—or even more modest ones—should be carried out gradually, leaving ample time for the South Korean and Japanese governments to adjust their own military planning to the new situation.

Moreover, other steps should be taken to ameliorate the political consequences of the withdrawals; to avoid giving the false impression that these reductions implied an end to US defense commitments in Northeast Asia. Consultations with concerned governments, strong public reaffirmation of commitments, accelerated arms transfers to South Korea and Japan, and military exercises designed to show the US ability to return to the peninsula in force, should that become necessary, would all be helpful in avoiding adverse consequences.

In essence, what has happened in East Asia is that a military force posture built for a different time and different political circumstances, has acquired a symbolic value far beyond its present military relevance, making it difficult to adjust the US military presence in the region to new political realities. But symbols can be changed without adverse consequences if done slowly and carefully. To leave US forces in East Asia unchanged would be to squander foolishly substantial resources at a time when the Soviet military buildup makes their potential contribution to the defense of US interests in other regions all the more valuable.

In Conclusion

With each passing year it has become more difficult to explain the continuing momentum in the Soviet defense buildup.

At first it seemed likely that the buildup was a reaction of the new Soviet leadership to Nikita Khrushchev's foreign policy defeats. From about 1957 through 1962, at the time Soviet armed forces were being cut back drastically, Khrushchev pursued an aggressive foreign policy, more aggressive than could be supported with the military power then available to the USSR. Partly as a result, the Soviet Union suffered a string of political setbacks: in Central Europe, in the Congo, in Cuba, and elsewhere. Moreover, fears stemming from this aggressive stance plus coincident Soviet technological breakthroughs spurred a major rebuilding of US military capabilities during the Kennedy years. This disastrous Soviet foreign policy was no doubt a major factor leading to Khrushchev's overthrow in 1964. And determined to avoid a similar fate, his successors accelerated Soviet defense programs to catch up with the United States.

By the end of the 1960s, however, and certainly by 1972 when a special Soviet position in Eastern Europe and parity in strategic arms had been ratified in formal agreements, it seemed logical that this military buildup would slow down. The Soviet economy (and Soviet consumers) would certainly have benefited from a reduction in the 12 to 15 percent share of Soviet resources consumed by its defense establishment. But there is no evidence of such a reallocation.

Explanations come readily to mind, ranging from the difficulty of turning off bureaucracies once they have been turned on, to speculation that the Soviet military received a promise of continuing high budgetary allocations in exchange for their cooperation on a policy of political rapprochement with West, to rumination on the nature of the Russian character as shaped by the searing experience of World War II, to fears that the USSR is indeed seeking military superiority to enable it to coerce, and eventually to dominate, the West. Each of these reasons could have something to do with the continuing buildup. But in any case, it seems clear that, as in the late 1950s, the Soviet Union has again underestimated the West, failing to foresee the degree to which its apparent gains would cause the United States to become apprehensive and step up its own military preparations. But this is exactly what has happened since 1975.

The assessments in this paper demonstrate the value of detailed analyses of the Soviet military buildup. An across-the-board US response stemming from a diffuse sense of unease would only waste resources, diverting people and money not only from important domestic needs, but also, within the defense program, from those areas where the Soviet Union presents more significant challenges. In East Asia, the Soviet buildup threatens not the United States, but China. Given improvements in US-China relations and more narrow US definitions of its interests in Southeast Asia, the US force posture in the Pacific could be scaled down, freeing resources for use elsewhere. In Europe and the Middle East, on the other hand, improving Soviet military capabilities do threaten important US interests and require a clear and strong response. But even here, there are more and less efficient ways of enhancing US military capabilities; concern about trends in the military balance should not cause the neglect of rigorous examinations of proposals on the pragmatic grounds of relative costs and relative effectiveness.

ENDNOTES

1. Much of this paper was derived from "The Defense Budget," a chapter in Joseph A. Pechman (ed.), *Setting National Priorities: The 1978 Budget* (Brookings Institution, 1977). I am grateful to Robert P. Berman, Stuart E. Johnson, Robert G. Weinland, and Frederick W. Young, all members of Brookings' defense analysis staff, for their contributions. Responsibility for errors, however, is mine alone.
2. Each nation also maintains smaller naval forces in the Indian Ocean, which have little military significance, and are not discussed here.
3. "Annual Defense Department Report, FY 1978," p. 189.

Panel 2

US Global Strategy: The Future of the Half-War Planning Contingency

**Professor Geoffrey Kemp and
LCDR Harlan K. Ullman, USN**

**Problems and Prospects
for Global Security**

Because of the growing diffusion of political, military and economic power, and the parallel phenomenon of interdependence, a most important strategic consideration for the United States in the next decade will be the maintenance of some form of *access* to overseas resources, military basing facilities and, if need be, areas in which force must be projected. These requirements occur at a time when the emerging international system appears to be limiting traditional US logistic freedom. Increased Soviet military power, growing military capabilities of littoral states, dependency upon foreign resources, especially oil and associated sea lines of communication, and the new ocean regime including 200-mile exclusive economic zones, off-shore drilling and pollution control zones, are examples of this trend which appears to be imposing new constraints on access. These problems have also coincided with a period in American history when the role of force as an instrument of national policy is under great scrutiny, primarily as a result of our political defeat in Vietnam.

For the United States, the access deemed necessary for US interests should reflect the larger context of policy and, therefore, be consistent with outcomes which will contribute to an international environment compatible with American security. One view of policy-making has been traditionally derived from establishment of national interests which have then been limited to objectives, policies, strategies and instruments of implementation. We would suggest that a less rigid formulation of national interest, based more upon the realities of the international system, which in turn permits us to talk about preferred outcomes rather than definitive goals, may be perhaps a better first step.

In looking at the world of the 1980s and beyond, there are clearly several preferred outcomes which will form the basis for much of policy. The prevention of war with the Soviet Union is critical, as indeed is the limitation of any such conflict should it occur. The maintenance of access to overseas areas is a second and related important outcome.

This paper examines the requirement to deter and limit war with the Soviet Union through the prism of the so-called "one-half war" planning contingency which, while used as a method of sizing US forces, also links together a series of related policy issues including unanticipated crises which may require a military response. Unfortunately, from a planning perspective, the perceived importance of the half-war contingency may be declining precisely at the moment when its implications may be of growing importance. This is in part due to US defense politics, but is also reflective of the constraint on access.

The current defense debate in Washington revolves around the traditional poles of the US-USSR military rivalry: the strategic nuclear balance and the balance between NATO and Warsaw Pact forces in the Central Front in Europe. Although there are good reasons why these two issues feature prominently in the debate, what is insidious is that a series of pressures and constraints may institutionally cause the US defense decision-making process to overemphasize them as a justification for rationalizing, sizing, procuring and deploying military forces. This, in turn, may limit future US flexibility, including access, and make more complex the integration of other important US-Western security interests, especially in the Middle East-Persian Gulf and the Western Pacific, into overall US defense requirements. In other words, the "half-war" measure of the so-called "one and one-half war" planning requirements may be eroding far more than we realize, without any conscious decisions on our part.¹

This paper assumes that the implications of a more narrowly focused defense perspective, combined with limitations on access to many regions of the world, suggest consequences of a serious nature to both US and Western world-wide interests. We realize that the trend towards a narrower defense perspective is far from proven, but we think it is important to discuss the implications of constrained military capability and access in light of continuing US interests, security objectives, and preferred outcomes.²

II. The Current US Defense Debates

(a) The Nuclear Problem

The strategic nuclear debate can be characterized by the differences in the so-called "Team A" and "Team B" reports concerning the National Intelligence Estimate (NIE) of Soviet strategic forces. "Team A" (the authors of the NIE) concluded that although the Soviet Union would attempt to pursue a strategy aimed at achieving nuclear superiority over the United States, there was virtually no likelihood that this condition could be either reached or maintained in the foreseeable future. Therefore, "Team A" was generally satisfied with current and projected US strategic programs. "Team B" concluded that "Team A" had underestimated Soviet strategic nuclear capabilities and that the USSR was closer to achieving superiority over the US in the sense that the Soviet Union could conceivably fight, survive and win a thermonuclear war with the United States in the future if current trends in the balance continued unchanged. "Team B" proponents recommended increases in US strategic capabilities to check this trend.

A second strand of the strategic nuclear debate is the administration's proposal for major arms limitations and reductions. The intensity of feeling on this point was apparent in the oftentimes acrimonious confirmation hearings in early 1977 over Paul Warnke's nomination as Director, Arms Control and Disarmament Agency (ACDA) and Head, US Delegation to SALT (Strategic Arms Limitation Talks), and in some public responses to the "comprehensive" proposal for strategic weapons made to the Soviets in Moscow in March.

(b) The Central Front

The debate over NATO-Warsaw Pact forces is equally highly charged, complex and technical and includes conflicting views over strategic and tactical warning times in event of a Soviet attack in Central Europe; the threats to the Northern and Southern flanks of NATO; deployment options for theater and non-theater forces; the state of readiness of US and Western forces; conduct of coalition or alliance warfare in war and peace³; the role of tactical nuclear weapons; the application of advanced technology, especially precision-guided munitions, to the European theater; resupply; and, perhaps most important, the types of defensive and offensive strategies and postures which best enhance NATO and the stability of Western Europe.

Three basic views have so far been expressed in this debate. The first two views agree with the need for a strong "forward defense" in Western Europe which would be capable of blunting a Warsaw Pact offensive and preventing any Pact advances into the FRG and beyond. These views divide, however, in their recommendations.⁴ One proposal recommends heavy increases in alliance investments in new military technologies such as PGMs, procurement of new and additional weapons systems, relatively large troop redeployments and upgrading of material stockpiles in Europe. The second view argues that improvements in conventional "war-fighting" capabilities of NATO can be accomplished through better "rationalization, readiness and redeployment" of forces already in place, supported by moderate technological investments. Both positions see continued utility of tactical nuclear weapons; however, the proponents of the first view support the "war-fighting" role for these weapons while the second view sees them more as a deterrent linked with the strategic nuclear balance.

A third (and minority) view suggests the Soviet military "build-up" in Europe is exaggerated, and, therefore, poses no greater actual threat to NATO than before.⁵ Proponents of this view are satisfied with current US and NATO programs with regards to procurement, though would be prepared to see improvements in training and readiness.

An important but indirect effect of the debate among the proponents for a stronger European defense is the call for an augmentation of US-NATO Atlantic forces by redeploying US Pacific forces permanently to the Atlantic theater. This, in turn, could lead to a major division among the "Atlanticists" and "Pacificists" in setting the *overall* priorities for US global strategy.

Unquestionably, the debates on strategic nuclear forces and the European theater are critical to Western security interests and should be given the highest priority. However, in addressing these issues there is a risk of avoiding hard choices on other contingencies. This leads to several conclusions:

1. Although US strategic and general purpose forces are rationalized, funded and sized on the criteria of "one and one-half war" planning, both the public debate and the institutional process are becoming more and more concerned with the strategic nuclear and the NATO-Warsaw Pact Central Front balances. The reasons are straightforward: these balances appear to be the most important; the US experience in Vietnam has caused questioning about the role of US force in "peripheral" areas; and increasing unit costs of weapons systems mean fewer deployed forces to cover all contingencies. Therefore, a series of limits and constraints for US actions have, in turn, affected the structure and process of US defense policy-making. While it has always been true that debates over the defense dollar have determined the deployment of forces, this is the first time since 1950 when such hard choices have to be made.

2. These factors will continue to limit, explicitly and implicitly, US future "one-half war" capabilities and may also limit the extent to which the US can include the flanks of NATO in any European contingency.

3. For these reasons, other contingencies should be examined in order to reach some conclusions about the relative dangers of this apparent overconcentration on the strategic nuclear and Central Front balance in a decade of potentially declining access.

III. Contingencies in the Middle East/Indian Ocean-Western Pacific Region

The two geographic areas outside the Atlantic which will be examined are the Middle East/Persian Gulf and the Western Pacific. NATO has enormous stakes in the Middle East-Gulf region and will continue to do so for as long as the Gulf oil is in high demand. In the Western Pacific the United States and Japan have vital interests which are related to the stability of the Korean peninsula and the emerging geo-political uncertainty of the South and East China Seas.

The lessons of history would support a careful examination of military contingencies which could occur in these regions for three reasons. First, states almost invariably find themselves in major conflicts which they rarely anticipated beforehand. No one would have predicted in 1949, for example, US involvement in the Korean conflict. Consequently, no such contingency was either envisaged or planned for. Anyone suggesting to Presidents Eisenhower and Kennedy during their respective terms that the US involvement in Vietnam would lead to the stationing of 500,000 Americans in the war zone would have been viewed as deranged. Similarly there were few, if any, NATO analysts who predicted in the mid-1960s that Britain would draw down its BAOR forces to deploy on a large scale in Northern Ireland!

Second, in initiating war, surprise has almost always been a successful tactic. With the exception of Vietnam, since 1939, virtually all major conventional conflicts were initiated with successful surprise attacks (during World War II—both European fronts and the Pacific; Korea; the Indo-Pakistan War; and three Middle-East wars—1956, 1967, 1973).⁶ Third, when rough military parity existed between states in Europe, (for example, during the last century) the premium shifted to strategy as a means of changing the balance and offsetting equality. The conclusion to be drawn from these observations is that *ante bellum* considerations rarely coincide with actual wartime actions and that planning and procurement predicated on peacetime activities usually undergo radical change once war is initiated.⁷

If our hypothesis is correct—that the US process is overconcentrating on the strategic nuclear and central front balances; that US overseas access may be decreasing; that future conflicts are at least as likely to be unanticipated and unplanned for as not; and that surprise remains an exploitable action with high probability of initial success—it is prudent to examine several areas in which the West could face grave potential risks.

Projecting into the 1980s, it is not unreasonable to assume a continuation of the current US-USSR relationships and rivalries and a gradual reduction in US access to overseas bases. A relative measure of balance or "essential equivalence" would probably mark the military competition in strategic nuclear forces and along the Central Front. However, for whatever reasons, suppose a non-nuclear conflict does occur between the US and the Soviet Union.⁸ Although this prospect is no more or no less likely in the future than today, given the relative equivalence of the Central Front and strategic nuclear balances, it is not unreasonable to assume that both sides would initially be under great pressure to refrain from using nuclear weapons and might therefore attempt to wage *strategic* warfare designed not to escalate into general war but directed at controlling the conflict and influencing a post-war settlement.⁹

Let us examine this scenario from a Soviet perspective using the "indirect approach," i.e., the notion of unanticipated conflict and surprise. At the outbreak of hostilities, considerations of escalation, vulnerabilities and geography would probably dominate the strategic thinking of both sides. Assuming escalation could be limited or avoided, geographic proximity would preoccupy the Soviet Union with certain concerns: the Northern and Southern European theaters, the Central Front and Eastern Europe, the Chinese border, her four major naval fleets and the Persian Gulf.

The Northern theater assumes critical proportions because it represents a choke-point to Soviet Northern Fleet operations and a gateway for NATO access into the Soviet Union. The Southern flanks, while important, have double choke-points at the Dardenelles and Gibraltar and would probably focus Soviet concern on threats to the former posed by the US Sixth Fleet. The Central Front and East Europe are the most critical areas for the Soviet Union and would take obvious priority—in this case, however, we are assuming either no direct conflict or a stabilized and localized battlefield which both sides would be willing to resolve by negotiations rather than general war. The Chinese border would pose problems since this would give the Soviet Union an opportunity to neutralize the Chinese threat by a swift non-nuclear offensive which they would probably easily aim but would also raise the spectre of nuclear escalation. Soviet ports—Kola/Murmansk in the Northern Fleet, the Baltic and Black Sea Fleet bases, Vladivostok and Petropavlosk in the Pacific, are particularly vulnerable and would need to be defended and the fleets protected either at sea after sortie or in port. Under these sorts of military conditions, what might the Soviet Union consider as options to influence negotiations and post-war settlement short of nuclear exchange?

In terms of its own vulnerabilities, the Soviet Union would be extremely sensitive to the Northern Cape of Norway. Assuming a stabilized Central Front and in order to maximize its strategic position for post-war negotiations, there are indications that invasion and occupation of northern Norway would be a difficult but important task. Northern Norway, north of Tromsø, in Soviet control would remove a major non-nuclear NATO threat against Kola and Murmansk and provide the Soviet Union with a southerly looking and relatively unrestricted access to the sea. There is little doubt that the tactics of the operation would be difficult, complicated and incorporate in the Soviet calculus, considerations of Finland's and Sweden's likely responses including the resort to war. However, even a small slice of northern Norway might be an attractive proposition.

In terms of Western vulnerabilities, surely the Soviet Union would see the Persian Gulf as the West's major source of oil. That would provide four possible options: "do nothing" because of escalation risks and problems of reprisal; destroy the oil flow cycle at the oilfields; mine, blockade and interdict oil sea lanes; or physically seize a portion of the Gulf. Each option also has certain utility and certain disutility for establishing a strategic position for negotiations. "Do nothing" presumably limits escalation and implies a certain threat of possible future action. But, if both sides were choosing to limit hostilities, future threats might be counterproductive. This option also has the advantage of not overstretching Soviet military and logistic capabilities on another front.

Destroying the oil fields or the oil flow cycle would not seem an automatic response because the effect would not be felt by the West in sufficient time to influence negotiations presuming it was the intention of both sides to limit hostilities and reach some accommodation. The problems of escalation as well as commitment of forces detracting from other fronts would seem to minimize this eventuality.

Mining, blockading and interdiction have the same attendant difficulties as destroying the oil fields. Reprisals would also be more likely and the Soviet Union's sensitivities towards counter-maritime pressure by the West could reduce the advantages of this option. There is also the difficulty of geography and reaching the Gulf or Indian Ocean regions from distant home waters with either ships, submarines or aircraft.

Seizing physical control of oil fields, perhaps in Kuwait or the UAE, has the limitation of causing possible overextension of military forces, the risks of escalation and the prospects of Western, Iranian or Arab counter-actions directed at the Soviets, including the threat of destroying the oil fields. However, the advantage of such an action would give the Soviets an enormous

bargaining lever. Therefore, in our view, if one accepts the possibility of strategic non-nuclear war aimed at influencing negotiations, Soviet attempts to seize the oil fields in the neck of the Persian Gulf would be a viable option, especially if the United States had little or no capacity to check such intervention by deploying into the Gulf itself.

In the Western Pacific, Soviet options and activities are more problematic in the sense that there is less consensus about what military threats they pose to what interests. However, two future US actions could influence the emerging military balance in this region. First, a decision to station *all* US "Trident" submarines on the western seaboard of the United States, while contributing to the overall strength of our second-strike nuclear forces, will doubtlessly prompt increased Soviet naval activity and presence in the Pacific at the very time when we are talking about redeploying elements of the Seventh Fleet to the Atlantic. Soviet naval missions have been rationalized in terms of the strategic nuclear defensive against Western aircraft carriers and, more importantly, against strategic missile-carrying submarines (SSBNs). Consequently, if Soviet naval operations do expand, that will give the Soviets a slightly greater range of possible wartime options and us more contingencies against which to plan. In short, Soviet response to "Trident" deployments may affect our overall strategic posture throughout the Pacific.

Second, and related to this point, if the "Atlanticists" are successful in persuading the administration to redeploy a US carrier task group permanently from the Pacific, under the specific conditions investigated above (of limited strategic war aimed at influencing negotiations in a post-hostilities phase), this draw-down on the West Pacific and Indian Ocean capacity might have very serious consequences.¹⁰

Constraints on Access

In all these cases the problems of access from a military and, especially, a logistical standpoint are likely to be most serious in those geographical areas which have the basic characteristics of "closed seas," especially the Mediterranean, the North Sea, the Persian Gulf and the South and East China Seas. For example, ten years ago, at the height of the Vietnam war, the South China Sea was what can only be described as an American lake. Ships and planes of the US forces deployed and operated with immunity in this area and the lines of communication from the continental United States and Japan were never seriously challenged by the North Vietnamese, let alone any of the non-belligerent littoral states. Ten years from now, and perhaps sooner, there is some question as to what access, if any, the US forces will have in this region. Such a decline may, in part, be due to the inevitable withdrawal following the United States' defeat in Vietnam but to see this as the only reason is to ignore the very real changes occurring in the worldwide strategic, economic and political environment.

Elsewhere, for instance, the closure of the North Sea in the Atlantic and the approaches to the Straits of Malacca in the Western Pacific may come about for very practical reasons of peacetime sea-traffic control.¹¹ However, once such controls become part of the day-to-day prerogatives of littoral states, it becomes more difficult to imagine the United States, or the Soviet Union for that matter, sending warships into these areas without prior consultation and possibly approval. *In extremis*, both the US and the Soviet Union would be able to ignore such controls. However, in crisis situations short of all-out war, the flexibility to deploy through these areas may well be seriously limited owing to political constraints which imply that in marginal situations the superpowers will not risk alienating the local countries by violating what they increasingly see as their *de facto* sovereignty. Furthermore, should either of the major powers decide to violate such sovereignty, they would now have to consider the possibility that the littoral states could at least try to prevent them or make the cost of their deployment even higher. The diffusion of military

technologies, such as precision-guided munitions and the fast-patrol boat, while not seriously challenging the overall viability of capital ships such as the aircraft carrier or the missile-equipped cruiser, do raise the potential political, military and economic costs of deploying these systems into enclosed sea areas. Thus, the risks involved for the superpower navies in deploying in such areas are likely to grow and, in a practical sense, their deployments may be more limited to the open or high-seas areas where their natural immunity and ability to overcome opposition navies will remain as great as ever.

Recommendations

Given the ambiguity of possible one-half war contingencies, there are no clear-cut solutions for resolving satisfactorily the debate over defense alternatives and the possibility of declining access. Perceptions and measurements of interests are political and psychological and, therefore, extremely difficult to translate into quantitative analysis and, ultimately, policy. But we do suggest certain recommendations which can reduce some of these difficulties.

—First, the US must weigh its defense requirements in the broadest context and resist the inevitable pressures to concentrate on the strategic nuclear and Central Front balances. One institutional change would be the inclusion in the highest levels of decision-making, perhaps the National Foreign Intelligence Advisory Board, of a senior member charged with developing “unconventional” approaches towards US strategic policy and testing current and future US options.

—Second, the US can limit Western vulnerabilities in the Northern Flanks, the Persian Gulf and the Pacific with a combination of individual and alliance actions. Indigenous Norwegian military capabilities can be enhanced with new technologies. This need not be a precipitous or an immediate response, but one managed sensibly over time and designed to raise the costs in conventional terms to possible Soviet invasion. In parallel to this action, the US must have the capability to reinforce or recapture Iceland at very short notice. Iceland, with Soviet attempts at controlling Norway’s North Cape, assumes great strategic importance as a cork in a very large bottle and would make more difficult Soviet access into the Atlantic. US Marines, either from the East or West coasts should have this as a primary *raison d’être*.

—In the Persian Gulf, continued US access, economically, politically and militarily, is important. The island base of Diego Garcia, possibly Masirah Island and even a “swing” capability from Australia for the Seventh Fleet, provide low-level but significant facilities, in crisis, which can support quick reaction of US projection capabilities. We realize this flows counter to administration arguments about demilitarizing the Indian Ocean but suggest that Western and Soviet interests in this area are so asymmetric that we would be foolish to negotiate away our freedom of action, especially at a time when the Soviet Union may face increasing difficulties of its own in the Horn of Africa and the new government of India may be more favorably disposed towards the United States.

—In the Pacific, the US must carefully consider the implications of any permanent cut of area forces or redeployment of capabilities within the larger context of strategic policy and not solely on criteria of specific interests and geographic regions. Second, the US should reconsider the future stationing of *all* “Trident” submarines in the Pacific and review possibilities of dividing those assets between both US coasts in order to reduce the impact of likely Soviet counterdeployments.¹²

—Last, we think that the logical and most fungible currency for expressing future policy actions is in terms of preferred outcomes. Concepts like “national security or vital interests” are purposely vague and diffuse; therefore they are relatively difficult to translate into specific policies. Setting preferred outcomes and attempting to realize them, while also difficult to implement, does offer a more precise means of conveying exactly what results we wish to see occur. For an avowedly “open” administration clearly seeking to project its values and standards into the international arena, reliance on policies based on established preferred outcomes seems a sensible mechanism for planning US courses of foreign policy actions.

ENDNOTES

1. We are aware that many requirements for flexibility and mobility of forces which could be used globally are assumed as part of the “one war” measure as well as the “one-half war” planning figure. However, we are pessimistic about the end results of such a line of argument and question whether or not future U.S. forces will, in fact, possess that desired flexibility and mobility outside the Central Front.

2. See Geoffrey Kemp and Harlan Ullman, “Towards a New Order of U.S. Maritime Policy,” *Naval War College Review*, Summer 1977, for an elaborate discussion of the diffusion of power phenomenon and areas in which access may be limited.

3. This would include the issues of rationalization and standardization of systems, doctrine and strategy.

4. The first two views diverge on the magnitude of the Western response and not whether the West should respond. Advocates of heavier more immediate increases are Senators Nunn and Bartlett and Lt. Gen. James Hollingsworth, USA (ret.). Proponents of a more measured response are Gen. Alexander Haig (USA) and Robert W. Komer. (See, for instance, Komer, “Ten Suggestions for Rationalizing NATO,” *Survival*, March-April 1977). There have also been suggestions for an “offensive” NATO strategy into parts of Eastern Europe which, in event of Warsaw Pact aggression and advances into Western Europe, would compensate in part for that territory lost to Pact forces by capturing and holding East European areas. These suggestions are vaguely reminiscent of the Schleiffen and Plan 17 impasse which embroiled both sets of belligerents in frightful trench war for four years during W.W.I.

5. See, for example, statements by Congressman Les Aspin.

6. One remembers, of course, the initiator of war by surprise attack does not always achieve victory. Also important is the observation that surprise attacks can be successful when launched after mobilization as the Egyptians demonstrated in 1973.

7. One can argue that wars have been accurately forecast in terms of planning and scope. The usual example given is the U.S. Navy’s Pacific strategy in World War II. However, while being accurate in terms of judging the enemy, Japan, and the amphibious campaign requirements, one must realize that the heart of the Navy’s strategy, the battleship, played a relatively minor role and was displaced by the unanticipated emergence of the aircraft carrier as “capital ship” of the fleet.

8. We are well aware of the differences in strategic and doctrinal outlook between the U.S.-NATO and the U.S.S.R. However, we do not assume such a contingency is automatically impossible.

9. We do not suggest this contingency has a high probability of occurring. We do suggest, however, that scenarios are useful in testing courses of action and at least making known implications and tradeoffs. It is indeed likely, and, we hope true, that George Kennan was correct in assessing that neither the U.S. nor the U.S.S.R. had any vital interests which would cause direct military conflict. Unfortunately, both sides will retain a substantial military capability into the future and even wars of accident, however limited, could conceivably bring the superpowers into conflict.

10. This would also come at a time when the U.S. is withdrawing or has withdrawn its ground forces from Korea and could adversely impact on any Korean contingency occurring during these hostilities.

11. Pollution problems exacerbated by groundings and collisions, in addition to the already crowded traffic patterns, may produce an ocean analog of air-traffic safety control.

12. We realize that "Trident" deployments on the East coast may increase Soviet interests in the South Atlantic and, therefore, be detrimental to U.S. interests.

Panel 3

Strategic Resources and the North-South Dialogue

An examination of the implications of and the modalities for competition and cooperation between the industrialized states, the developing nations and the OPEC states. An appraisal of the resource balance within the north-south relationship and the geopolitical implications for US policymakers. An assessment of long range economic strategic options, bilateral and multilateral efforts and alternative US policies to support development without disrupting interalliance or east-west stability.

Chairman

Dr. A. A. Jordan, Georgetown Center for Strategic and International Studies

Authors

Dr. Timothy Stanley, International Economic Studies Institute

Dr. Lincoln Gordon, Resources for the Future, Inc.

Panelists

Ms. Herschelle Challenor, Staff Consultant, African Subcommittee, International Relations Committee, House of Representatives

Dr. Charles A. Cooper, Manager, Energy Policy, The Exxon Corporation

Dr. Curtis Farrar, Technical Assistance Bureau, Agency for International Development

COL Herman Gilster, Director, International Economic Affairs, Office of the Assistant Secretary of Defense (ISA)

Mr. Allan Goodman, Central Intelligence Agency

Mr. Mahbub Haq, Director, Development Policy, International Bank for Reconstruction and Development

Mr. James L. Holt, Office of Technology Assessment

Mr. Robert Hormats, Senior Staff Officer, International Economic Affairs, The National Security Council

Dr. Richard L. Hough, The National War College

Mr. Arthur E. House, Legislative Assistant to Senator Ribicoff

Mr. James Howe, Overseas Development Council

Dr. Robert A. Kilmarx, Georgetown Center for Strategic and International Studies

Dr. William S. Krason, Industrial College of the Armed Forces

Dr. W. Scott Thompson, Fletcher School of Law and Diplomacy, Tufts University

Mr. Joseph Willet, US Department of Agriculture, Economic Research Service

Rapporteur

COL Fred E. Wagoner

Panel 3

Strategic Resources and the North-South Dialogue

Chairman's Plenary Session Summary

Dr. Amos A. Jordan

We began our discussions by focussing on the North-South dialogue and then dealt with strategic resources. Laying out this orderly procedure implies a little more structure than there was in our discussions. Indeed, Justice Holmes' phrase about "shoveling smoke" was one we had recourse to occasionally. Inasmuch as the North-South dialogue is about as amorphous and shifting as possible for a topic, perhaps even the metaphor of smoke overstates the concreteness of some of our discussion. Certainly our topic was more ethereal than the dross or trash to which Bill Whitson and Herman Kahn referred. So I have decided to talk more briefly than those two gentlemen did. Boiling 12 hours or so of our discussion into a comprehensive 25 minute dissertation is impossible, so I will give you only a few highlights and then open the floor to questions. I hope that my fellow panel members will add their views, either by intervention or by my throwing questions to them.

"North" and "South" are terms that we had to define at the outset. By "South" we meant the "less developed" nations or "developing" nations. We sometimes used the term "Third World" interchangeably with "South." For "North" we sometimes used the term "First World." By it we agreed to mean the OECD nations: United States, Canada, Western Europe, and Japan—the "developed" world.

As the discussion proceeded, it emerged that we viewed these concepts of North and South as permeable. That is, we agreed that nations in some cases should be expected to move from the developing category, over a span of 20 years, into the developed category. That was our time horizon—over the next 20 years. Indeed, there are a number of so-called "middle class" nations, or middle income nations, in the Third World grouping—Brazil, Mexico and Venezuela, for instance—that are in some regards already developed and might make the full transition relatively soon. We were eager to keep open the doors of the First World so that such nations could in fact make the full transition. There is doubt as to whether some of them want to, and we only want those who *can* and *want to* to join; but in many instances it would be advantageous to both the country concerned and to the North, if they in fact did change categories.

Much of the North-South dialogue in recent years has revolved around the South's so-called New International Economic Order demands. These demands include debt relief, increased commodity prices and indexation of those prices to the prices of industrial goods that are exported by the developing countries, increased and automatic aid payments, full rights to technology transfer, the right to discriminate against (and expropriate as they deem appropriate) businesses owned by the North or by Northern multinational corporations, and so forth.

Dealing with this list of demands was, in our view, the wrong way to address the questions that are real in the relationships between North and South. Permitting the questions to be placed

on the agenda this way was something the North should avoid as far as possible. To some degree we are prisoners of the forums in existence, such as the UN, UNCTAD, CIEC, etc. and of the fact that the South uses these forums to insist that these be the items on the agenda. But we should lend no substance to the unrealistic demands in the list, and a number of them are unrealistic.

The claim or demand is not just an economic one that the South is pursuing, but to some degree it is a moral claim for retribution and restitution for past "exploitation." It is also a power claim, inspired by the analogy of OPEC. These nations of the South seek to cartelize their resources and thereby to exercise leverage over the developed world. These moral and power or political dimensions, and some of the economic dimensions as well, of the demands for a new economic order were—our panel clearly felt—inappropriate. We concluded that we cannot accede to them and that we should, instead, shift the focus of the dialogue to what is legitimate—namely, the call for help in economic development by the Southern states. Moreover, we should shift the dialogue out of forums such as UNCTAD and CIEC, insofar as we can, and into bilateral channels or into regional channels, or even into the more traditional development institutions such as the World Bank.

What would be an appropriate response to the demand for help toward development? Our recommended answer is, in essence, first, that we continue concessional aid, primarily in bilateral patterns and that we shift its thrust to the poorest of the nations. Whereas now only about 40 percent of total developmental aid or concessionary aid from the North goes to the poorest countries, the bulk of such aid in the future should go to them. Not only should we shift concessional aid more to the most needy, but also within those states we should try to focus it on basic human needs. These kinds of resource transfers are essential if these countries are ever to have any hope, if they are ever to contribute stability rather than instability to the world at large.

But this should not be the focus of our developmental effort—bilateral concessionary aid. Rather, liberalization of trade should be. There is much more promise for the South, in terms of economic development through increasing productivity, much more promise in terms of the required scale of resource transfers, if the focus is on trade. Genuine liberalization of trade is preferable to expanded preferential trading arrangements.

We are also clear that certain sectoral development initiatives needed to be taken, specifically stressing population control and increasing food production in the poorest nations. In all of this, we cautioned that we ought not unrealistically to raise expectations, which is something we have characteristically done—that means expectations in the United States as well as expectations in the Third World.

We noted the anomaly of the OPEC nations being a part of the South, since on a per-capita basis many of them are far wealthier than some developed states and since they are now transferring resources out of the rest of the developing world, via the increase in oil prices, at about the rate that the North is transferring resources into the developing world. Yet there has been an astonishing solidarity between the OPEC nations and the remainder of the Third World despite these massive resource transfers at the expense of the developing world. Northern strategy should focus on this anomaly and seek to press the OPEC nations into a far larger role in helping their poorer partners, as well as in restraining further price increases.

Turning to resources problems, we spent a great deal of time talking about oil, reflecting the same focus on the shift in the balance of power that was reflected in Bill Whitson's remarks about the Middle East. There was a sharp difference of view in our panel on the dangers posed by the past quadrupling of oil prices and the prospect of further increases in the future. All agreed that the international financial system had thus far shown great flexibility in managing and recycling petro dollars; some believed it could continue to do so without substantial problems while others

felt that there was a major danger of breakdown in the system, particularly in the case of the private banks which were carrying a large part of the load. All agreed that further large price increases could cause breakdown; but some believed that further modest increases, for example, in step with inflation, could be accommodated rather readily. There was a consensus that, if the North hoped to avert serious future problems, it would have to put its energy house in order.

From the outset we agreed that we need to look at resource questions, as well as the North-South dialogue, in terms of the OECD as a whole, striving to strengthen and solidify the linkages within the North so that we have a common front in dealing with these issues.

We spent a little time on the Soviet bloc's position, both in the North-South dialogue and on resources questions. It was clear that the Soviet Union wants to evade sharing any of the responsibilities of the North, and that the South is increasingly restive about this Soviet tactic, calling the Soviets to task in various forums for this unwillingness to pick up any of the burdens on the ostensible grounds that these are the residues of the colonial past. Of course, it is in our interest to sharpen and strengthen these demands by the South on the Soviet bloc, but we should have no illusions that the Soviets are going to respond affirmatively.

As for the Soviet position with regard to resources, our discussion was sufficiently inconclusive that I am hesitant to state any consensus, but there were several panelists who advanced views that the Soviets have already embarked on a resource strategy—for example, that their African adventures have been in part directed toward the area's rich resources, some of which, as they consume their own high-quality resources, they want for themselves and some of which they want to deny to the North. There was no doubt that oil does play an important part in their thinking, even though we were not clear how much or how soon they might need Middle Eastern oil themselves.

In general, we doubted the Soviet's ability to manipulate resources in parts of the world other than those where they are in physical occupation or have quasi-control such as in Eastern Europe. We did not think that, short of major campaigns of preclusive buying, they could for long deny the North the resources of Central and Southern Africa—even if there were regimes there which were sympathetic to the Soviet Union, for even those regimes would be pursuing their own economic interests. If their natural markets were in the North, that is where their trade would tend to go. Nevertheless, we did not rule out the possibility that, in selective cases where there was a high crucial vulnerability on the part of the North, the Soviet Union might be prepared to pay some price, say in preclusive buying, in pursuit of a resource-denial strategy.

That raises the distinction between dependence and vulnerability. We noted that there will be a very substantial increase in US dependence on imported materials over the next quarter of a century. Indeed, we are already heavily dependent for a number of the most crucial materials needed by an industrial nation, and this will be increasingly the case over the next two decades. But this fact of dependence does not necessarily mean that we are highly vulnerable to Southern supply interruptions or drastic price manipulations. In many cases we are dependent on materials from other Northern countries. As a matter of fact, the bulk of United States' investment in materials in the last two decades has gone into other Northern countries—particularly into Canada and Australia. So the topic of vulnerability should be addressed carefully. To be "vulnerable," you not only need be dependent, but also the supply of the commodity in question must be concentrated and subject to manipulation or ready interruption. If the particular case involves cartelization, the supplying countries must be prepared to withstand counteraction from the North and there must be at least one major supplier willing to hold back supply in order to manipulate price and availability.

"Vulnerability," then, must be addressed on a case-by-case basis; doing so results in a list of perhaps a dozen commodities of genuine concern, besides oil. Now I am speaking from an OECD perspective, not just a United States' one. The list of a dozen includes the obvious ones: bauxite, copper, tin, natural rubber, chromium, cobalt, and manganese, for example. It also includes uranium. But even in these cases, a careful analysis indicates that relatively few of them are subject to cartelization on the OPEC model. I think we generally agreed in our panel that, except for a handful, cartelization is not the primary danger. Situations can change but that does not appear to be the primary danger the North faces for most of the dozen. Rather, the primary problem consists of protracted supply interruptions or shortages arising out of the other causes. These other causes include breakdown in law and order in an area, regional wars, widespread terrorism, inadequate investment in basic production and transportation facilities so that material flows are not adequate, and so forth.

Given generally increased dependence and genuine vulnerability in a dozen or more selected materials, what basic materials strategy should the United States adopt? Historically we have not had a resources strategy, except briefly. Before World War II we were not even concerned with the issue. We developed one, a highly focused strategy, during World War II. But we let its machinery fall into disrepair, thinking that was all behind us, in 1945. Then in the Korean War we rediscovered the problem and reinstituted the mechanisms and could be said, again, to have a resources strategy for a period. But with the development of nuclear weapons and the doctrine of massive retaliation in the latter 1950's, this sort of thinking became increasingly discarded. The last edition of the *Economics of National Security* book, written at West Point, bears the date of 1954—the last basic text on the subject.

It is clear, however, that the North as a whole and the US in particular, is coming into an era in which we need a resources strategy because of our increasing dependence and vulnerability in these selected cases. How are we to approach the problem?

We have three basic options. One is increased independence; not genuine autarky, which is unattainable, but a sustained drive to limit dependence. A second option is to increase interdependence, trying to make it a more viable approach. The third is to muddle through as we have been doing, perhaps attempting in the most crucial three or four cases to limit vulnerability. There is an argument for this latter case, despite its superficial unattractiveness; for, if we can help the market work, the materials that are really required will be forthcoming because the prices of them will go up. For example, if the price of raw bauxite had to double to bring forth the needed volume, at the final product stage the few cents a pound on aluminum would get swallowed up in general inflation; perhaps such a case is manageable.

But there was no great inclination in our group to rely on muddling through. Instead, we seemed to be persuaded to follow a judicious blend of the other two options, on a carefully-targeted, rifle-shot basis. We preferred, in general, to increase our independence, without paying too high a cost to do so. In pursuit of limited independence, there are some things we decided we could do, such as rationalizing our stockpile, which is in an abysmal state now—a few weeks supply in some things and four years in others, in some cases materials that are technologically out of date, total gaps in the stocking of others—rationalizing our stockpiling program to give ourselves protection against brief interruptions. We could also increase minerals exploration, and the tax incentives and regulations necessary for that, including exploration on public lands which are now closed to this activity, so that we would know what we have when we need it. We could enhance the R&D effort directed at finding substitutes for critical materials. We could use tax writeoffs, depletion allowances, incentives of various kinds to enhance investment in domestic resources as against external ones. Such investments are languishing now, as well as foreign investment.

Since it is unrealistic for us to strive for autarky across the board, we should look also to enhancing the interdependence route to insuring the flows of needed materials. Importantly, this approach involves improving the climate for investment abroad. We spend some considerable time talking about investment guarantees, of bringing the international investing and trading community together, particularly our OECD partners, in trying to enforce codes of contractual behavior on the South. We have heretofore lacked a legal framework for doing this in our own country, but we have recently remedied that and can now try to persuade the other OECD nations to cooperate with us in the matter.

We also concluded that we should encourage the World Bank to support resources development and export. There is already some inclination in the Bank to do that, and we should certainly reinforce that inclination, particularly in the case of oil but also across the board in raw materials.

We talked at some length about bending our aid and trade policies in the direction of enhancing development of raw material resources in the South and encouraging their flow to the North. In short, there are a number of things that can be done if we think through and orchestrate our policies—both to increase our independence and also to make interdependence a more reliable way of assuring the flow of these materials.

We concluded, however, that we badly lack the governmental mechanisms to rationally attack the dependence-vulnerability problem. It was observed that there are something like 200 agencies, boards, committees, and so on, in the US Government dealing with the subject of materials. This chaos has been compounded by the disappearance of the Office of Emergency Preparedness and the relegation of responsibilities in the materials field down two levels in the bureaucracy to the Federal Preparedness Agency. The dissolution of CIEP, the Council on International Economic Policy, as a part of the ongoing White House reorganization, exacerbates the problem. CIEP had played a very useful role in regard to materials a couple or three years ago.

We agreed that there should be interdepartmental coordination and supervision in the material policies area, as indeed in the whole area of international economic policy. Whether this should be through a newly created committee, for example, of the CEA, or whatever, was not decided. Clearly it is *not* sufficient to bring people, *ad hoc*, out of the respective staffs of relevant agencies to try to cope. We need a continuing analytical capability, a continuing oversight ability, a continuing policy sensitivity in this area.

Finally, we spent but little time talking about the military implications of all this, partly because the implications were sometimes evident and partly because we ran out of time. We talked about this topic mostly over the coffee urn or in the corridors. But it was clear to us that there are indeed military implications to this whole topic, not just to oil, which is our overwhelming resource problem. Apart from the reemphasis on the Middle East which oil gives us, this topic of resources raises questions about the importance of Africa, which is a tremendous source of vital materials. It raises questions, for example, about whether we ought to be pointing our alliance strategy toward materials suppliers; perhaps even our base structure should be looked at in the same light. Certainly, we should reexamine our ability to project force into Third World areas and our Navy's capability to secure transportation routes. So there are a number of political-military implications which our nation must think through, in view of the shift toward the spectrum of economic instruments that Bill Whitson alluded to. This very central area of economic policy needs to be looked at more comprehensively, more continuously, with more sense of urgency than it has been heretofore.

I think I have ten minutes for questions.

GENERAL TAYLOR: I am not sure whether in your alternatives to meet the shortage of sources of raw materials in the future—you contemplated one which is certainly rational but whether feasible I am not sure—[you discussed] a series of bilateral economic alliances, paralleling the way John Foster Dulles decided to close communism by military alliances for the purpose of assuring access to [resource] markets by all [countries], using for that purpose very special concessions case by case and using as our bargaining counter our food, our manufactures, our technology—all the things in very short supply and becoming critical in all the countries we are interested in for the period under consideration.

DR. JORDAN: We didn't spend any great time on that, General Taylor. We did talk about it a little bit in the context of the French, for instance, making iron-clad agreements with certain of the OPEC countries in the context of the 1973 oil crisis for a continuing supply of oil, and of Japanese efforts across the board in the materials field to have firm bilateral arrangements with their raw materials suppliers. But we didn't pursue that line of thought in the American case, perhaps unwisely, because we were thinking essentially in terms of trying to assure the stability and structure of the *world* materials markets, of the adequacy of overall flows in world markets to satisfy the needs of the *OECD countries* as a whole. We were directing our attention to the problem of the North as a whole, to the viability of our NATO and Japanese partners, rather than just to our own interests. So we didn't talk about explicit bilateral economic linkages, but we did make clear, when we talked earlier about shifting the terms of the North-South dialogue into bilateral channels, that we wanted to reinforce our economic ties with individual Southern nations, perhaps adding security dimensions and other arrangements that would make the Northern half of a partnership more attractive to the Southerners—thereby enhancing the stability of our material flows. But as a separate approach to our problem of securing materials flows, we didn't give adequate attention to that important option. Scott?

DR. THOMPSON: To follow that up, I think there was a substantial minority in our group that was able to constrain its enthusiasm for large-scale aid transfers to the Third World, who thought somehow it wasn't the highest form of wisdom to write out blank checks to large North-South contacts and rather we should emphasize bilateral ties.

DR. JORDAN: Yes, I think there was that opinion, but I am not clear how the group that represented skepticism about aid flows felt about increasing the role, for instance, of the IMF. I think they did not quarrel with increasing the role of international financial institutions, but there was skepticism about expanding UN agencies' roles.

QUESTION: Wouldn't it be a wise idea to relook at the entire question of feasibility of military power and access to resources in the Asian area? You mentioned Africa, Latin America and the Middle East.

DR. JORDAN: We didn't really get into that at any length. Again, we hit it glancingly. By my citing Africa and Latin America I didn't mean to restrict the relook at strategic questions from the resource perspective to the two areas cited. We intended the relook should be worldwide. We did not, however, explicitly address the Asian resources potential.

Since I have a very restive Lieutenant General in front of me, as well as a number of hands raised for questions, I guess I should yield to seniority. Let me close by saying that the richness and sophistication of the discussion on this smoky subject astonished me, a richness in part probably due to the fact that we had a good mix of Third World, industry, academic, and US Government and ex-government types. My summary has, unfortunately, not done justice to the excellence of that discussion.

Panel 3

Strategic Resources and the North-South Dialogue

Rapporteur's Report

COL Fred E. Wagoner, USA

Prior to the panel's sitting, a proposed agenda was distributed to all members which listed as the objectives of the panel sessions the developing of, with regard to the Third World, US political and economic policies that would: (1) gradually incorporate the South into the developed or industrial world;¹ and (2) best promote the US national security interest of access to strategic Third World resources and regions.

From the outset of the first session it was apparent that from the complex and amorphous nature of the subject, especially with regard to the portion dealing with "North-South Dialogue," it would be difficult for the panel to hone on the agenda's objective. First there was the basic problem of defining the terms themselves—the North and South—to which other terms and acronyms relate: East; West; First, Third, Fourth, Developed, and Developing Worlds; the LDCs; NIEO; OECD; and not to be forgotten, OPEC.²

Then the term "dialogue," which connotes ideas and opinions, opened wide and disparate doors in a North-South context. And finally, policies and decisions derive from a strategy: to do what? The global humanitarian one of satisfying basic human needs? Or realpolitik?

The panel was indeed fortunate in receiving two excellent papers, which were reviewed briefly by their authors at the start of the first session and well set the stage for the discussions that followed. In reporting the panel discussions in the following paragraphs the rapporteur has tried to keep as much as possible within the verbiage as was actually presented in the discussions—within the limitations imposed by the speed of the rapporteur's pencil.

NORTH-SOUTH DIALOGUE: GENERAL

The initial panel session surfaced many ideas and opinions of the general nature of North-South dialogue, and these received further elaboration and refinement in subsequent sessions.

The panel started with all members agreeing that relations between North and South (the dialogue) had rarely been considered in a strategic sense (unlike East-West), and that the supply of raw materials and free access to strategic regions are becoming more and more critical, especially as the Soviets develop increasing capability and desire to expand in the world geopolitical/economic arena. There has been little if any change in the climate of North-South relations to ensure the flow of these basic resources, nor does the climate of East-West relations offer encouragement. Thus, resource diplomacy has taken on new importance for the United States in not only the

North-South context, but also East-West in relation to our potential enemies and West-West (OECD) in relation to our allies.

There is a need to distinguish rhetoric from realities, our (the North's) vulnerabilities and risks, their (the South's) capacity to develop, and for both to more accurately formulate policies and stabilize interrelations for the coming decade or so—perceptions, procedures, and policies. It is one thing to respond or fail to respond to rhetoric; it is another thing to determine what is behind it. We thus have the problem in outlining any strategic North-South issue to define the demand between, for example, a global humanitarian aid mission and a development mission focused on expanding export capacities. While the two roles, aid and trade, often overlap, it is recognized that aid must reach countries that trade cannot. This brings into focus the basic dilemma of deciding how much the North should pay, or even if it should pay, to satisfy the South's goals. Is the North-South dialogue simply a political/economic response to the question of how much and what kind of concessions the North should make to keep raw materials flowing from the South? Most contend that the moral problem of satisfying basic human needs is always before us. Some aid (e.g., food) would probably flow regardless of political and economic demands.

In viewing the North-South dialogue from the South, panelists discussed the various imperatives and rationales promoted by the South to obtain and justify its development objectives: that from the colonial era the North has a "duty" to pay and the South the "right" to receive; that the North should in effect pay reparations; and that because of this certain "legal traditions" of the past did not apply to new, developing nations. Thus, they should not be held in account if they violate such traditions—for example, the expropriation of foreign owned assets with inadequate or no compensation. And aid should be given without strings or expectation of reciprocity; it should be funneled through multilateral agencies such as the World Bank and the International Monetary Fund (IMF).

Except for the North's "duty" to satisfy basic human needs, none of the panelists seemed to accept any of the above theses of reparations. One panelist observed that while the North had often reacted incoherently to these issues the South itself had taken up the wrong issues—too many "targets of the past." Any demands by the South, for example, to close the income gap with the North would be impossible, for the growth of the South depends on growth in the North. For this there must be linkage—the two worlds cannot develop in isolation. It was noted, however, that two-thirds of humanity lived in poverty and that only 40 percent of the North's assistance went to the poorest nations (Fourth World). Thus, in meeting the South's basic needs it was agreed that the North should reorder its priorities; but at the same time the panel observed that it might be unrealistic or unreasonable to think that there could ever be large quantitative gains in the poorest of LDCs.

And finally, in viewing from the South, no single North-South strategy can be complementary to all the South's needs, for between developing countries there are varying degrees of progress, cultural tradition, resource potential, and development priorities. Economic unfairness may be a valid argument for some states, but for others it is simply a means to further political goals. Some of the most destabilizing forces in the South are not motivated by valid developmental problems (e.g., Idi Amin). The South is not a monolithic bloc, though there is often a marriage of convenience on specific issues. They may surface unanimity, but individual underlying concerns vary. Many do not like what they see in the First World, and "incorporation" is not necessarily their desired goal. They see incorporation, for example, into OECD, as an invitation to join "our system," a system which they feel is often based more on power than on development. We must, however, create the institutional framework or set of arrangements for their future inclusion when they are ready and willing to assume the responsibilities of membership.

In dealing with the South and without any clearcut or coherent strategy, the North has been unable to formulate its objectives, and "kneejerk" and uncoordinated policies have emerged. As a result, the genuineness of the North's interest in the South's development often appears suspect. For the past few years the United States has been sending signals that we cannot be counted on to both our allies and the South. Our post-Vietnam posture with regard to pursuit of objectives in the South shows us both as lacking confidence and "fickle." We showed this in Angola, and the French and Moroccans bailed us out in Shaba Province (Zaire).

In our approaches to the South the United States has sometimes appeared as condescending and obsequious, guilt-ridden, and panic-stricken, and we have often expected miracles or falsely created such expectation. We lose patience with developing nations and take as irresponsible behavior what to them is completely rational. In our dialogue with them we often mesmerize ourselves with the language of global issues—becoming prisoners of our own rhetoric as well as theirs and leading ourselves into misconceptions. Thus, we fall into the strategic trap of not only increasing the promises of what we are going to do for the South but also increasing the promises to ourselves of what we can do. Some nations of the North can promise more than they deliver, we cannot for we are too open, too big, and too visible. Yet we talk of satisfying basic human needs, when from a realistic standpoint we can only assist in developing the *capacity* of people to satisfy their needs. We cannot force a country to deal with the basic human needs of their citizens if the internal domestic environment is not conducive.

The North must face up to the broad set of political decisions that must be taken before any real initiatives can be made with regard to the LDCs. It has sometimes been responsive to development needs in the South but not to security needs, leading to confusion in both North and South. Some panelists held as fatuous any notion that aid could be depoliticized. The basic fear of US lawmakers and politicians over competition from low wage exporters is well known, so consider, for example, the scream from soy bean producers in the United States as they learn that their tax dollars are being used to increase the palm oil exporting capacity of Country X. On the other hand, would there be congressional support for an aid program based on political considerations and without humanitarian content? Some panelists doubted this, even in concert with our allies.

All panelists agreed (at least there was no dissent) that considering the plethora of studies regarding the North's reliance on imported materials, need for developing substitutes, stockpiling, etc., the concern for being completely cut off from critical resources is real. To meet long-range world needs in strategic resources takes planning 10-15 years in advance. Both private industry and government are in a malaise due to the psychological uncertainty of investing in the South. In many developing countries there is a pervasive hostility to private investment. Western interests are not well served in a world increasingly socialist and basically antiprivate enterprise, and yet the urgency of the resource situation demands that we approach this world—in the past more often than not on its terms.

NORTH-SOUTH DIALOGUE: SPECIFIC ISSUES

There was considerable discussion by panelists on specific issues, problems, and options bearing on the ability of the United States to develop a strategy promoting our interests with regard to the Third World. The point was made that while the United States today is relatively independent of outside sources for raw materials, our allies in Europe and Japan are not. There is a clear determination that while the United States is seriously vulnerable in only four or five materials, our allies are much more vulnerable to secure sources and that together we are becoming increasingly so. The question of reasonable assurance of supply becomes a *paramount consideration* especially when considered in conjunction with certain scenarios. For example, where 37 countries can

supply today one of the resources the United States needs to import, only two might be available to us in the event of war. It was agreed that there is enormous common interest within OECD. The basic task then is to orchestrate these interests in dealing with the Third World.

Recognizing the difficulty of dealing with the Third World in a global, all-inclusive context, especially in regard to those few critical material suppliers and key geographic areas, one panelist suggested narrowing the list to certain key countries which play a more important role in the international economic system—a "list" strategy. In formulating foreign policy there is a broad range of issues over which each country in the South has varied impact: for example, in dealing with nuclear proliferation, human rights, available raw materials, export capacity and trade, strategic location and supply lines, international issues, etc. Starting with these issues the policy formulator can then identify key countries having the most impact and then assess policies and focus resources accordingly. Algeria is a case in point: Normally we have only minimum interest in Algeria, but because of its importance multilaterally it assumes great preference. In discussing the list approach panelists pointed out that this approach is essentially bilateral dealings, not really a strategy in the North-South context, and is subject to the same inconsistencies in approaches and interrelations that have plagued policy in the past. In such an approach there is also danger of failing to include a specific nation on the list which may take on sudden importance and over which we could become involved in war.

The panel only briefly considered the Soviets and Chinese and their relations in a North-South context. China, which has refused to engage in any scheme of preferences and pushes self-reliance within the Third World, maintains a low profile. Nor has there been any projection of COMECON (Council of Mutual Economic Cooperation) into a North-South dialogue, which holds the official view that Eastern Europe is not a part of the North, and that it is the responsibility of imperialists to remedy the ills of imperialism. The South, however, while it may accept the Chinese, does not accept the Soviets in any special category and considers COMECON nations as part of the North with all its attendant duties and obligations. Thus, Soviet participation and involvement in the Third World has often been humiliating and costly.

Some panelists felt that the Soviets have no grand design or finely articulated policy pursuing resource objectives in the Third World. However, it is probable that resources do play a role in their actions, and it was noted that the heaviest concentration of Soviet effort has appeared closest to critical raw materials and sea lines—most recently in Shaba Province. There are certainly interests and opportunities that motivate their activities in the Third World, especially events within those exporters of key materials that could be exploited or have impact on the West. And there has certainly been a dramatic change in the ability of the Soviets and the West to project power into periphery areas. Today the Persian Gulf is as much an arena of East-West confrontation as is Europe.

The Soviets could become increasingly competitors with the North. The idea that they have an exportable surplus to affect strategic balance has changed; the Soviets are now scrambling for imports and will be increasingly dependent (vulnerable?) in the future. (One panelist noted, however, that they have the capacity to "squeeze" their demands.) Most panelists felt that try as the Soviets might they would never be able to get enough control of internal policies in the South to turn resource exploitation on and off, at least over a prolonged period.

The situation looked different indeed when the panel discussed OPEC. The ability of the oil producing nations to affect the international economic order (and hence security) was recognized by all panelists as the single most important aspect of North-South dialogue and of any endeavor by the United States to pursue a viable resource strategy. There was, however, considerable

discussion within the panel about how best to manage the problem, especially when reduced to its two simplest terms: The world is running out of oil and the price keeps going up.

While the oil producing nations are generally considered as part of the Third World, they are not included within the "South." In fact, the nations of the South have been among those hardest hit by OPEC price hikes, and so far there have not been sufficient mechanisms developed to recycle the huge oil revenues generated by these actions to the most needy nations rather than the few. So what is incongruous is the continued support of OPEC by even the poorest of these states, which does not make long-range economic good sense. One of the apparent rationales must be the hoped for advantages that might accrue to the South through OPEC leverage on the First World. Both North and South have a stake in the basic question of whether oil prices will be kept low and the flow more steadily assured if the North makes concessions to Southern demands for an NIEO. And OPEC has a responsibility to promote better collaboration within the Third World. For example, as one panelist point out, most oil producing nations have large food deficits which could be relieved by certain oil debt-ridden states of the South (e.g., India and Pakistan) in exchange, of course, for a better deal on their oil needs.

The question for the North is at what point does dependence on oil become vulnerability? Provided there is no major cataclysm, the strains on the international community are manageable if there are vigorous efforts by the North to develop oil substitutes, energy saving measures, and above all, better coordinated action. Continued paralysis, lethargy, and "business as usual" will mean that the worst is yet to come. All panelists were impressed by the results of a study made available to the panel by panelist Dr. Timothy W. Stanley,³ wherein several scenarios are developed with regard to varying policies and actions pursued by the North. According to the study, the difference between oil consumers taking the most effective and least effective actions vis-a-vis OPEC would amount to a \$112 billion saving per year by 1985 (based on 1976 dollars), which also happens to be the current level of US defense spending. The obvious implication is that dependency versus vulnerability in oil is determined by which scenario the North pursues.

Because of the shortage of time the panel only briefly addressed the organizations within government dealing with strategic resources and resource diplomacy. It was generally agreed in the panel (again, through lack of any expressed dissent) that among some 200 agencies in the United States dealing with materials, resources, and energy, there has been little coordination or overall responsibility for developing data and integrating policy, either foreign or domestic. It was not sure if or how the functions of the recently disbanded Council on International Economic Policy would be handled, but this organization had served a most useful purpose.

One panelist discussed the confusion and lack of balance within government between environmental protection and resource development. Concern for the environment is justified to an extent, but not to the point whereby it inhibits resource development contrary to national security needs. There is an ever-diminishing area of public land available for resource exploration—huge areas being locked up today in the interest of environmental protection without ever determining their resource potential. Excessive delays in exploration and exploitation are incurred by a proliferation of required permits. Ten years ago government leadership was largely sympathetic to these problems—not so today.

In the foreign area there is a similar confusion, lack of coordination, and inability to define policies in pursuit of national objectives. The malaise of private industry to investment abroad was previously mentioned. While much of this is due to regional wars and investment uncertainties within individual countries, much is also due to inadequacies within our own organization to distinguish between purely routine commercial interests and those of a more vital strategic nature. Much could be done by the government to encourage a healthy investment climate abroad when it

coincides with a resource objective—guarantees and supports for exploration, tax policy, promoting penalties for failing to uphold international obligation, more involvement from the World Bank and IMF—but this requires more coordination and organization than has been demonstrated so far. Returning to the “list approach” we need to consider specific materials we need and the specific programs to go get them. Do we have, for example, programs to replace the materials coming to us out of South Africa that might some day be difficult to get because of political policies pursued there?

RECOMMENDATIONS

From the foregoing discussions, obviously many conclusions and recommendations have already surfaced—not necessarily with the total concurrence of all panelists, but for the most part without extensive dissent either. In the final half-hour or so of the last panel session, the Chairman asked members to propose specific policy recommendations to be presented at the Plenary Session. The following were proposed without extensive discussion or dissent:

1. For the majority of materials which the United States needs to import we can continue much as we have in the past. There is only a small list on which we must concentrate and plan special policy initiatives (five of serious concern and nine of moderate interest).⁴

2. Our concern over the problems of investment, political uncertainties, etc., would benefit from some constructive measures being taken institutionally. We should give serious thought about how to encourage investment—improve the climate for investment at home and abroad for mineral exploration and exploitation. Today we don't feel any crunch—tomorrow we may.

3. We need better plans for developing known reserves and we must offset needless restrictions (e.g., pollution control) that harass unnecessarily. We must get a better handle on supply and demand, and we need to improve the international data base.

4. There are useful things to be done that are not done now—both bilaterally and through multilateral structures. We need to establish guarantees for investment, support for exploration, bank credits, revolving funds, respect for international law, and penalties for violation thereof—all with an eye to the specific materials we and our allies need. We should attempt to get multilateral agencies more involved (World Bank, IMF); perhaps in so doing this would provide more encouragement and confidence for the private investor. We need to educate the powers that be in the developing countries with minerals to see the ongoing advantages in allowing private companies to explore and exploit.

5. There are enormous common interests within OECD. Both Japan and Europe are more vulnerable than we are. Do they perceive their vulnerability as we do and, if so, are they willing to coordinate with us?

6. In the more vital areas of resource management we should be striving for, if not autarky, at least reduced dependency (certainly in oil). We can facilitate government exchange of technical data; encourage research, and develop substitutes; more efficient stockpiling; subsidize resource exploitation; and above all, establish an institutional overview of policies and procedures and the organization to implement. We need an “umbrella” over the entire spectrum of resource management.

And finally, perhaps as a last attempt to come to grips with a “strategy,” the panel accepted the last portion of Dr. Lincoln Gordon's panel paper as providing valid *Elements in a*

Recommended Strategy—most all of Dr. Gordon's "elements" having been discussed previously. Only on one point was there dissent: The panel felt that the "... progressive incorporation of the South into the adequately developed industrial or postindustrial world" should be subject to the desires of each individual nation in the South to be so "incorporated." On this note, which seemed to well characterize the overall tenor of panel members' views, the panel adjourned.

ENDNOTES

1. Listed in Dr. Lincoln Gordon's paper, which was also distributed to the panel prior to the Conference, as the "ultimate object" of a development strategy. (See Dr. Gordon's paper at end of panel section.)

2. Organization of Petroleum Exporting Countries. Other acronyms used in this paper are: *NIEO*, New International Economic Order; *OECD*, Organization of Economic Cooperation and Development; *LDC*, less developed countries or Third World, the least developed or poorest countries being also the Fourth World; there are also distinctions within the classification of developing countries.

3. International Economic Policy Association, *America's Oil and Energy Goals: The International Economic Implications*, June 1977.

4. See Dr. Stanley's paper at end of panel section.

Panel 3

Resources and Geography in the North-South Dialogue

Timothy W. Stanley

I. Introduction

Compartmentalizing strategic relations by region, country, or issue is always difficult, but it has become even more so in the modern world. Technology has given us the means of rapid worldwide transportation and communication. The liberal post-World War II economic system has resulted in increased economic contact between nations. Conflicts which might once have been of only regional importance become a global concern both through their potential involvement of the superpowers and the ability of the antagonists to project military operations to areas only tangentially involved. The result is a world so highly interdependent and complex that analysis of one set of problems in isolation may mask other important interrelationships or issues. Thus, although they may be treated elsewhere in this conference, a brief sketch of US relations with the three major country groupings, their importance to US security, and their interrelationships seems appropriate to this panel. These can be conveniently divided along three geographic "azimuths": West-West, East-West, and North-South.

Difficulties in the *West-West* dimension are generally the result of economic competition among the members of the Atlantic Alliance and Japan. There continue to be disagreements among the NATO allies; but these, while reducing the effectiveness of the alliance, do not affect the members' political commitments to mutual security. However, the fundamental proposition that a strong trilateral relationship is the keystone to US security and to global stability can be shaken by domestic unrest caused by worsening economic conditions. The recession of 1974-75 resulted in unemployment unprecedented since the Depression in the industrial countries. The "recovery" (if such it be) has been less vibrant in Europe and Japan than in the United States; and their unemployment and inflationary pressures remain high. There have been few successful attempts so far to pass these problems on via protectionist import measures or unfair export practices; but the pressures everywhere for government actions which could lead to retaliation and political-economic conflicts continue to grow. In addition, poor economic performance in Europe, particularly in Italy and France, has contributed to the emergence of the Euro-Communism phenomenon. The effect of coalition governments which might include Communists in France, Italy, Spain, and Portugal, on NATO and Western security in general, is difficult to measure. But as a minimum it would greatly complicate inter-allied trust and cooperation.

The *East-West* azimuth has traditionally received the greatest attention, and rightfully so since it represents the direction of our most serious military threat. This relationship must be regarded in a long-term context, in which the level of tension will fluctuate in response to both internal and external events. This is not to say, however, that progress in ameliorating these tensions in selected areas, such as the arms race, is impossible. The basic adversary nature of the relationship between the United States and the Soviet Union seems likely to continue, and to be affected by the

"generational" change in leadership which the Kremlin faces. In addition, economic, demographic, and political tensions there may increase, with a tendency toward greater influence by hard-liners and the Russian military-industrial complex. That in turn could lead to more Angolas in the Third World and to dimmer arms control prospects.

But there are also some opportunities as well as dangers, for there will be growing economic incentives on both sides to maintain a stable military balance at lower levels of tensions and costs. They need the savings to buy Western technology and goods for domestic development; and the West needs the money to pay for oil imports. If the Administration's "human rights" offensive has the effect of precluding such mutual restraint, then there may be quite a high economic price tag on our satisfaction in putting the Soviets on the "ideological defensive."

North-South relations remain a more or less neglected area in terms of "strategic" thinking, although they have increasingly dominated the work of international forums on political and economic subjects. Yet our relations with the Third World affect our national security from a number of different directions. First, in a limited war environment, this group would be important both as providers of necessary strategic materials and as guardians of a number of the most important chokepoints on international trade routes, such as the Bab-el-Mandeb or the Straits of Malacca.

Second, in the modern world, strategy must be broadly defined to encompass not only the traditional components of national power in a geopolitical setting, but also politically and economically motivated actions which can affect the actions of friends and potential enemies. A decision to cut a nation's access to strategic raw materials (at least at reasonable prices) in order to effect a change in that nation's policies is an economic counterpart to military embargo, or control of a trade route.

The Third World has demonstrated its desire to remodel the international economic and legal system to provide the greater equality for the "South" which they consider long overdue. A prime weapon is control of commodity prices, with which they hope to reverse the claimed decline in their terms of trade. The challenge to the international system embodied in their methods is, in a sense, a threat to the security of the United States broadly defined.

In addition, North-South relations intersect with the other azimuths of US relations. What little strategic attention that our relations with the Third World have received has often been the result of ideological confrontation with the Soviet Union in peripheral areas, such as Southeast Asia. A number of countries have used the competition between the superpowers to increase their freedom to maneuver in pursuit of their own objectives, particularly in the area of national development. The West-West relation is affected by the role of the Third World as mineral producers. Japan, Europe, and the United States all depend critically on Third World sources of petroleum and other industrial minerals. Their security and their economies are all affected by their competition for secure access to their commodities. A recent *Economist* article¹ suggests that the Soviet Union may itself become a competitor especially for African minerals such as cobalt, chromite, gold, diamonds, and platinum, introducing a political and ideological element to the economic competition.

Thus resources are a key element in these diverse relations and in their intersections. The most vital and therefore the most threatening resource problem is petroleum; and there, the OPEC challenge, through its unilateral control of supplies and prices, is perhaps the greatest threat to international stability. If the Western nations fail to meet this challenge, they risk a breakdown of their national security and what Henry Kissinger calls a "grave danger of an erosion of the

legitimacy of government and a prospect of basic changes in the domestic structure in Europe and perhaps even Japan."²

II. The Shifting Nature of World Politics

Access to raw materials had always occupied a central place in foreign and economic policy as well as in strategic planning prior to World War II. The great expansion of the European colonial empires during and following the early industrial age was at least partially related to concern over adequate access to commodities.³ Japan, coming late to the industrial age, and Germany and Italy, achieving nationhood only during the late 19th century, were largely excluded from the best colonial areas.

Political scientists (or political economists, as they were then more accurately called) began to differentiate among those states with access, the haves, and those without assured access to essential commodities, the have nots.⁴ These asymmetries were to eventually contribute to conflict both in Europe and the Pacific three times during the first 40 years of the 20th century.

The United States, blessed with abundant resources, was largely able to stand aloof from the scramble for access to materials. By the early 1900's, however, America's mining firms had begun exploration and development abroad, first in Canada and Latin American and later in Africa and Asia.⁵ These companies supplied some materials which were in short supply in the United States; and others, for which there were no markets here, were sold to other importing nations. The United States Government, however, was largely uninvolved in foreign mineral policy per se, although it did advocate an open and equal policy for foreign investment. Indeed, if a foreign materials policy is defined in modern terms—assuring a stable flow of imported resources at relatively low prices—the United States must be said never to have had one.

This laissez faire system was replaced by more active government involvement during World War I. As an aftermath, the concept of strategic materials was frequently discussed in the context of national stockpiles of militarily important commodities. The concept of a government strategy for access to materials, however, did not progress much beyond this; and there was no action in even this limited sphere until the eve of World War II.

The multidimensional nature of a global conflict from 1941 to 1945 required extensive government participation in all aspects of the economy, with an enhanced role for material resources. Numerous agencies were established to conduct economic warfare against the Axis, including preemptive and preclusive buying and strategic controls of vital resources. In addition, supply sources were sought out to replace those lost to the Axis during the early years of the war, and research was undertaken to develop synthetics and substitutes for those materials for which there were no alternate sources. For a time, the United States acted virtually as a central purchasing agent for the entire United Nations.

For the first time the government developed a coherent materials policy which considered not only the direct requirements of war but the inputs necessary for war production and civilian consumption. The strategy and war plans of the allies were geared to the geography of resources and to maintaining the naval lifelines of Europe. While the concept of the strategic role of materials survived the end of the conflict, the mechanisms which had allowed policy to be put into action did not. Literally within weeks of V-J Day the agencies created to monitor and direct the country's foreign economic policies had been dismantled, as the nation turned to the urgent needs of relief and rehabilitation.

Allied planning during the war had designed an international economic and political system to avoid the pitfalls of the interwar years. Its keystones were to be international organizations with the power to maintain order, and an open and liberal economic system, with various adjustment mechanisms.

But the hopes for a peaceful and cooperative postwar world proved illusory as the cold war's confrontation between the United States and the USSR developed into the central foreign policy preoccupation.

The members of what would come to be called the Third World were beginning to break their colonial ties—with US encouragement. In Latin America many of the countries had made significant progress in their economic development through forced import substitution during the war years. They had accepted various forms of deferred payments for their materials exports, the value of which was greatly reduced in the postwar economic confusion.⁶ Yet the special problems which beset their economies were all but ignored in the new system. Trade patterns which had been altered during the war were restored to the degree possible. Exports of raw materials were stepped up and dependence on imported manufactures was reestablished.

Strategic economic planning in the United States was given some attention as the result of the ongoing Soviet challenge. The various national stockpiles for strategic materials were established and began operations soon after the war. In addition we developed both bilateral and multilateral controls to regulate access by the Soviet bloc to Western materials, goods, and technology which might have military value. During the Korean conflict, the US military effort combined with rearmament in Europe created pressures on the supply and price of raw materials. The US Defense Production Act and related legislation expanded the US capacity and stockpiles and, for a brief period at least, the United States again had a national materials policy and a structure to carry it out. But with the end of that conflict and the accession of the Eisenhower administration's massive retaliation doctrine, strategic planning came to center around the awesome potential of nuclear and thermonuclear weapons. A war, if one were to occur, was presumed to be of short duration and unmatched destruction. A sufficient supply of military requirements would become important only in a limited and conventional war, which it was our stated policy to avoid.

By the late fifties, the development of long-range missile delivery systems revolutionized the geography of warfare. Forward bases were no longer considered essential for strategic forces and were utilized more in connection with the collective security and containment policies or because of their symbolic value.

The "high stakes" nature of security policy in this period of intense East-West rivalry resulted in a deemphasis on other areas of US foreign policy. The State Department, for example, was often noted for the weakness of its "in-house" economic capabilities. Top government officials frequently displayed a lack of interest in such areas as propaganda, economics, Third World relations, and multilateral diplomacy generally—an attitude which was readily transferable to their subordinates. This tendency was encouraged by the segregation of the international system into separate and unequal political and economic tracks.⁷ Accordingly, the question of access to essential raw materials in a short-of-war situation received little attention by policymakers. The Atlantic Charter issued in November 1941 called for "access on equal terms to the trade and raw materials of the world." This concept received its only postwar expression in the charter of the *International Trade Organization* which was rejected by the US Senate and never came into being. Like the various government agencies, the Materials Policy Commission,⁸ established during the materials shortages of the Korean War, dealt largely with questions of physical availability, rather than security of access or contingencies of successful cartelization. In every instance the

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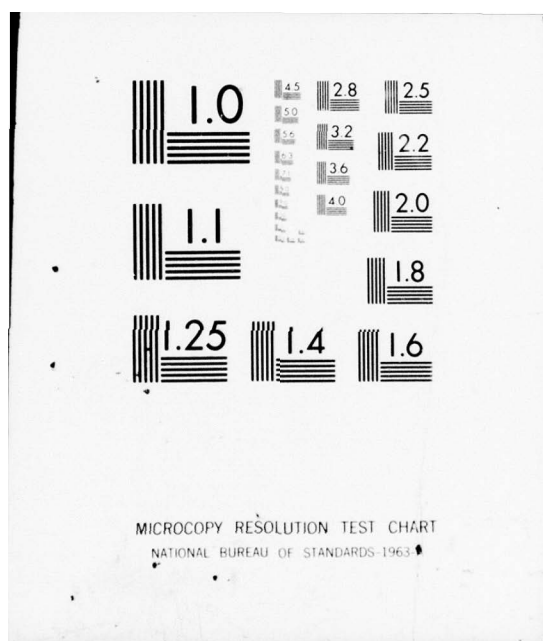
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assumption appeared to be that the current international materials supply system would continue to function with its customary efficiency and without political interference.

This complacency began to be shaken with the culmination of decolonization and the expansion of the UN membership. The political orientation of these newly independent states was seen as an ideological extension of our basic competition with the Soviet Union. The Kennedy administration moved with vigor in its efforts to establish the United States as a source of political and economic assistance. Programs such as the Alliance for Progress, while promising more than it could deliver, at least addressed the concerns of the LDC's, particularly in Latin America. Once again, however, the demands of security politics monopolized the attention of senior policymakers; and without high-level attention many programs settled into the patterns of previous relationships.⁹ Continuing economic and political problems among the members of the Atlantic Alliance added to the general disarray in US foreign policy brought on by the growing involvement in the Southeast Asian conflict. More generally, the bipolar world of the cold war began to be redefined in multipolar terms, sometimes conceived of as a pentagon-shaped set of relationships among the United States, Western Europe, Japan, China, and the Soviet Union—with tensions as well as common interests running between all parties.

III. North-South Relations in Retrospect

The period of the late fifties and sixties was crucial for US-Third World relations. As nationalism became the dominant ideology, the United States was sometimes tainted by its association with the former colonial powers, or, where connections with the former metropol were too valuable to sever completely, America was used as a surrogate in arousing national resentment against "imperialism." The elites of the new nations, often Western-educated, supplemented their nationalism with Fabian socialist and Marxist concepts, and sought in the formula of non-alignment a means of playing one competing ideology and superpower against the other so as to gain maximum advantages from both. A claim of sovereign absolutism, long reflected in Latin America's Calvo Doctrine, served as a shield against outside pressures and legal remedies, even for state actions contrary to traditional international law.

In retrospect, the 1962 UN declaration on "permanent sovereignty" over natural resources should have been seen as the handwriting on the wall. It was, however, considered mostly rhetoric, since no one really questioned the "sovereignty" of any country over its own resources—on the assumption that valid rights and concessions given to foreigners would be respected and protected under international law. But in the Third World, this became a manifesto justifying the outright expropriation of foreign-owned assets with little or no compensation and the erection of sovereignty into a barrier against impartial arbitration of disputes.¹⁰

The formation of OPEC in 1960 was another little-noticed phenomenon. From the beginning its announced goal was to coordinate national policies in their relations with the major oil companies. Western official reaction to this new cartel was mixed, but there is some evidence that the State Department viewed this development as a desirable means of giving support to the exporters.¹¹ Prior to 1973, however, few observers believed that this exercise in "resource diplomacy" would succeed.

Finally, the Group of 77 sought a number of special concessions from the developing world in the areas of aid and trade, which were consistent with legitimate development objectives and were supported by the OECD or "Northern" countries. But the LDC's were able to transform the UN General Assembly and UNCTAD into forums totally under their control. They demanded that aid be given without strings and preferably channeled through multilateral agencies, and that trade

concessions should be extended without reciprocity. The provision of GSP programs by the European Community, Japan, and eventually the United States was largely the result of this pressure; but it was, in a sense, too little too late.

The "South" also sought to play on a sense of guilt among elites in the developed world for alleged past exploitation—for which they claimed the right to determine the means and amount of economic "reparations." The amount was to be the maximum which could be extracted, and the means was to be control of natural resources via a hoped-for emulation of OPEC's success in cartelizing most world oil supplies. Within 6 months of the OAPEC embargo and the quadrupling of oil prices, the UN General Assembly adopted, on May 1, 1974, a "Declaration on the Establishment of a New International Economic Order," and a related "Program of Action." These documents were, in effect, proposals for a revolutionary revision of the world's materials supply system as it had previously functioned, for they not only advocated the use of producer associations to establish a self-defined "just and equitable relationship" between the prices of LDC exports and imports, but sought to bar measures, such as development of synthetics, which could counter the effects of commodity cartelization.

In December 1974 the General Assembly passed the "Charter of Economic Rights and Duties of States" which assigned primarily duties to the industrial countries and "rights" to the developing countries, and in effect propounded a double standard as between rich and poor nations. But this document at least showed the strength of the South's grievances and their effective control of the UN machinery. The program was next developed further at the Dakar Conference of Developing Countries on Raw Materials and extended to industrialization in the Lima Declaration of March 1975.

Western reaction to this series of developments is intertwined with their reaction on the OAPEC embargo of 1973 and OPEC's seizure of control over oil supplies and prices from the international oil companies. What had previously been dismissed as rhetoric, had proven to be not just a threat, but a fait accompli. Western governments were thus brutally reawakened to the role of materials in their national economies and the importance of the LDC's as suppliers of many of them. Hurried surveys were undertaken by both governments and private entities to establish likely candidates for further cartelization. The results of many of these surveys were contradictory or inconclusive,¹² some painting an alarmist picture and some a reassuring one.

The recession of 1974-75 restored a measure of perspective to the problems of Third World mineral supplies. As demand dropped, prices were reduced, although not to their previous low levels. Cartel arrangements in a number of materials other than oil, e.g., copper, natural rubber, iron, and bauxite were attempted; but, with the possible exception of bauxite, they have been unable to sustain higher prices or agree on the proper mechanism to control their market. Bauxite occupies an anomalous position since revenue increases have been achieved by some of its members, particularly Jamaica, on an independent basis, but there has been little coordination in their efforts beyond the exchange of information.

As the crisis atmosphere subsided, the United States began to moderate its position on international agreements to regulate commodity markets. Secretary Kissinger's speech in Kansas City in May 1975 and his subsequent address to the Seventh Special Session of the UN General Assembly in September 1975 revealed a more flexible case-by-case stance on producer-consumer agreements. The Conference on International Economic Cooperation (CIEC) which had grown from the aborted Paris Energy Talks of 1974-75 was resumed following a compromise by the United States and the oil-producing states over the subject matter and structure of the talks. The result was a series of four commissions which were to meet independently to discuss energy, raw materials, development and finance. Each commission was to be cochaired by an industrial country

representative and an LDC representative. Eight countries were selected to represent the First World, and 19 countries were selected to represent the Third World. These talks were closed by a ministerial meeting on June 3, 1977, without achieving agreement on the basic issues. However, some collateral points, such as a special \$1 billion aid fund and increased World Bank aid in developing indigenous Third World oil supplies, were resolved.

UNCTAD IV took place in May 1976 during a recess in the CIEC talks. The atmosphere in these talks was calmer; but little progress was made. The final resolution of the Conference called for further efforts to establish commodity agreements within the framework of UNCTAD's integrated program for commodities. This program includes the establishment of a Common Fund to finance these agreements, a concept which the industrialized nations have always refused to accept and from which they disassociated themselves in the resolution. Since the close of the Nairobi meeting, negotiations have been conducted under the auspices of UNCTAD both on the Common Fund and the individual commodity agreements. There has been little progress reported thus far on either.

This review of developments over the last two decades suggests several failures of US policy in regard to North-South relations. First, the United States—and, for the most part, the other OECD countries too—may not have been generous or imaginative enough in trying to understand and meet the legitimate needs of the developing countries in the fifties and sixties, and thus mitigated the antagonisms that were developing. Second, the United States underestimated the strength and unity of the LDC's. One of the principal reactions to the shocks of 1974 and 1975 was surprise at the ability of Third World leaders to achieve unity on essential issues among a large number of states with diverse interests. Indeed the continuing loyalty of many LDC's to OPEC is difficult to explain, since the effect of their pricing policy on the poorer nations is even more severe than on the developed world. For example, their own oil import bills have been increased by an amount equal to all of the official development aid given to them by the OECD members, thus neutralizing its effect!

There are several explanations for the phenomenon, in addition to the obvious one that oil is the South's trump card. Many of the new national elites were exposed to various forms of idealistic socialism during their university training and found it and its adherents to be a more congenial association, since by and large they were not accepted in more "establishment" circles. Fabian socialism has been pointed out¹³ as a particularly enticing model since it stressed the ability of the workers to organize their society and depicted capitalism (and the United States) as an exploiter of other peoples. (It can be argued that the United States failed to develop adequate rapport with and support for the rising leadership of the Third World, being seen instead to support the established and often repressive elites of the status quo.)

The outcome of such North-South dialogues as the Nairobi and CIEC conference suggests that the United States continues to underestimate the ability and cohesion of Third World and OPEC leadership. The general consensus is that the United States was ill-prepared for the Nairobi Conference. Secretary Kissinger's proposed Natural Resources Bank was an interesting initiative; but it appeared that little staff work or advance consultation had been done. The CIEC negotiations have generally been evaluated as failures in that neither side was able to wring its principal objectives from the other. But the Third World representatives were able to win the promise of a further commitment on foreign aid and another commitment to further efforts in establishing international commodity agreements, while the "North" did not succeed in establishing an on-going multilateral discussion of oil prices.

A third general shortcoming of US policy during the period of 1962 to 1975 was the failure to react to the successive probes of the Third World in various international forums. Expropriations of

hundreds of overseas investments, many in the extractive industries, plus numerous cases of unilateral contract abrogations, were not generally followed up by effective government action, although the US maintained a declaratory policy of supporting traditional principles of international law. The LDC arguments that the newer countries are not bound by legal traditions of the colonial era, or that most contractual arrangements and legal concessions were one-sided and exploitative, or that underdevelopment is by itself grounds for a double standard of behavior were not answered forcefully by the United States until the Scali-Moynihan period at the United Nations. Nor have the highly unrealistic efforts in a half dozen international forums to develop "codes" for Western (or "Northern") multinational enterprises which would compel them to be vehicles for transfer of real resources on an uneconomic basis (i.e. technologies and patents at little or no cost) yet been adequately rebutted and challenged.

Fourth, there was inadequate cooperation among the industrialized countries, whose divisions and conflicts were magnified by US difficulties in exerting leadership during the Vietnam and Watergate period. The virtual paralysis of OECD during the oil embargo, as discussed below, was the culmination of years of failures of perception, of coordination, and of leadership.

Perhaps the most important failure of all has been the inability of government and business to develop an adequate balance between undesirable government regulation and distortion of markets and effective cooperation in cases where the national interest requires it. As noted above, US foreign materials policy has largely been in the hands of the private sector which did an extraordinarily successful job until national sovereignty was allowed to become an "equalizer" whereby the smallest state could violate with impunity its agreements with even the largest corporations of the most powerful countries. This distortion of true power relationships—and the North's acquiescence in the process—can only be called a striking phenomenon of our age.

Business in general has tried to avoid invoking the national government in controversies with its sources of supply, seeing government action as an interference in the functioning of markets, a harassment of private enterprise, and the intrusion of political factors into economic decisions. For its part, the government has fluctuated between excessive intervention and overregulation and complete disregard for private sector relationships and problems. It has rarely had either the machinery or the wisdom to distinguish between more or less routine commercial problems and truly strategic issues.

Oil offers an obvious case in point. Knowledgeable experts in the industry saw the gathering strength of OPEC, and some quite accurately forecast the later course of events and even advocated policies very similar in scope to those of the Carter administration's oil and energy goals.¹⁴ But they were rarely heeded.

At that time the government did not want to complicate its political relationships, including the complex Arab-Israel equation, with "commercial" matters. As the oil industry got into an increasingly adverse bargaining position with the oil-producing states—which were able to use their sovereign immunity to abrogate contracts and extort additional concessions, the industry did ask the government to help. But again this was seen as a "business" and economic rather than a strategic issue; and, beyond waiving certain antitrust provisions to allow collective bargaining and permitting royalty payments to be treated as taxes, neither the US nor other major governments really involved themselves. Then as the corner was finally turned, and the loss of control of vital natural resources—which had been discovered and developed by the industries of the consuming countries—was imminent, governments become alarmed, but too late.

The oil companies, feeling that they had to make the best of a bad bargain if they were to retain access to the supplies on which their downstream operations depended, asked to let alone.

And by and large they were. When the embargo came, bringing with it panic buying which further escalated oil prices, the United States faced the problem with a badly divided and ill-prepared alliance and during the height of its Watergate-related credibility gap.¹⁵ The net result of this sad history can only be described as "an economic Pearl Harbor," although the public, according to recent Gallup polls, hardly sees it in that light, since half the adults sampled still do not even know of our dependence on oil imports!

IV. Looking Ahead

If the United States is to develop a coherent strategy for dealing with the Third World on a number of issues, it must first develop its materials strategy. Materials have always been the crux of our relationship with the South, and recognizing it, the South has chosen materials access as the weapon which gives them their greatest leverage over the industrial world.

The first step in the development of any policy must be the assessment of the strengths and weaknesses of the nation's position. Much of the concern which prevailed during the shortages of 1973 and 1974 was the result of our failure to accurately define our position. It is true that the US dependence on imports has increased in a number of materials, most notably of course in petroleum, but also in iron, bauxite, zinc, and a number of others. It is not, however, correct to say that the United States is increasingly dependent in all materials, nor is there any factual basis for predicting that our import dependence will continue to increase in most minerals.

Dependence alone is not necessarily a weakness in the US position. To assess our relative strength we must examine "vulnerability," a more complex amalgam of relationships.

An examination of the possible sources of vulnerability reveals several common factors. First the supplying country or countries must be prepared to accept the consequences of a possible US reaction. Second, the precondition of import dependence must be established. Third, the suppliers must be reasonably concentrated as a few sources must account for the bulk of available supplies. Fourth, one or more of the producers must be willing to withhold supplies from the market and to curtail production in order to regulate the market, thereby foregoing potential revenues. Fifth, the resource must be vital with a low price elasticity of demand and a lack of suitable substitutes.

From this perspective, the United States is relatively invulnerable, as shown by the chart at Appendix A. But the greater vulnerability of our key allies, Europe and Japan, is a legitimate source of US policy concern. Our most important suppliers are Canada, Mexico, Brazil, South Africa, and Australia. Separately or together they have accounted for most of our imported minerals supply—99 percent of US imports of asbestos, 80 percent of titanium ores, 82 percent of zinc, 68 percent of nickel, 59 percent of lead, 56 percent of iron ore, and 55 percent of manganese. They have historically been reliable sources of supply, but each is also bound by other ties to the United States.

In the case of each of these countries there can be no guarantee that the perceived self-interest of the supplier will not lead to actions inimical to the interests of the United States. And it is reasonable to expect the supplier to attempt to achieve some benefit from US dependence and for the United States to become more solicitous of its suppliers' interests. But there is neither historical nor analytical reason for the United States to fear that its trade partners' interests would be served by extortionate behavior.

In assessing US vulnerability in specific materials it is necessary to judge the probability of successful action and the potential for serious damage to the national economy. The International

Economic Studies Institute's recent study of 27 vital industrial raw materials found cause for national policy concern in only four in addition to the obvious case of petroleum: bauxite, chromium, platinum group metals, and copper.¹⁶ Bauxite is already the object of an existing cartel, the International Bauxite Association, which has had some success in raising prices and restructuring the international industry so that a greater share of revenues accrues to them. Chromium is an essential raw material in that there are no comparable substitutes in some of its alloying applications. Currently known resources are concentrated in the Eastern Hemisphere, and Rhodesia and South Africa account for approximately 95 percent of them. The other major supplier is the Soviet Union, and for different reasons none of these countries can be classed as secure sources for the future. Platinum-group metals are in much the same situation, with the Soviet Union and South Africa as major suppliers and no suitable substitutes. Copper is added to the list despite the near self-sufficiency of the United States, because Europe and Japan rely on Third World sources. The copper producers' cartel, CIPEC, has been in existence for several years, but it has been unable to significantly control prices.

In addition to the five materials listed as major policy concerns, nine others were classed as being of moderate concern. They are as follows: asbestos, cobalt, fluorspar, manganese, mercury, tantalum, tin, tungsten, and natural rubber. The reasons for concern range from limited reserves and lack of substitutes, to susceptibility to producer cartel action, high import-consumption ratios or dollar import costs.

Addressing vulnerability involves a measurement of risk; and risk management is at the core of policy. Taken as a whole, however, an attempt to reduce all materials risks to negligible proportions would require that the United States develop a policy of autarky. This could be achieved, if at all, only at very high costs to our economic well-being and foreign policy objectives. But when reduced to its constituent parts, US vulnerability can be reduced to acceptable levels through the selective use of particular policies chosen for precise effects. A rational judgment can then be made as to the point where further risk reduction is not cost effective. Beyond that point are those risks which we must accept as we all do in many aspects of life.

There are a number of tools available in carrying out the necessary policies. Stockpiling, which was discussed earlier in its military applications, could be extended to serve the limited economic purposes of deterring a manipulative disruption of supplies and, failing this, to provide an adjustment period. Tax policy could be adjusted to encourage domestic production or standby facilities, where feasible and desirable, reduce the cost of alternatives, and increase the efficiency of use through additional recycling. Government research and development could be undertaken to reduce the costs of alternative materials. Finally, various incentives and disincentives, including the use or threat of rationing, could be introduced to encourage conservation. Trade policies can also control dependence where vulnerabilities are high. And, of the greatest importance, international supplies can be expanded and diversified through new exploration and investment—which requires an improved climate of “due process” of international law and procedures.

Before such policy tools can be used, however, the Government must first arrive at a coherent picture of the specific problems, of where materials policy “fits” in US foreign policy, where market forces are best left to operate freely and where external political manipulation may require countermeasures. Failure to achieve this integration has resulted in a consistent disregard of the importance of basic commodities in both domestic and foreign policy—including defense policies. Materials issues involve both the government and private sectors, and international and domestic problems and policy tools. A schematic presentation of these relationships is contained in Appendix B.

In formulating policy, the government will require up-to-date, accurate and comprehensive information in a usable format. At present, this vital information is not systematically available to key policy-makers. There are currently some 200 departments, agencies, bureaus, committees or commissions involved in one way or another in the materials cycle. Interaction between these agencies is generally on an ad hoc basis, with no central responsibility for the quality and quantity of information which reaches foreign policy decision makers. A number of government inquiries have recently been conducted on the problems of developing a rational information system.¹⁷ Their recommendations vary but generally agree on the need for greater centralization, as the Administration has already proposed in the energy area. However, there would still need to be an improved mechanism for integrating materials policy with other aspects of foreign (and domestic) economic policy. The creation of a small White House organization to provide ongoing analysis and coordination along the lines of the now defunct Council on International Economic Policy would seem desirable.

Overreaching all aspects of US materials policy, and indeed all US policy, is the challenge posed by OPEC's continuing control of the international oil market. This control represents a threat both to the continued freedom of action of the United States in conducting its affairs and to the long-range stability of the international economic system. Petroleum meets all the "vulnerability" tests outlined earlier.

Although the OPEC embargo of 1973 demonstrated their willingness to use the "oil weapon" for political purposes, the United States has grown ever more dependent on imports from the Middle East. In addition, the transfer of approximately 2 percent of the world's GNP per year to the cartel members has permanently blighted the growth of the world's production, notwithstanding the "recycling" of large amounts of the OPEC surplus. This massive transfer of resources has eroded the stability of the world's financial system, as the level of outstanding loans, particularly to some of the less developed members of the Third World, reaches unprecedented levels.

We have by now acquiesced in (or "condoned", as the lawyers say) OPEC's policies for so long that direct and forceful counteractions appear impossible. The United States and other consumers, however, still retain control of their domestic markets and effective economic actions to limit the cartel's influence can be taken there. In this regard, I consider the goals of the Carter energy plan to be the minimum necessary in the area of conservation and limitation of imports, and inadequate in the area of increased production and the development of substitutes.

A recent study¹⁸ has shown that only combined US and OECD-International Energy Agency actions can meaningfully limit OPEC's market power in the 1980's, once the current surplus from Alaska and North Sea is eroded by rising demand. Even if US goals are met, OPEC's excess capacity in 1985 would still be no greater than its surplus during the recent recession. (The US balance of payments would improve relative to Europe and Japan, but with some potential side effects on currency values and trade.) However, OPEC could still raise prices in order to maintain their revenue in real terms. But if the United States also increases its production (including substitutes, such as shale and methanol) and if OECD meets its "accelerated policy" goals, OPEC's 1985 excess capacity would be over one-third—more than Saudi Arabia and the sheikdoms alone could absorb. This would probably result in OPEC's inability to raise oil prices in step with inflation and provide some real decline in oil prices.

According to this study, the differences between the worst or "business-as-usual" case and the best "effective action" scenario are staggering: in 1985 the world's oil consumers could be paying as much as \$112 billion (in 1976 dollars) *less per year!* This differential approximates the current US defense budget. The annual savings for NATO Europe would also be about as large as their

current defense efforts. Making the requisite international efforts will not be easy, either politically or economically; but the substantial reductions in payments to OPEC should help offset the costs. The world would then have a smoother transition to renewable energy resources whenever this becomes necessary in the next century. In the meantime, as someone has said we are likely to run out of "money" well before we run out of oil; and, in the absence of effective action, NATO seems more likely to be bled to death by OPEC than to be overrun by the Russians—although the latter might logically follow the former!

Without changes in our oil consumption patterns, the United States and its allies will remain vulnerable to manipulation by the cartel, which will use that power to its own ends. However, if the public and Congress support and perhaps even strengthen the President's proposals, and if collective action can be taken in OECD, then even our petroleum vulnerability can be managed.

Geography and Resources

Increased dependence on imports of essential raw materials raises the danger of military actions aimed at restricting access to raw materials. This potential vulnerability need not necessarily involve either the exporting or the importing state in a conflict. Indeed the situation in Southern Africa has already resulted in shortages of some materials due to the tangled nature of the region's transportation system. Both Rhodesia and Zambia are landlocked, and they have interdependent transportation systems. Zambian copper had passed through Rhodesia to the ports of Mozambique and South Africa. Now it is forced to use much less reliable facilities through Tanzania to Dar es Salam and Mombasa, Kenya, and Angola to Lobito. Rhodesia is completely cut off except through South Africa, which gives South Africa an important hold over Rhodesian policies. South Africa has recognized the potential danger of continuing to ship chromium through Maputo, Mozambique and, while still using the port, has constructed alternate ports at Richards Bay in the east and Saldanha Bay in the west.

The recent cobalt shortage resulted in part, when the Benguela railroad was cut during the Angolan conflict, forcing Zaire to use a more circuitous river-road-rail line of limited capacity to move its cobalt to industrial markets. There are a number of other materials, e.g. Bolivian tin which is exported through Chile, whose producing areas are in one country and port facilities in another, and are thus subject to embargo during periods of political or military confrontation or "economic" warfare.

These indirect threats to the secure access to supplies for the industrial world are complemented by the control of many of the world's most vital ocean choke points by Third World nations. Most obvious are the "oil" straits. Persian Gulf oil from Saudi Arabia, Bahrain, Iraq, Iran, Kuwait, and UAE all must be funneled first through the Straits of Hormuz and then either through the Straits of Malacca or around the Cape of Good Hope. Saudi petroleum is also loaded in Red Sea ports, but then must pass through the Bab el Mandeb, currently one of the least politically stable areas of the world. Other important passages under Third World control include the Straits of Magellan, and the Sunda, Lombok, and Makassar Straits and, of course, the Suez Canal and probably, in the near future, the Panama Canal.

The United States is relatively fortunate in that two of its major suppliers, Canada and Mexico, have overland access if needed or coastal shipping lanes. Brazil, while farther away, remains a relatively secure supplier since its maritime trade with the United States could be conducted largely within protective range of land. Supplies from Australia and South Africa, however, must travel long open ocean routes which are only intermittently patrolled by naval forces. Other important commodities such as tin (73 percent of imports come from Southeast Asia), natural

rubber (90 percent from Southeast Asia), cobalt (75 percent either directly or indirectly from Africa), and tantalum (50 percent from Thailand) are shipped from distant sources.¹⁹

Europe and Japan are much more vulnerable to military supply disruption due to greater import dependence in general, a greater concentration of sources in the Third World, and their geographical relationship. Very few European and no Japanese raw material imports are moved overland. In addition their supply lines from sources which are relatively secure or could be made secure for the United States, such as those from sources in the Caribbean, are much longer and thus more exposed.

US and European naval forces are currently designed to counter those of the USSR. However, with the advent of small and highly accurate seaborne guided missiles, even small nations can develop or buy the capability to harass materials supply lines. It is, of course, impossible for the industrial world to maintain naval force levels high enough to maintain full security in all of their ocean supply lines. At their present levels, however, they are insufficient to protect even the most important routes, if world tensions require that forces be maintained simultaneously against the Soviet fleets.

Reduced allied navies have also resulted in a decline in forces available for "show-the-flag" missions in distant areas. Displays of national interest in important resource producing areas have always been an important peacetime naval mission. With the reduction of British and French forces in Third World seas, US forces have been stretched ever more thinly, with the result that some areas go unvisited for long periods of time.

While a return to "gun boat" diplomacy is not likely in today's climate, it is not inconceivable that military counteractions might become necessary if one or more countries—or even subnational or terrorist units—undertook to interdict the flow of vital supplies in an economically interdependent world. As a minimum, US defense posture planning should take such contingencies into account, along with the less likely but more serious cases where military occupation or protection of a key resource area might be required.²⁰

In addition, the still unsettled Law of the Sea problem should be noted. Deep seabed mining of manganese nodules (which also contain nickel, copper, and cobalt) may hold significant long-range potential. The Institute's study, previously cited, sees hope for an international agreement on an international regime which would permit orderly and equitable development of this potential. But failing that, unilateral exploitation will undoubtedly occur, utilizing the advanced technology which only the US and a few other countries possess. This may also generate requirements for additional naval protection.

V. Conclusion

As economics has increasingly become the substance of international politics, resource diplomacy has assumed a strategic importance in the North-South geographic context. The United States is seriously vulnerable in only a few special cases—although several other raw materials present at least moderate risks, due to a growing reliance on imports. But Europe and Japan are much more vulnerable, making a strong case for improving relations with both consumers and suppliers, and expanding international investment in materials production. Most specific materials risks seem susceptible to intelligent management through a variety of highly selective measures. But petroleum, where world supplies and prices are effectively controlled by a cartel, represents a severe threat to the viability of the industrial countries and to the world's economy and financial system. There, effective action on an OECD basis seems both essential—and possible, with dramatic reductions in oil payments to OPEC achievable by 1985.

The United States and its major allies have responded inadequately and in a confused and divided way to the extraordinarily successful resource diplomacy of the Third World, based in large measure on OPEC's leverage. In addition, "Southern" control of many key trade routes, straits, and choke points gives added possibilities of exerting geographic leverage over raw materials flows.

The "North" really does neither itself nor the developing world a favor by appearing to acquiesce in onesided rhetoric or a "double standard" of behavior. We need to face up to the challenge of NIEO; we can accept some claims as legitimate and meriting our active cooperation. But we should forcefully reject those aspects which are unrealistic or which imply a "world society" which could only exist by abolition of the "sovereign absolutism" that its claimants are the most jealous in protecting.

There is, however, a strong political, economic, strategic, and moral case for substantially increasing both the volume and the effectiveness of aid from the Western countries, in preference to various resource cartelization and manipulative schemes. If we can cope with the oil problem, we can and should give that expanded aid, especially in ways which can loosen the ideological and economic "stranglehold" which the resource-rich have acquired on the resource-poor within the Third World. We also must recognize that Western trade and tariff systems tend to keep out the more competitive exports of many developing countries. This involves domestic controversies over protectionism; but in a strategic and long-run sense, we may have little choice but to let "comparative advantage" work, and seek improved adjustment assistance for avoiding undue hardships to the "North's" communities, industries, and workforces.

In summary, the United States should adopt a policy between the extremes of "global humanitarianism" and "realpolitik" which gives a much higher priority to the real problems of economic geography. We should take a strong line against the excesses of the Group of 77 in various UN forums, for example the UNCTAD and UN code drafting exercises, because only then will it be possible to have a meaningful dialogue, and to devise workable international programs for the future.

In the meantime, we must keep the US-European-Japanese trilateral "base" in a solid form, avoiding letting the economic cracks widen; and we must maintain an adequate balance of defense, deterrence, and detente in relations with the East—while holding out the long-term prospect of more effective cooperation, despite continuing ideological differences, in facing up to the very real global problems of the next century.

ENDNOTES

1. "Russia and Africa, the Mineral Connection." *The Economist*, July 9, 1977.
2. *New York Times*, June 29, 1977.
3. C. Fred Bergsten, Thomas O. Horst, and Theodore H. Moran, *American Multinationals and American Interests* (Washington: Brookings Institution, forthcoming).
4. Brooks Emeny, *The Strategy of Raw Materials* (London: MacMillan, 1937).
5. Mira Wilkins, *The Maturing of the Multinational Enterprise* (Cambridge: Harvard University Press, 1974).
6. Bergsten, et al., cited.

7. Richard Cooper, "Trade Policy is Foreign Policy," *Foreign Policy*, No. 9, Winter 1972-73.
8. The President's Materials Policy Commission, *Resources for Freedom* (Washington: GPO, 1952).
9. Jerome Levinson and Juan de Onis, *The Alliance that Lost Its Way* (Chicago: Quadrangle Books, 1970).
10. Jamaica, for example, first unilaterally abrogated contracts with the aluminum companies and then claimed the right to "withdraw" from a binding arbitration commitment under the auspices of the World Bank's International Center for the Settlement of Investment Disputes. See International Economic Studies Institute, *Raw Materials and Foreign Policy* (Washington: IESI, 1976), p. 359 for details.
11. M. A. Adelman, "Is the Oil Shortage Real?" *Foreign Policy*, No. 9, Winter 1972-73.
12. Zuhayr Mikdashi, "Collusion Could Work," Stephen D. Krasner, "Oil is the Exception," and C. Fred Bergsten, "The Threat is Real," *Foreign Policy*, No. 19, Spring 1974.
13. Daniel P. Moynihan, "The United States in Opposition," *Commentary*, March 1975.
14. In a major speech to the World Affairs Council of Pittsburgh of September 21, 1972, the late John McLean, then Chairman of Continental Oil, accurately predicted the growing U.S. dependence upon OPEC and Arab sources, oil-related balance of payments deficits of \$30 billion, the growth of OPEC's financial power, and the long-term need to develop other alternatives, including coal and nuclear power. See "Current Multinational Economic Issues," 15th World Affairs Forum, World Affairs Council of Pittsburgh, 1972.
15. The argument that the United States may have deliberately allowed OPEC's actions in order to gain economic advantages and "increased political leverage," especially vis-a-vis Europe, seems both wrong and pernicious. This view can, however, be found in various writings, including a feature in *The Washington Post* (Sunday, July 10, p. 1). While it might be comforting to believe that the United States was capable of such Machiavellian cleverness in bringing about the higher energy prices which most experts agree are needed (and there may be grounds for suspicion that there was some sympathy for OPEC among the oil companies), the fact is that there was a major failure of national and international policy.
16. International Economic Studies Institute, *Raw Materials and Foreign Policy* (Washington: IESI, 1976). It should be noted that some additional materials not subject to intergovernmental cartels may also pose problems. Phosphates, where Morocco now controls 51 percent of world reserves, is one example. Uranium, for which primary product prices have escalated by 700 percent in 4 years, allegedly owing to private cartel practices, is another.

17. National Commission on Supplies and Shortages, *Government and the Nation's Resources* (Washington: GPO, 1976) and Office of Technology Assessment, *Information System Capabilities Required to Support U.S. Materials Policy Decisions* (Washington: GPO, 1976).

18. International Economic Policy Association, *America's Oil and Energy Goals: The International Economic Implications* (Washington: IEPA, June 1977).

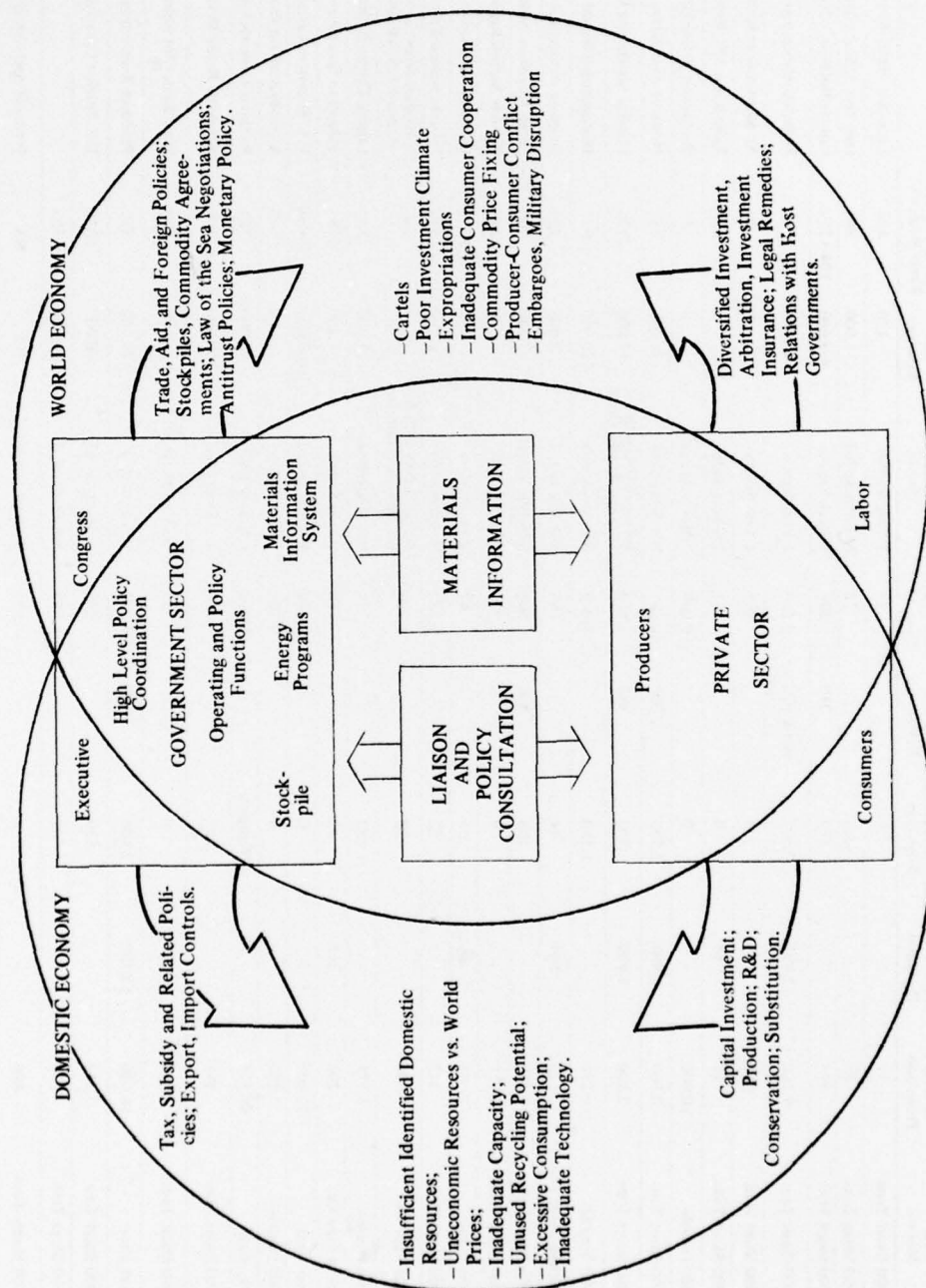
19. To illustrate the amount of shipping involved, U.S. iron ore imports from Liberia totaled 2.5 million long tons in 1975. Assuming an average shipment of 65,000 short tons, 43 voyages were required to transport the ore.

APPENDIX A: TABULAR SUMMARY OF THE U.S. MATERIALS RESOURCES POSITION

Material	Unit of Measure	Projected 1985 U.S. Demand	Projected 1985 U.S. Production	Potential 1985 Import Demand	Stockpile Status	U.S. Reserves	Cumulative World Demand to 2000 as Percent of World Reserves	Comments
Antimony	1,000 Short Tons	31	1.7	29	2-Year Supply	120	61%	Large Secondary Sources
Arsenic	1,000 Short Tons	25	3.2	22	Not Stockpiled	1,000	24%	Only One U.S. Producer
Asbestos	1,000 Short Tons	975	170	800	3-Week Supply	4-9,000	104-121%	Canada Holds 40% World Reserves
Bauxite & Aluminum	1,000 Short Tons	9,260	7,000	2,260	1-Year Supply	44,000*	27%	Producer Association Exists
Chromium	1,000 Short Tons	665	0	665	4-Year Supply	0	5%	No Substitute in Some Uses
Cobalt	1,000 Short Tons	11	0	11	2½-Year Supply	0	46%	Zaire Holds 27% World Reserves
Columbium	1,000 Pounds	10,000	0	10,000	7-Month Supply	0	8%	Production Related to Tin
Copper	1,000 Short Tons	2,500	2,500	Small	Not Stockpiled	90,000	88%	Producer Association Exists
Fluorspar	1,000 Short Tons	2,100	250	490	1½-Year Acid Grade 7-Month Metallic Grade	17,000	292%	Feasible Substitutes Exist
Gold	1,000 Troy Oz.	9,350	1,550	7,800	Not Stockpiled	120,000	90%	Demonstrating Would Increase Supply
Iron Ore	1 Million Short Tons	125	64	60	Not Stockpiled	2,000	22%	Producer Association Exists
Lead	1,000 Short Tons	1,275	750	500	8-Month Supply	59,000	96%	Large Secondary Sources
Manganese	1,000 Short Tons	1,775	0	1,775	2-Year Supply	0	24%	Possible Seabed Resource
Mercury	1,000 Flasks	47	66	42	3-Year Supply	450	125%	Producer Association Exists
Nickel	1,000 Short Tons	247	22	225	Not Stockpiled	200	63%	Possible Seabed Resource
Platinum Group	1,000 Troy Oz.	1,930	22	1,900	2-Year Supply Palladium 1-Year Supply Platinum	3,000	32%	Secondary Sources for Platinum: South Africa & U.S.S.R. Dominate Supply
Selenium	1,000 Pounds	1,775	1,050	725	Not Stockpiled	77,000	35%	Largely Copper Byproduct
Silver	Million Troy Oz.	200	43	150	1-Year Supply	1,500	246%	Subject to Speculative Activity
Strontium	Short Tons	22,000	0	22,000	Not Stockpiled	1,100,000	Small	U.S. Resources Cannot Complete
Tantalum	1,000 Pounds	2,300	0	2,300	2-Year Supply	0	114%	Byproduct of Tin Production
Tin	Long Tons	66,328	Negligible	66,000	4-Year Supply	40,000	79%	Producer-Consumer Association Exists
Titanium (Ilmenite)	1,000 Short Tons	940	367	600	Not Stockpiled	100,000	30%	Synthetic Rutile Developed
Titanium (Rutile)	1,000 Short Tons	37	0	37	1½-Year Metal Supply	500	30%	Basic Source for Natural Metal
Tungsten	Short Tons	16,000	2,100	14,000	5-Year Supply	120,000	93%	Producer Association Exists
Zinc	1,000 Short Tons	2,242	630	16,000	6-Month Supply	30,000	193%	U.S. Smelter Capacity Falling
Zirconium	1,000 Short Tons	120	103	17	Not Stockpiled	12,000	36%	
Natural Rubber	1,000 Metric Tons	880	0	880	10-Week Supply	NA	NA	Producer Association Exists
Petroleum	Million Barrels/Day	20.7	14.7	7	26-Day Supply in 3 Years	32.7 Billion Barrels	712.4 Billion Barrels	Effective Cartel Exists

* Bauxite Source: International Economic Studies Institute, *Basic Data For Estimating U.S. Mineral Requirements and Availability*, A Research Compendium (Washington, D.C., February 1976).

APPENDIX B: U.S. RESOURCE PROBLEMS AND TOOLS



Source: International Economic Studies Institute, *Raw Materials and Foreign Policy* (Washington: IESI, 1976).

Panel 3

International Stability and North-South Relations

Lincoln Gordon

Long Range
Economic Strategies

By calling for a paper on economic strategies in North-South relations, the organizers of the fourth National Security Affairs Conference have implicitly assumed that economic development in the "South" is an essential component of international stability. That assumption is also held by this author, although it is neither self-evident nor universally shared. This paper therefore opens with a brief analysis of the components of the United States interest in developing countries. It then reviews the evolution of developmental experience over recent decades, discusses the confrontational dialogue since 1973, appraises the principal alternative long-range strategies, and concludes by setting forth some issues in the design of North-South strategy.

I. The United States Interest in Developing Countries

Soul-searching reviews of why the advanced industrialized countries in general, and the United States in particular, should be interested in economic and social development in the poorer regions of Asia, Africa, and Latin America seem to take place on a ten-year cycle. It was in the late 1940s that the idea emerged that accelerated development in those regions should be an important objective of American foreign policy. It was to be pursued first through new international institutions—the World Bank and the specialized agencies of the United Nations—and after 1949 was reinforced bilaterally by President Truman's "Point Four" program of technical assistance. Some aid for "dependent overseas territories" was also included in the Marshall Plan, but decolonization rapidly put an end to that category of countries. In the early 1950s, Britain, France, and other former imperial powers organized technical assistance programs focused on their newly independent ex-colonies, notably the Colombo Plan for South and Southeast Asia. In a justly famous speech in 1952, at the end of his tour as British Ambassador in Washington, Sir Oliver Franks coined the expression "North-South relations," suggesting that a world-wide cleavage along that axis might come to rival East-West relations as a central concern of world politics.

During the next intensive review phase, this author edited a series of background papers and drafted the consensus report for the Eleventh American Assembly in May 1957, under the title *International Stability and Progress*. Most of what was said twenty years ago about the United States interest in overseas development could be repeated unchanged today. That interest was defined as a combination of security, economic, and humanitarian concerns, ranked in that order. The assumption of Sino-Soviet solidarity in opposition to "free world" interests would obviously not be repeated today, but our group even in 1957 emphasized a conception of security much broader than cold war rivalry. "Foreign assistance," said the final report, "serves other major enduring interests—political independence, stability, and economic progress (which) will reduce the danger of international conflict and permit the evolution of these new nations as peaceful and constructive members of the world community."

In a highly perceptive background paper, Professor Edward Mason—now the dean of American development economists—warned against overstating our economic interests in developing countries either as markets or as suppliers of raw materials. He also rejected the thesis that global solidarity alone, or income equalization as a moral imperative, was a sufficient basis for governmental action by the richer countries, as distinguished from motivations for private humanitarian actions. In this respect, he anticipated the position taken by today's Undersecretary of State for Economic Affairs, Richard Cooper, in an article written just before his conversion from professor to official.¹

During the intervening twenty years, there have been innumerable attempts in official statements, scholarly writings, and reports of such public interest bodies as the Overseas Development Council to formulate a coherent and persuasive rationale for this interest. *De facto*, the existence of the interest has been widely accepted by our own Congress and by the parliaments of other industrialized countries. Yet it is singularly difficult to articulate. The highly prestigious Commission on International Development, chaired by Lester Pearson in 1969, found it easier to define what international development could *not* be guaranteed to accomplish than to define its purposes affirmatively, and then fell back on generalized feelings of increasing interdependence, with moral, economic, and security components.² The Brandt Commission presently being formed will surely go through the same frustrating exercise.

In all likelihood, no strictly logical rationale will ever be articulated, least of all one which would support specific quantitative targets for economic growth, improvement of social indicators, or particular amounts of aid or trade or investment. Since 1957, international transactions have become a much larger share of the global economy, so that every nation's welfare is more dependent on the outside world than before. Success in Third World development would be good economically for the First World, just as Japan's success has been good for the other industrialized countries in spite of some difficult sectoral problems of competitive adjustment. But failure in Third World development would not be an economic disaster for the First World, comparable to the effects of internecine economic warfare within the First World itself.

For the next two decades, most of the First World, and much of the Third, will be critically dependent on a smooth flow of oil from Middle East and other OPEC sources, and developmental success may have some bearing on the maintenance of that flow. For the major oil suppliers, however, developmental prospects do not require a North-South strategy. Those countries have no shortage of foreign exchange; they can attract foreign private investors; and they can buy technical assistance.

As to global solidarity, moral imperatives, and humanitarian motivations, the images of "spaceship earth" and the "global village" surely evoke a wider response today, especially in the industrialized democratic countries, than they did when Wendell Willkie wrote about "One World" in 1941. The world conferences of the last five years on environment, population, food, shelter, and water have helped to strengthen that response; the ubiquitous television camera has probably done even more. An embryonic world community may be taking shape in the fields of disaster and famine relief. But it is a very far cry from that to effective consensus on global redistribution of income or wealth, on global guarantees of minimum human needs, or on global equality of opportunity. Those precepts have scarcely achieved a solid footing domestically, even in the most advanced societies, where democratic voting pushes governmental policies toward egalitarianism. At the international level, no corresponding political structure is either on hand or in prospect. If anything, especially in the Third World, the forces of nationalism and subnational separatism have intensified in recent years.

So one comes back to broadly defined security and political interests as the central justification for an active North-South strategy. Except for oil, which is *sui generis*, that justification is not mainly a problem of damage avoidance or countering "threats" from the Third World.³ Nor is it because economic development automatically ensures either political stability, human rights, democratic institutions, or international non-aggressiveness. Edmund Burke and Alexis de Tocqueville long ago pointed to the destabilizing effects of the early stages of development away from a traditional culture.

But the choice does not lie between development and stagnation in the South. Population dynamics alone, to say nothing of communications, demonstration effects, and international politics, make stagnation impossible. It is rather a choice between sets of probabilities: developmental successes versus developmental frustrations. In my judgment, successes are more likely with Northern collaboration, which also offers some economic gains to all parties involved and responds to the more noble moral and humanitarian sentiments. In a world where instability anywhere could easily lead to global catastrophe, the minimum and critical objective is that decision-makers in all the significant national units feel some positive stake in the world order. In addition, without indulging in simplistic cold war dichotomies, can it be seriously doubted that the First World would be better off if it could be enlarged to incorporate the more successful developing nations? Those are the central interests which should guide the shaping of policy on North-South economic strategies.

II. From 1950s to 1970s

The rhetorical stridency of calls for a "New International Economic Order" from meetings of "Non-Aligned" countries and the "Group of 77" sometimes gives the impression that the developmental record of the Third World has been an unmitigated disaster. In fact, economic growth rates have been very high by any historical standard—much higher than in the First World during its modernizing transformation of the 19th century. Overall growth rates in the developing countries since 1950 have been well above those of the industrialized countries, and per capita growth rates have been almost as high, as shown in the following summary:

Table 1
Economic Growth Rates at Constant Prices
(% per year)

	1950-1975		1950-60		1960-70		1970-75	
	Over-all	Per Capita	Over-all	Per Capita	Over-all	Per Capita	Over-all	Per Capita
Developing Countries*	5.6	3.1	5.3	2.8	5.7	3.2	5.4	3.0
Industrialized Countries	4.2	3.2	4.3	3.0	5.2	4.1	3.2	0.9

*Excludes "capital-surplus" OPEC countries and mainland China. Based on data from World Bank.

Per capita growth rates were constrained by the surge in population in the developing world after 1950. That population explosion, however, resulted from sharply reduced infant mortality and greatly extended life expectancy—improvements in health and quality of life which are among the prime objectives of development. The tragedy is that the corresponding (and ultimately inevitable) reduction in birth rates is taking place so slowly in most of the developing world.

The most surprising aspect of this twenty-five year record is the maintenance of quite high economic growth rates in the mid-1970s, notwithstanding the revolution in energy prices after 1973 and the major recession in the industrialized world. The conventional wisdom, preached by the most respected international authorities, was that oil-importing developing countries would

suffer a catastrophic shrinkage in their capacity to import, rivaling that of the 1930s, and that economic retrogression and international bankruptcy would become the order of the day. In fact, although per capita output has fallen somewhat in South Asia, partly on account of political turmoil and civil disruption, growth rates elsewhere in the 1970s have exceeded those of the previous two decades.

This economic resilience of most of the developing world has resulted from four factors. (1) The more advanced developing countries, which are most vulnerable to oil price changes and to recession in the industrialized nations, have been able to borrow on a vast scale from the private international banks, becoming major participants in the recycling of petrodollars through the Eurocurrency markets. (2) For most other developing countries, strain on their balance of payments has been relieved through expanded regular or special credits from the International Monetary Fund (IMF) or bilateral official aid programs from various sources, including the OPEC nations. (3) South Asia and sub-Saharan Africa enjoyed good agricultural growing weather in 1975 and 1976. (4) Because of stronger internal markets and the gradual expansion of trade among developing countries, growth rates in most of the developing world have proved to be less automatically tied to First World growth than had been assumed in the econometric models in fashion in recent years.

The avoidance of catastrophe, however, is scarcely ground for complacency, and the condition of most of the developing world remains extremely unsatisfactory. Conventionally measured average incomes there are one-fifteenth the First World levels; in South Asia, they are one-fortieth. The true ratio is more likely only one-eighth or so, but the differences are huge and are growing absolutely if not relatively. Hundreds of millions of persons are victims of chronic malnutrition, illness, and illiteracy. Although rigorous definition is difficult, the indicated levels of unemployment and underemployment are almost unimaginable by industrialized world standards, and rates of job creation generally lag behind the expansion of the labor force. The historically unprecedented rates of economic growth of the past twenty-five years have been paralleled by unprecedented rates of population growth. For a substantial fraction of the children and youth there is no visible road of escape from poverty. The record is certainly not one of stagnation, but it is also far from general developmental success.

It is also a cardinal error to generalize about the developing countries as a whole or to dwell on average figures which give a spurious impression of homogeneity. There was already great diversity in 1950 in income levels, degrees of industrialization and urbanization, extent of education, technological sophistication, and the physical, social, and institutional infrastructure essential to modernization. On all these scales, Latin America as a region was intermediate between Asia and Africa on the one hand and Europe and North America on the other. During the subsequent twenty-five years, differential rates of development have widened these divergencies, since the poorest countries have generally progressed more slowly than the "lower-middle" and "middle-class" groups. But there is no true homogeneity even within regions or income classes. Some countries, moreover, have alternated between rapid development and long phases of stagnation. For the most part, the sharp differences in country experiences result much more from domestic developmental strategies and economic policies than they do from external circumstances.

The extent of the variations can be seen from the data on representative countries shown in Table 2 (see page 118). It includes information on energy consumption, health improvement, and literacy as pointers toward welfare gains in addition to the standard measures of economic growth.

In considering developmental strategies, whether at the national level or on the North-South axis, it is now customary to classify developing countries into three or four subgroups: oil exporters; "least developed" (sometimes defined as countries with less than \$200 per capita GNP in 1973 and referred to as the "Fourth World"); and other oil importers, which may be further divided between lower and upper middle classes. Classification by income levels can be misleading, however, since it combines in a single group primitive pastoral or subsistence farming societies with countries like India, whose poverty coexists with a diversified infrastructure and a large industrial potential.

Apart from changes over the past two decades in objective economic and social conditions, there have been changes in attitude which are equally relevant to the determination of strategies. In the 1950s, the South was looking northwards for modernization specialists of every kind—engineers, economists, managers, agronomists, doctors, etc. It was taken for granted that institutional models, in both public and private life, should be borrowed from the North, that the North should be the source of advice on developmental policies, and that favors should be sought from the North in the way of official grants and credits and technical assistance.

Today, in the middle class countries and those like India, there is at least a core of trained cadres in most of the relevant specialties. There are doubts whether northern models are always applicable or desirable. There is less of an inferiority complex about their own managerial capabilities and less confidence in the capacity of either northwestern or northeastern regimes to manage their own affairs. And changes in North-South economic relations are now being demanded as rights rather than requested as favors. In the international organizations, especially those of the United Nations system, underdevelopment has long since been replaced by an over-developed southern talent for international politicking and bureaucratic manipulation.

This is a real sea change, which can be observed functionally in the oil industry or in financial negotiations, and regionally in the workings of the Inter-American Development Bank and the Organization of American States. It makes life more difficult for businessmen and officials from the North. But it is an essential stage of maturation, which could be an augury for the full transformation of the leading Third World countries to First World status.

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Table 2
Economic and Social Data for Selected Countries

	Overall Economic Growth ^a Rates, (% per year)			Per Capita Economic Growth ^a Rates, (% per year)			GNP Per ^b Capita US\$	Rates of Export ^c Growth, (% per year)			Value of Exports ^d US\$	Commercial ^e Energy Consumption (kg./capita)		Life ^f Expectancy at Birth (years)		Literacy ^g (% of Population over 15 years old)	
	1950- 1960	1965- 1973	1973- 1975	1950- 1960	1960- 1965	1965- 1973	1975	1950- 1960	1960- 1965	1965- 1973	1973	1950	1973	1950-55	1970-75	1950	1970
Brazil	6.2	4.1	9.0	6.6	3.1	1.2	1,010	1.8	2.6	11.3	6.1	198	673	53.2	61.4	49.4	66.2
India	4.2	4.0	3.5	2.7	2.3	1.7	150	1.1	3.5	4.0	2.8	99	192	39.8	48.4	19.3 ⁱ	27.8 ^o
Indonesia	3.8	1.6	6.8	4.2	1.6	-0.4	180	4.9	0.6	18.1	3.2	54	164	37.5	47.0	42.9 ^j	59.6 ^p
Korea (S.)	5.5	6.5	10.9	8.0	2.6	3.8	550	7.4	20.9	34.4	3.2	52	916	50.2	59.2	76.8 ^k	87.6
Malaysia	3.7	6.5	5.8	4.9	0.8	3.4	720	NA	3.7	6.2	3.0	259 ^h	556	49.8	59.2	37.8 ^l	60.8 ^q
Nepal	2.4	2.7	1.9	4.6	0.9	0.9	110	NA	NA	NA	0.1	2	13	33.1	43.6	5.1 ^m	12.5 ^r
Nigeria	4.1	5.3	8.7	6.4	2.1	2.7	310	0.4	12.9	13.2	3.4	26	83	31.3	41.0	11.5 ⁿ	25.0 ^s
USA	3.3	4.7	3.7	-1.8	1.6	3.2	7,060	5.2	6.6	6.6	71.3	7316	11,901	68.7	71.3	96.8	99.0 ^t

Sources and Notes to Table 2

^a 1950-1973 GDP growth rates from *World Bank*, *World Tables*, Table One, Comparative Economic Data Sheets; 1973-1975 GNP growth rates from OECD, Development Assistance Committee, Development Co-operation, 1976, p. All growth rates are based on constant US\$.

^b *World Bank 1976 Atlas*, preliminary data.

^c *World Bank World Tables*, Table Two, Comparative Economic Data Sheets.

^d IMF, *International Financial Statistics*, December, 1976, line no. 70, various pages, converted to 1973 US\$.

^e UN *World Energy Supplies, 1950-1974*, 1976. Kilograms of coal equivalent per capita.

^f UN *1975 Demographic Yearbook*, and UN Population Division Working Papers: "Estimates of Crude Birthrates, Crude Death Rates and Expectations of Life at Birth, 1950-1965," ESA/P/WP.38, February 22, 1971, and "World Population Prospects 1970-2000, as Assessed in 1973," ESA/P/WP.53, March 10, 1973.

^g UNESCO 1965 and 1973 *Yearbooks*; and United States Agency for International Development, (USAID), Office of Population, *Aid to Developing Countries, FY 1973*.

^h 1957

ⁱ 1951

^j 1961

^k 1955

^l 1947

^m 1952-1954

ⁿ 1952-1953, ages 7 and over.

^o 1961

^p 1971, ages 10 and over.

^q 1970, ages 10 and over.

^r 1971

^s USAID *Aid to Developing Countries, FY 1973*. Exact year unknown.

^t 1969

III. The Four-Letter Acronyms: OPEC, NIEO and CIEC

Since 1973, international discussions of North-South relations have been dominated by three four-letter acronyms: OPEC (Organization of Petroleum Exporting Countries); NIEO (New International Economic Order); and CIEC (Conference on International Economic Cooperation). OPEC is a hard and apparently durable reality. NIEO formalized the international aspirations of the developing countries as a group. (A related document called the Charter of Economic Rights and Duties of States, or CERDS, was adopted by the UN General Assembly in December, 1974 by a majority of 120 to 6, with 10 abstentions, but it has received little attention since its adoption.) CIEC, which ended last June 2, was an eighteen-month experiment at organized "dialogue" among representatives of the industrialized countries, OPEC members, and oil-importing developing countries, in effect seeking to reconcile divergent interests within and among all three of these groups.

The five-fold increase in oil prices since 1972, and OPEC's demonstrated capacity to manipulate those prices within wide limits, have done more to change the international economic order than any other action since the post-war system was established—more even than the shift from fixed parities to floating exchange rates. The oil price revolution has brought about an immense transfer of current income (equivalent to about 2 percent of the combined GNP of the industrialized countries) from oil-importing to oil-exporting nations; it has contributed simultaneously to world-wide cost inflation and to deflationary increases in unemployment; it has transformed the balance-of-payments position of almost every trading nation and the structure of international indebtedness; and it has precipitated the largest oil-exporting countries into the ranks of substantial international financial powers. It has also shocked a portion of governmental and public opinion into the realization that strenuous measures are urgently needed to prepare for the coming era of declining petroleum availabilities. The issues of energy supply policy are outside the scope of this paper, except for the critical point that vigorous action to develop alternative supplies would alter the bargaining relationships with OPEC in favor of oil-importers, while the absence of such action since 1974 has had the reverse effect.

Although the per capita income figures of the thinly populated OPEC countries are now among the highest in the world, all members continue to call themselves "developing" and to participate in the "Group of 77." Many oil-importing developing countries have been hard hit by the price rises, and aid programs sponsored by OPEC countries have fallen far short of making good their losses, but formal unity between the two groups has been preserved in the UN and elsewhere, to the surprise and dismay of many officials and observers in the North. The appearance of unity should not have been surprising, since it has obvious advantages to both OPEC and other developing countries. To OPEC, it provides "moral support" and "legitimacy" for a suppliers' cartel through UN resolutions adopted by huge majorities. To the other developing countries, it is advantageous as long as they believe that OPEC leverage on the First World will be exercised to their benefit—or at least that the First World will act on that hypothesis.

In considering this aspect of North-South strategy from the viewpoint of the North generally, and the United States in particular, the operative question is precisely the validity of that hypothesis. Will oil prices be kept lower, and the flow of supplies more steadily assured, if the North makes "concessions" to southern demands for a NIEO—e.g., concessions on commodity policy, debt cancellation, trade treatment, or aid? In the opinion of this author the answer is "No".

The evidence is overwhelming that OPEC members negotiate prices according to their own evaluations of their own economic and political interests, including their relationships with the leading industrial countries. Agreement within OPEC is so difficult that there is little room for consideration of broader issues of North-South relations. If it were otherwise, OPEC could easily

achieve some of the aims of the Group of 77 by direct action. For example, a surcharge of \$1 per barrel would add about \$11 billion to their annual revenues; after remitting to developing countries their \$2 billion share, the remaining \$9 billion could constitute the much discussed "common fund" for commodity market stabilization. A debt repayment fund for the "most severely affected" developing countries could be constituted in the same manner—in effect by adding oil resources extracted from the North instead of negotiated with us. But it seems clear that if the collective judgment of OPEC were able to agree on an additional dollar or two in the price, most OPEC members would insist on keeping the additional revenues for themselves. It follows that strategy on other North-South issues should be determined on the merits of those issues, and not based on hopes or fears concerning oil supplies and prices.

Most of the other North-South issues are recapitulated in the proposals for a NIEO. The main omission concerns measures for more active minerals development, which should be of mutual interest to North and South but was rejected at the 1976 Nairobi meeting of the UN Conference on Trade and Development (UNCTAD) because of poor tactical handling by its American sponsors. But the NIEO cannot be appraised simply as a program for economic reform. It also contains moral components and power components. It should be kept in mind that the NIEO was not a product of OPEC's demonstration of economic power in 1973-74. It incorporated the substance of the CERDS proposals which had been under debate since 1972, and the term NIEO itself was launched at the "non-aligned" country meeting at Algiers in September 1973, a month before the outbreak of the "October War" in the Middle East. The NIEO was formally adopted at the Sixth Special Session of the UN General Assembly in May 1974 by consensus, with the United States and some others making formal statements of reservations.⁴

The moral component of the NIEO charges the pre-existing order with obvious unfairness and calls for a total reconstruction based on "equity" and "justice." As issues for serious philosophical debate, these charges raise profound historical and conceptual questions. Does equity automatically mean equality? If so, does it refer to equality of opportunity or equality of condition? In what sense, other than formal juridical terms and voting power in the UN General Assembly, can there be "equality" among nations, making one Haiti equal to one Soviet Union? Equality of opportunity is a meaningful concept for individuals, even if it evades precise definition, but is the phrase "equality of opportunity among nations" anything at all beyond windy verbiage? How could Chad have "equality of opportunity" with Brazil? If equality of opportunity is sought between individuals—say newborn infants in Bangladesh and the United States—the first prerequisites would be complete freedom of migration, with subsidized passage and language training. No such item, however, appears on the NIEO agenda.

Some enthusiastic exponents of the NIEO translate the moral imperative into targets for reducing the gap in nominal per capita income levels between rich and poor countries. An extreme example is the "RIO" group coordinated by Jan Tinbergen. After calculating at 13:1 the ratio between average incomes in countries accounting for the richest and poorest 10 percent of the earth's population in 1970, the RIO group states that:

"This decile ratio of 13:1 and its trend must be deemed unacceptable for reasons of human decency and for the danger of political instability which they imply. The existence of such disparities is incompatible with an equitable social and economic order and the redress of them must be afforded the highest priority by the international community." (italics in original)

The central goal of their program is to reduce the high-low ratio to something like 3:1, necessitating a deliberate slowdown in industrial country growth rates. That slowdown is urged partly on grounds of alleged physical constraints on global food and energy production, but also as a means of achieving a ratio described as "barely acceptable" and "assumed to be necessary for world political stability."⁵

It is astonishing that a group including reputable economists should start by taking the calculated per capita income figures so seriously. With some entirely defensible adjustments of the exchange rates used in the calculations, the apparent ratio could be reduced from 13:1 to 6:1 with no real world changes at all. It is also astonishing to see such moral intensity focused on international income inequalities, as if the human dignity of an Indian peasant were more affected by his income ratio to an American rancher than by his own access to food, shelter, education, productive employment, and the respect of his neighbor. If the universal brotherhood of man is the underlying moral precept, the case for efforts to assure the provision of "basic human needs" everywhere, sometimes described as a "global floor under poverty," seems much stronger than the arbitrary reduction of arbitrarily calculated average per capita income gaps.

The official NIEO is less explicit about what would meet its criteria of "equity and justice," although the general directions are clear. They include income and wealth redistribution through higher prices for developing country exports, systematic and permanent trading preferences, automatic resource transfers and debt relief, enlarged aid programs, preferential access to northern technology, and unconstrained rights to discriminatory treatment or expropriation of foreign private investments. Assuming a compelling moral case for accelerated development, however, (and this author would support such a case on moral, political, *and* economic grounds), there is no obvious connection between the moral imperatives and the specific proposals pressed by the Group of 77 as part of the NIEO. There is, for example, no inherent "justice" in the idea of a common fund for commodity price stabilization. Nor is the United States, which was a net exporter of raw materials until very recent years, likely to be persuaded that it owes a debt of retribution or compensation for exploitation of the Third World.

In short, the practical application of moral precepts is inherently subjective and therefore of little relevance to workable North-South strategies. Similar problems arise from the claims of NIEO proponents for greater power in international economic institutions. Such power is more likely to follow developmental success, as the cases of Japan and OPEC demonstrate, than to be a means of achieving such success. Changes can and have been made at the fringes, as with voting rights in the World Bank and IMF. Developing countries now constitute a large majority of members of the GATT (General Agreement on Tariffs and Trade), once regarded as a privileged preserve of the industrialized world. When new institutions are created like the International Fund for Agricultural Development (IFAD), in which OPEC resources approach the level of First World support, OPEC members are accorded a corresponding voting strength. The interests of developing countries in such issues as international monetary reform are now much more fully consulted than in the period before 1971. But in so far as the NIEO proposals for enhanced power come down to seeking a dominant voice for the developing countries in governing flows of resources supplied by the industrialized countries, they are most unlikely to be acceptable to the First World.

The rhetoric of the NIEO, and even its title, created the misleading impression of a heroic institutional reform, to be achieved in a few years on the model of the innovations which followed World War II. During the phase of Third World intoxication with OPEC's success in transforming its relationships to the First World, NIEO enthusiasts gave the impression of genuinely believing that revolutionary structural and institutional changes were at hand. That belief was an illusion. Only another world war could create the conditions for an all-inclusive radical change in the international order, and that is too high a price to pay. What the enthusiasts failed to understand is that evolutionary structural and institutional change can, over a decade or two, bring about revolutionary alterations in developmental conditions—in living standards and individual opportunities. Except for internationalized elites with a vested interest in institutional positions, that is the object of the exercise.

If the CIEC, or North-South dialogue of 1976-77, accomplished nothing more in its 18 months than to disintoxicate the confrontational atmosphere of 1974-75, it was worth its cost in official man-hours. It died on June 3 with a whimper in the form of a "final communique" summarizing areas of agreement and disagreement. It certainly failed to achieve the full objectives of any of its original sponsors: those who hoped that it might guarantee stable oil supplies at moderate prices; those who hoped for global agreement on large chunks of the NIEO program; and those who hoped that it might become a permanent institution for coordinating North-South strategy, combining manageable size, representative character, and procedures for calm and candid exchanges of views in place of high-pitched rhetorical confrontations.

CIEC assuredly did improve mutual understanding of the objectives and interests of the participants, including significant differences within each of the three component groups. It also engendered agreement by the industrialized countries on a new billion dollar aid fund for the poorest developing countries and nominal agreement on some kind of a "common fund" for commodity stabilization—an item which had been made a political touchstone by the developing countries out of all proportion to its economic importance. But CIEC left substantially unchanged the major issues of North-South strategy to which we now turn.

IV. Alternative Long-Range Development Strategies

Strategy signifies a coherent set of means to achieve some explicit or implicit objective. Much of the confusion in discussions of North-South strategies flows from unacknowledged differences concerning the objective—strategy for what? In particular, there are two schools of thought, supposedly from opposite ends of the ideological spectrum, which see North-South relations as a zero-sum game in which any gain for the South is a loss for the North. In that case, the strategic objective from the northern viewpoint is very simple: hold the South down as far and as long as possible. In the Marxist-Leninist framework, which is an important element in the training and outlook of most Third World intellectuals, that is precisely what "capitalist-imperialism" has done and nowadays continues to do under various disguises. Most of the prolific "dependencia" literature of recent years reflects that viewpoint. The conservative traditionalist conceptions of international relations, based on great power rivalries and the balance of power, lead to the same kind of conclusion.⁶

For reasons suggested earlier, this author supports the contrary view—that North-South relations already contain large areas of mutual advantage which could be expanded; that the North would benefit from accelerated successful development in the South; that decision-makers in all the significant national units should feel some positive stake in the world order in both its economic and political aspects; and that those wanting and able to become fully incorporated in the First World should have every opportunity and encouragement to do so, recognizing that that status implies responsibilities as well as rights. For others, who do not seek or who lack the potential for diversified economic modernization with a large component of market-oriented enterprise, the posture should be one of broad tolerance, and a search for whatever specific areas of common interest can be found, so long as those nations are not actively hostile to the North.

Developmental success, then, is the core of the strategic objective, but the first set of strategic choices is not on the North-South axis; it is internal to the South. Different national societies have quite different ideas of what they mean by development and how they would like to achieve it. Needless to say, none of those societies is monolithic on these issues, whatever appearances it may present to the outside world. The intense debate over the NIEO has sometimes distracted attention from the critical point which cannot be repeated too often: that development depends mainly on policies and actions within the developing countries, and that the external environment can be helpful or harmful but is rarely decisive.

There have been successive waves of conventional wisdom on the "correct" developmental strategy, with the enthusiasts for each new wave decrying their predecessors. The oldest was to base diversification and growth on an export sector composed of mineral or agricultural raw materials in which the country concerned had special locational or natural resource advantages. Most Third World spokesmen would condemn that strategy as a prescription for permanent poverty. The experiences of Canada, Australia, New Zealand, and Denmark suggest that it need not have that result, but it can easily do so if not accompanied by steps to improve productivity in food production and by progressive diversification away from monoculture.⁷

The most widely accepted internal strategies during the 1950s and 1960s focused on industrialization, supposedly following the successive models of Europe, North America, and Japan. The market was to be found partly through replacing imports of manufactured goods ("import substitution") and partly by exporting manufactured goods to the industrial countries. For small countries, with limited domestic markets, a regional basis for import substitution was proposed with common markets or free trade areas linking together a group of developing countries. This broad strategy had some apparently spectacular successes: Mexico and Brazil in the 1950s; Korea, Taiwan, and Singapore in the late 1950s and 1960s. As between the two subgroups, export-oriented industrialization appeared more efficient than import substitution, because the potential market was much larger and the developing country's enterprises were subjected to the disciplines of international competition. But this kind of industrialization strategy seemed unable, at least in the Latin American context and in South Asia, to provide enough jobs to keep up with an explosive demography and a huge migration from countryside to towns. Later, it was also criticized for fostering extreme inequalities of income distribution and concentrating resources on consumer durable goods of interest only to a small upper and upper-middle class.

At the same time, countries with rapid population growth found themselves becoming food importers on a dangerously increasing scale, so in the late 1960s a reaction set in favoring agricultural modernization and productivity improvement in parallel with continuing industrialization. There was also some emphasis on smaller rural industries in the hope of stemming the tide toward the cities, for which urban administration was unable to provide even minimal services of water, sanitation, and transport, not to speak of shelter. There were also efforts to encourage greater labor-intensity in both public and private investments, getting away from the imitation of technologies and work organization suitable to advanced countries with high labor costs and ample capital supplies.

In the last few years, a more radically reformist kind of challenge has been advanced against all the earlier strategies, placing the main emphasis on more equal income distribution and on development opportunities for marginalized small farmers, landless agricultural laborers, and unskilled in-migrants to the towns. This school also has two branches: one focusing on satisfaction of "basic needs" as the top priority, with overtones of a poverty-line welfare standard, and the other emphasizing opportunities for productive employment for the poorest groups.⁸ It should be noted, however, that support for these kinds of reformist strategies seems to have come more from the secretariats of international institutions and from groups in European countries with strong social democratic traditions than it has from governments or political leaders within the developing world itself.

Finally, note should be taken of a still more radical challenge which rejects the whole idea of development through capital formation, technological change, increased productivity, and enlarged markets, seeking instead a kind of communitarian socialism close to nature, with voluntary participation in place of sordid economic motivations. There are echoes here of certain medieval monastic sects, like the Franciscans, of the utopian socialists of the early 19th century, and in some

cases of a wistful longing for a single great leap into Karl Marx's ultimate Nirvana without the intermediate phases of either capitalism or the dictatorship of the proletariat. These views are often combined with ecological romanticism and the conviction that resource depletion and environmental pollution are in any case in the course of putting an end to all forms of economic growth.⁹

Except for the last category, which is really a strategy *against* development, all these internal strategies have many elements in common, and they are much less clear-cut alternatives than their advocates assert. They are also usually less novel than is claimed; for example, the current emphasis on social investment and human needs was a major thrust of the Alliance for Progress sixteen years ago, and that program in turn derived from thinking in Latin America dating back to the mid-1950s.

All these strategies require strenuous efforts to encourage saving and to mobilize capital for productive purposes. All require the efficient allocation and use of scarce resources, which in turn calls for some kind of motivation and discipline. All can be destroyed by widespread corruption or by rampant inflation. All are compatible with a wide spectrum of relative emphasis on economic development planning or on market determination of investment directions as well as current resource flows. In the modern world, all require some degree of governmental competence, since even regimes most unsympathetic to economic planning must act affirmatively to maintain competitive conditions in their restricted markets. That is one reason that what Gunnar Myrdal calls the "soft states" have generally had poor developmental records, whichever strategy they might be trying to pursue.¹⁰

From the viewpoint of a developing country, North-South strategy should be complementary to its own domestic development strategy. Since the developing countries vary enormously in their degrees of development already achieved, their natural and human resource potentials, their cultural and political traditions, and their priorities for further development, no single North-South strategy can be complementary to all of them. From the northern viewpoint, it is especially important to avoid faddism—the temptation to "discover" some new "key to development" every few years and to make its application the centerpiece and condition of all northern strategies. There is great wisdom in a recent remark of the UN Committee for Development Planning, expressing "a certain unease that some of the new ideas—for example, 'basic needs,' 'collective self-reliance'—may already be getting too sloganized."¹¹

It follows that a package of strategies is called for, all aimed at the broad objective of accelerating development but complementing the diversity of domestic strategies. Before summarizing the elements of such a package, it is useful to characterize briefly the principal competing strategic ideas currently in circulation.

A. NIEO as a Strategy. In the earlier discussion of NIEO, it was made clear why its moral and political components are inherently unacceptable to the North as a basis for North-South strategy. Its economic program is a package assembled through internal "logrolling" among the diverse interests represented in the Group of 77. Some of them would be beneficial to all parties and should be incorporated into any comprehensive North-South package, but several, which have been vigorously pressed in UN conferences and the CIEC, are either of dubious relevance to effective development or are so directly contrary to northern interests as to be unnegotiable. For example, commodity price indexation would freeze relative prices against changes in supply technology or the structure of demand, encouraging uneconomic substitutions and other market distortions. Generalized rescheduling of indebtedness would impair the credit of "middle-class" developing countries which have gained wide access to private financing institutions. Permanent trade preferences, with guaranteed margins of preference, would hamper the further liberalization of trade among industrial countries and its extension to developing countries on a "most-favored-

nation" basis. Automatic "resource transfers," unrelated to the quality of domestic developmental strategy and performance, would undermine the influence of the multilateral financing institutions, especially the World Bank and IMF, in improving that performance. Similar doubts apply to the proposals for transfer of technology.

B. The Strategy of Resistance. Selective resistance to ineffectual or otherwise unacceptable proposals is therefore an appropriate part of a northern strategic package. But that is quite different from a strategy of general resistance, which would be incompatible with the premise that successful development is also in the interest of the North. Some advocates of general resistance profess to favor development but assert that private trade and investment, responding to market forces, is a sufficient northern strategy. But private trade is greatly affected by tariffs, nontariff barriers, and other governmental actions, while many kinds of investment, especially in human resources and infrastructure, are not effectively promoted through private capital flows.

C. The Strategy of Accommodation. At the other extreme is a strategy of real or professed accommodation to anything requested by the South. In some cases, such as the Tinbergen group report, that reflects basic agreement with the justice of the South's case. In other cases, the prevailing motive may be the "professional deformation" of foreign offices and diplomats—a preference for appeasement and "smoothing things over," especially when it can be argued that concessions will not have substantial practical effects. Such a strategy should be rejected on the ground that North-South relations are too serious to be treated so lightly, and that seemingly "harmless" concessions can accumulate and crystallize into harmful longer-run policies and institutions.

D. The Strategy of Decoupling. Another line of thought, which has won substantial support in the South and some in the North, is to reduce the density of the North-South linkage and accelerate southern development through "collective self-reliance," with maximum "decoupling" from the North. That is a logical conclusion from those forms of *dependencia* theory which assert that all North-South economic transactions make the North richer and the South poorer. They squarely reject the conventional theory that the existence of advanced industrialized societies helps the developing countries by providing both capital and markets and spares them the need to reinvent modern technology.¹² Support from the North comes mainly from quarters preoccupied with southern competition at low wage rates in labor-intensive manufacturing.

Although the rationale of *dependencia* theory is highly questionable, the objective of increased trade and investment among developing countries is sound in principle and ultimately necessary to successful global development. Opportunities for adequate growth in the developing countries have in fact been excessively dependent on the boom phase of the industrialized world's business cycles, and the probable secular decline in First World growth rates should certainly not have to be matched by a further slowing of Third World development. Common markets and free trade areas among developing countries have not been resisted by the North; their disappointing records are the result of internal tensions. But the needs for northern goods and services are so critical to most southern development efforts that the "foreign exchange gap," or "capacity to import" is commonly regarded as the controlling quantitative limit on growth. Collective self-reliance may gradually shift some portion of sources of supply and markets to other developing countries, but there is no realistic prospect of successful decoupling from the North in any time frame relevant to current policy-making. Paradoxically, the supposed paradigm of a decoupled development strategy, the People's Republic of China, now appears to be seeking increased trade and technological imports from the North.

E. The Strategy of Planned Restructuring. All the internal development strategies include a substantial shift of the labor force from agriculture and traditional services into industry and modern services, however much they may differ in emphasis on appropriate technologies and on priorities for the desirable array of manufactured goods. Such changes in structure, extensively analyzed by economic historians, were at the heart of the modernizing transformations in today's industrialized countries; in the spectacular Japanese case, most of that transformation dates only from the post-war recovery. A rapidly growing domestic market usually absorbs the bulk of the industrial output, but some of it spills over into foreign trade and becomes part of an ongoing process of redistribution of the international division of labor. Trade in manufactured goods has expanded so enormously in recent decades that it has been able to accommodate a huge growth in the industrial exports of developing countries, which rose from \$5 billion in 1955 to \$31 billion in 1975, and now account for over 43 percent of their total non-oil exports. Korea, Taiwan, Singapore, Brazil, and Mexico have been major participants in that structural shift.

The question has been raised, however, whether international markets (which means predominantly those of the First World) could absorb corresponding portions of the potential manufacturing output of the larger low-income countries, such as India, Indonesia, and mainland China. At its Lima conference in 1975, the UN Industrial Development Organization (UNIDO) adopted a "target" for the developing world of accounting for 25 percent of global industrial output by the year 2000, compared with 7 percent in 1973. The target was admittedly arbitrary, but it is not completely out of line with relative industrial growth rates of recent years and would still allow for significant expansion of industrial output in the First World, although at a slower pace. The developing countries would require greatly increased imports of capital goods and raw materials which could be financed only by expanded exports.¹³

The UNIDO and UNCTAD staffs have raised questions whether trade liberalization alone would be sufficient to induce such large shifts in structure; they also have comprehensible doubts concerning the speed with which industrialized countries may be expected to liberalize their imports from developing countries, especially in labor-intensive products like textiles and shoes. They consequently suggest reinforcing trade liberalization by a more directly planned approach. The Lima Program of Action called for a system of consultations between developed and developing countries concerning industrial restructuring and location, with overtones of some sort of international superboard for controlling and allocating the location of new capacity and even "redeploying" a part of existing capacity. Although it was less explicit as to policy measures, similar targets for structural change in the world distribution of manufacturing and trade emerged from the recent report of Professor Wassily Leontief's team to the United Nations.¹⁴

In this aspect of North-South relations, any strategy of planned structural change seems chimerical. The institutional obstacles alone are insuperable, since most First World societies would not accept detailed control over industrial expansion by their own national governments, much less by an international board. Moreover, the dynamics of healthy economies can engender extraordinarily large changes in economic structure over a decade or two, including the disappearance of obsolete products and the decline of obsolescing regions, but if those results were to be foreseen and planned for, the political resistance of the interests at stake would be unmanageable, even though the economy as a whole might benefit. In industries of special global significance, such as energy supply, international harmonization of industrial policies is a realistic and desirable goal. In the broad field of general manufacturing, however, including products still to be invented, the most promising strategy remains the maximum of trade liberalization, coupled with the maintenance of general economic health and provision for more far-reaching adjustment assistance than has yet been forthcoming.

F. The Strategy of Induced Reform. A number of proposed North-South strategies are based on the proposition that the North has a direct interest in the internal development strategies of the South, and that northern international "concessions" on trade or aid should be bargained against domestic southern reforms. This proposition is quite distinct from more traditional international bargaining, such as exchanging assurances of raw material markets against assurances of supplies. A few years ago, the proponents were referring mainly to so-called "global issues"—the world interest in avoiding over-population or environmental catastrophe. That line of thought, however, seems to have given ground to the arguments that the malign effects of over-population are concentrated in the over-populated countries themselves, while the dangers to the global environment (oceans, atmosphere, ozone layer, etc.), as distinct from regional problems like soil erosion or desertification, come mainly from the industrial countries.

From the beginning of systematic bilateral and multilateral aid programs, there has always been some linkage of aid to domestic performance by the recipient—at a minimum to insure that the funds are spent on the agreed purposes. As analysis of developmental strategies has become more sophisticated, and especially in the administration of World Bank programs, these linkages have become steadily broader in scope: from management for a specific project, to policy for an economic sector, to macroeconomic policy for the economy at large, to general socioeconomic and institutional reform. Our own bilateral programs have followed a similar trend, especially during the era of "program loans," but with the addition of special conditions imposed by the Congress, ranging from protection of American private investors and avoidance of competition in farm exports to cessation of gross violations of human rights. We have witnessed a kind of Parkinsonian principle at work in this respect: the smaller the aid program and the fewer the number of countries substantially dependent on continued bilateral aid, the more numerous and complex the legislative conditions!

In current discussions, an especially noteworthy extension of this idea is the proposal of Roger Hansen for bargaining both an increase in aid commitments and other major concessions to the South's NIEO proposals against a concerted shift of southern development strategies to the "basic human needs" approach.¹⁵ In this case, the northern interest is essentially humanitarian. Starting with the conviction that the basic needs strategy could eliminate the grossest forms of absolute poverty from the entire world within a generation, there is felt to be a moral duty to see that such a strategy is adopted. From Secretary of State Vance's statement of June 23, 1977, which called for a special OECD working group to design a program for basic human needs, and from the emphasis on this approach in recent major speeches of World Bank President Robert McNamara, it is evident that this kind of strategy is not of merely academic interest.

The Hansen version, however, should be viewed with great caution. It is one thing to direct a larger share of concessional aid to the poorest countries and to projects related to food production, primary health care, and basic education; those trends have been incorporated into both bilateral and multilateral aid programs for a number of years. It is quite another matter to seek a concerted North-South bargain for explicit internal strategy reforms, with the *quid pro quo* combining concessional aid with only remotely related changes in trade, monetary, food, and oceans policies, and with developing country performance to be monitored by a "neutral" international agency.

The first doubt is whether development technicians in either North or South know as much about effective strategies to eliminate poverty as is assumed. The experience under our own domestic poverty programs should be ample ground for caution. In practice, moreover, as the UN Development Planning Committee has stressed, a basic needs approach cannot be so sharply differentiated from a broader effort toward economic development. The second doubt arises from the somewhat bizarre premise that peoples and governments in the North are more interested in

eliminating poverty in the South than the governments and leaderships of the South itself. For certain groups, that may well be the case, but it does not seem a strong foundation for intergovernmental negotiation. The third doubt concerns the possibility of carrying off such a bargain with the South "as a group," when account is taken of the diversity of developing countries and the jealousy with which each government guards its domestic policies against external intervention. The final doubt concerns the wisdom of linking internal strategy reorientation to "concessions" on other international economic issues. If changes in trade and monetary and other areas cannot stand on their own merits in terms of direct and indirect northern interests, it is questionable whether they should be incorporated into a bargain simply to secure domestic reforms in the South.

V. Elements in a Recommended Strategy

The preceding review points toward elements of a recommended strategy through its discussion of the various alternatives. Unlike the NIEO itself, and several of the other proposals under current discussion, the recommended strategy does not purport to be a revolutionary restructuring of the entire international economic order, a newly discovered panacea, or a new "grand design" carrying the trade-mark of some catchy slogan. The indicated posture for the North is to emphasize its genuine interest in southern development as well as in northern economic welfare; to be neither condescending nor obsequious nor guilt-ridden nor panic-stricken; to maintain the momentum of ongoing policies and institutions which do contribute to developmental success; and to avoid creating expectations of miracles which will not materialize.

Within that framework, there is a great deal to be done. At the macroeconomic level, trade, aid, and monetary policies are all relevant, but the greatest urgency and largest ultimate pay-offs are in trade. Changing trade patterns are both the product and the creator of the long-term changes in economic structure that constitute development and modernization. For the half of the developing world which is recognized as "middle-class," and also for countries like India, Pakistan, and Indonesia, they offer larger and more stable contributions to foreign exchange earning potential than any plausible combination of official aid programs. And for that large group of countries, which account for about three quarters of the developing world population outside of China, enlarging the capacity to import is the most important contribution that the international economic system can make to their developmental possibilities. Whether those possibilities become prospects depends mainly on themselves.

Within the field of trade, general liberalization on a most-favored-nation basis promises much more important results than the preferential arrangements which have occupied so much attention since 1964. Real progress at the Geneva MTN negotiations, including a sharp reduction in tariff escalation on raw material processing, would be of great benefit to developing countries. If time is needed for adjustments in the industrial countries, safeguards procedures and "orderly marketing arrangements" should be subjected to international rules with phaseout timetables. Commodity market stabilization is also desirable and probably feasible for a few minerals, rubber, and several agricultural products. It should be pursued through producer-consumer negotiations, but its results will be of interest to only a few countries.

Concessional aid remains of the greatest importance to the poorest and least developed countries, and the limited amounts available should be concentrated on their needs. Priority within aid programs for "basic human needs" is highly desirable. Encouragement of more broadly based rural and urban development strategies by the World Bank and bilateral aid donors is certainly in order, but efforts to force such strategies on reluctant governments are not likely to succeed in practice even if they win lip-service.

On the financial and monetary side, far-reaching adjustments in international arrangements have already taken place in recent years, to the considerable benefit of the South. They include major provisions for additional southern access to IMF resources, moving the *de facto* role of the Fund far in the direction of development assistance and complementing the substantial increases in aid lending from the World Bank group and the regional development banks. The existence of these official resources has facilitated an even larger increase in the volume of private bank lending, mainly to the "middle-class" countries of the Third World. Although some rescheduling of debts has been needed in a few special cases, the widely-feared general crisis in the balance-of-payments position of the oil-importing developing countries has not materialized. In fact, their collective international reserves increased by \$10.8 billion in 1976, compared to a loss of \$1.8 billion in 1975.

Continued improvements in these mechanisms should certainly be part of the North-South strategy, but they should build on the previous actions rather than constituting a revolutionary change. They include further enlargement of the funds for compensatory financing of shortfalls in foreign exchange earnings for reasons beyond the control of a developing country, with a lengthening and easing of the repayment terms for the poorer countries. As long as the structural imbalance of the low-population OPEC countries persists (and its end is still many years off), there will be an inherent fragility in financing so large a share of it through the private international banks; some form of systematic collaboration is called for between the private and official sources of financing. The OPEC members could make a major contribution to exorcising the specter of excessive Third World indebtedness by adopting a "P.L. 480-type" policy of part grants (or acceptance of local currency) for a major fraction of their oil sales to developing countries, but there are no visible signs of such a policy on the horizon.

At the microeconomic and sectoral levels, population control remains of the highest urgency. Selective developmental measures which appear to be highly correlated with fertility reduction should be directed toward that end along with family planning programs. Expanded food production in most developing countries, especially in South Asia and Africa, ranks only slightly behind population control. It should be complemented by international systems of food reserves to compensate for harvest fluctuations. The radical change in imported oil costs, and the longer-term prospect for an end to the petroleum era within a few decades, warrants a special international effort to assist developing countries in identifying alternative sources of energy, country by country, and in promoting their timely development. More effective arrangements for discovery and exploitation of other natural resources in the developing countries, especially minerals, would also be beneficial to both South and North. In these and many other areas, including the combat of tropical diseases and the improved usage of tropical raw materials, there is continuing need for internationally organized programs of technical assistance and joint North-South research.

If such macro and microeconomic policies were adopted and pursued in an integrated fashion, with persistence and with cohesion among the countries of the North, that fact would constitute an important change in the international scene and greatly improve the external environment for southern development efforts. This set of policies would not meet the rhetorical goals of the NIEO, but they could produce substantial results whether one chooses or not to give them the label of a "new order" or "new system."

Beyond those broad categories, the most valid generalization is the impossibility of generalizing. The impulse for development must come from within, and in the varied societies which make up the South it will take many forms. The North cannot and should not try to impose a Procrustean formula for development strategy. As long as developmental efforts are demonstrably carried on in good faith and with at least a modicum of managerial competence, they deserve the

tolerance and in most cases the sympathetic support of the North. And the ultimate object of the exercise should never be lost from sight—the gradual abolition of the North-South boundary through the progressive incorporation of the South into the adequately developed industrial or post-industrial world.

ENDNOTES

1. Edward S. Mason, "Competitive Coexistence and Economic Development in Asia," in Lincoln Gordon (editor), *International Stability and Progress*, American Assembly, New York, 1957, pp. 59-119; "Final Report of the Eleventh American Assembly," *Ibid*, pp. 171-178; Richard N. Cooper, "A New International Economic Order for Mutual Gain," *Foreign Policy*, No. 26, Spring 1977, pp. 65-120.

2. *Partners in Development*, Report of the Commission on International Development, Praeger, New York, 1969, pp. 7-11.

3. The view that the "threat from the Third World" should be of serious concern was advanced by C. Fred Bergsten, now Assistant Secretary of the Treasury for International Affairs, in a series of articles in *Foreign Policy* in 1973-75 (see Numbers 11, 14, and 17). The reasons for rejecting that view were set forth in a paper by this author entitled "The Third World: Threat or Asset to the International Economic Order?" prepared for a symposium at the University of Virginia Law School in November 1975. Copies of the paper can be made available on request.

4. UN General Assembly Resolutions 3201(S-VI) and 3202(S-VI), May 1, 1974.

5. Jan Tinbergen, (Coordinator), *Reshaping the International Order*, Dutton, New York, 1976, pp. 86-96.

6. For an example, see Robert W. Tucker, "A New International Order?" *Commentary*, February 1975, pp. 38-50.

7. For a provocative discussion of these and related issues, see W. Arthur Lewis, "The Evolution of the International Economic Order," Princeton University Research Program in Development Studies, Discussion Paper #74, March 1977.

8. The best example of the latter set of proposals is the joint study of the World Bank and the Sussex University (England) Institute of Development Studies, *Redistribution with Growth*, Oxford University Press, London, 1974. The basic needs focus is given more emphasis in the study by the Secretariat of the International Labor Office, *Employment, Growth and Basic Needs*, ILO, Geneva, 1976.

9. Although mixed together with many other ideas, these lines of thought can be identified in the Dag Hammarskjöld Foundation's conception of "Another Development." See *What Now?*, Stockholm, 1975.

10. Gunnar Myrdal, *Asian Drama: An Inquiry into the Poverty of Nations*, Pantheon, New York, 1968, Vol. II, pp. 895-900.

11. Committee for Development Planning, Report on the Thirteenth Session, April 1977, UN Document E/5939, New York, 1977, p. 3.

12. At times the presentation may be faintly absurd, as in the case of an UNCTAD document prepared for the Nairobi meeting of 1976, whose first half deplored the noxious effects of western technology on southern patterns of production and consumption, but whose second half focused on means for securing western technology on preferential terms or free of charge!

13. For an interesting effort at quantitative analysis of these issues, see UNCTAD Secretariat, "Manufactures and Semi-Manufactures: The Dimensions of the Regional Restructuring of World Manufacturing Output and Trade in Order to Reach the Lima Target," UNCTAD Document TD/185/Supp. 1, Geneva, April 1976.

14. UN Department of Economic and Social Affairs, *The Future of the World Economy*, New York, 1976.

15. See Roger D. Hansen, "Major U.S. Options on North-South Relations: A Letter to President Carter," in Overseas Development Council, *The United States and World Development: Agenda 1977*, Praeger, New York, 1977, pp. 21-85. It is curious that while Hansen explicitly rejects the Aspen Institute's plea for "planetary bargaining" (see Aspen Institute for Humanistic Studies, *The Planetary Bargain*, New York, 1975), the substance of his proposals goes further in that direction than the Aspen group itself. It also goes well beyond Robert McNamara's call at the Manila World Bank meeting in 1976 for a "global compact" to "meet the basic human needs of the absolute poor."

Panel 4

National Security and Nonmilitary US-Soviet Relations

An appraisal of the non-military aspects of US-Soviet relations—economic trade, technology transfer, academic and cultural interchanges—and the potential hazards and benefits to US national security interests in these relationships. A discussion of the human rights issue and the US position on human rights as it affects the overall relationships and balances between the two states. An analysis of linkage between the human factors and other security interests on either side.

Chairman

MG Harrison Lobdell, Jr., Commandant, The National War College

Authors

Professor Marshall Goldman, Russian Research Center

Professor Adda Bozeman, Sarah Lawrence College

Panelists

Mr. Michael Boggs, AFL/CIO International Trade Office

Dr. Michael Boretsky, Office of Policy Development and Coordination, Department of Commerce

Mr. Richard D. Foster, Director, Strategic Studies Center, Stanford Research Institute

Dr. Robert Hunter, National Security Council

Dr. Robert R. Johnson, Vice President, Engineering, Burroughs Corporation

Mr. Donald Kendall, Chairman & Chief Executive Officer, PEPSICO, Inc.

Mr. Lewis J. Lamm, Director, East-West Trade, Clark Equipment Company

Dr. Horace N. Lander, Senior Vice President, AMAX Molybdenum Division

Mr. Donald J. Looft, Deputy Director, Defense Advanced Research Projects Agency

Mr. Eugene J. Milosh, Vice President—Operations, US-USSR Trade and Economic Council

Mr. Richard Perle, Senate Armed Services Committee

Dr. Richard F. Staar, Associate Director, Hoover Institution on War, Revolution & Peace, Stanford University

BG James M. Thompson, USA, Director, Policy, Plans and NSC Affairs, Office of the Assistant Secretary of Defense, International Security Affairs

Rapporteur

LTC Albert S. Britt, USA

Panel 4

National Security and Nonmilitary US-Soviet Relations

Chairman's Plenary Session Summary

MG Harrison Lobdell, Jr., USAF

We tried to lay out a central issue before we even began. First of all, how does the West bring about an evolution of the Soviet Union toward a more liberal and perhaps a more open, eventually democratic, society?

The sub-issue that we tried to deal with (and I'm not sure we answered the question), assuming that one can bring about an evolution, was: What are the security issues arising from Western efforts, and specifically whether and in what ways the US security posture vis-a-vis the Soviet Union will be improved by substantial changes in the US or Soviet human rights stance, or by a greater or lesser Soviet involvement (with a similar implied US involvement) in East-West trade?

The human rights issue was perhaps uppermost in our discussions throughout the two days, both in relation to security issues and in relation to trade. Certainly it is a powerful idea. It's an idea which the Soviets recognize and which they have used to advantage in definitions and in multilateral fora.

Our method was to discuss the contradictions in the papers that were presented to us, try to define administration policy and then arrive at some panel views on policy recommendations.

Professor Bozeman reviewed the Western approach to human rights. She pointed out the contradictions between the two sets of rights—civil liberties with a legal basis in justice and order, and the rights of man, which is a universal set of rights with no judicial basis. These two contradictions, these two sets of ideas, cannot be linked, she said. But in United States' policy pronouncements, we have attempted to link them.

On the other hand, other cultures, in China, Africa, and certainly in the Marxist-Leninist culture and theory, have rejected the contractual theory of state and national law. They make arbitrary interventions in terms of the individual and state life as necessary.

There is no long-range American objective in ideological terms or design, she said, and she contrasted that with the Soviet long-range steadfastness in their purpose.

One of the significant ideas that she pointed out was the difference between the traditions of Eastern Europeans and the traditions of the Soviets in regard to human rights. We seized upon that as we went into our conversations later in discussion on the issue.

Security problems are created by a crisis in thought and in language. For the US detente means peace. Peaceful coexistence for the Soviet Union equals detente, but it doesn't mean peace; it means continued struggle.

The Helsinki Agreement did reveal Soviet vulnerabilities, but these can't be translated, she said, into an advantage because we lack an overall policy design. For example, Charter 77 on Czechoslovakia was an impressive reaction, but difficult to capitalize on.

Her conclusions were, in regard to human rights, that they are not legitimate in domestic international law. Human rights are not morally shared worldwide values. Human rights are legitimate in the Western context. Human rights are legitimate policy issues requiring profound study before implementation.

Among the things she said had to be considered before we established any policy on human rights, were: to refine the meaning and content of the Helsinki human rights agreement; establish convincing linkage between human rights policy and military strategy; perfect diplomatic and intelligence methods to monitor progress and better influence the Soviets and the Eastern Europeans; and devise new economic policies to better balance penalties against enemies and friends.

Professor Goldman, in his paper on trade, talked about the importance of American-Soviet trade. He talked also about who is dependent upon whom, commenting that the US is very marginally dependent on the USSR. An industrial embargo would annoy but not cripple the Soviets. Since the allies might not participate, an embargo might hurt us more than the Soviets. Whatever leverage there is—and he perceived it to be in grain—might be difficult to use because of the current grain surplus.

Soviet-West trade is more beneficial to the USSR than to the West, he said. However, the West does gain by having Soviets in the world market, which diversifies sources of raw materials. The biggest gain potentially, if it can be brought about, is to put the Soviet Union in a mode in which it finds itself dependent upon East-West trade. Certainly an exchange of technicians and their families will expose Soviet officials to Western democracy and Western processes. Finally, if they do become involved, the reversal of the investment decisions which are keyed to foreign markets will be more costly over time.

The long-run impact of trade on the United States is that Soviet trade will not necessarily make the US more dependent. There will be a heightening of the creditor-debtor relation by growing Soviet credit, however important that might be. The Soviets may attempt to compete by dumping. On the other hand, raw materials will be their main export, which will be to the US advantage. A market disruption will affect other countries first, rather than the US. So Professor Goldman comes up with a possible strategy: Encourage East Europeans and Soviets to open US branches. Go into some sort of joint manufacturing efforts. Tie the Soviets to Western countries. The US should facilitate export items the Soviets use to produce raw materials. (He expanded on this idea, and I will address that a little later.)

In conclusion, he said, the US is at a disadvantage from the standpoint of impact on security. However, trade does tend to draw the USSR into the family of trading nations, and with time, it will build up vested interests which encourage both sides to make concessions.

After we heard the papers, we went into the Administration policy. We concluded, first, that there is no coherent policy in regard to human rights in which the definition, the implementation, and the reconciliation of conflicts contained in the President's and the Secretary of State's comments were laid out.

I think we all agreed that perhaps this is the most difficult and stickiest issue of foreign policy, yet we all recognize that the President had significant domestic (public and congressional) support. The policy, I think, expresses the visceral reaction of most Americans.

In regard to trade there is a commitment which we recognized. There is a lot of high-level government and high-level business interest.

We then tried to express our panel views in a variety of ways, and to look at the problem of how to define national security in terms of long-term US-USSR competition of two radically different political, social, economic systems as affected by the issues of human rights and trade.

We recognized there is a need for a long-term strategic look at our nonmilitary relations. How can we orchestrate our policies and actions to bring about the evolution that we would like to see?

It struck us that perhaps the new Interagency Committee, established just yesterday, on US-Soviet affairs, is a start on a mechanism. Also, DOD efforts to devise a list of critical emerging technologies which we do not want to see the Soviets get is a piece of this. We thought we must recognize that the Soviet Union has a coherent strategy and approach to its foreign relations. Some hold that view more or less strongly. It leads either to a tough stance on the part of some—who resist all actions which can give Soviets potential advantage—to an easier stance which advocates drawing them into a framework of interdependence in which they do business on the basis of Western economic, if not social, norms. I think the consensus seemed to support this latter view.

We reviewed traditional foreign policy objectives and described the contrasting systems so we would have a basis for our further comments and recommendations. Then we got to the issue of human rights and what the heck it really means. We decided, I believe, that the Administration statements perhaps did not provide the proper propaganda basis—if you want to put it that way—the proper ideological basis, for taking on the Soviet Union. So we sought out conventions or undertakings or agreements signed by the United States and the Soviet Union which would provide a basis for urging change.

The Helsinki Accords, the International Labor Organization Conventions, the UN Declaration of Human Rights, the May 1972 Agreement on Principles of Relations Between States and possibly others could be used. The UN Declaration, for example, contains rights that were essentially defined by the Secretary of State in his April speech. The rights of workers are defined in ILO Conventions. Legal rights and self-determination issues were addressed in the ILO Conventions.

Additionally, we looked at the issue of national rights which are contained, really, in the Helsinki Accords—things like nonintervention in internal affairs, sovereign equality and respect for rights inherent in sovereignty, inviolability of frontiers. We wanted these national rights to be included so that we would put the onus on the Soviet Union for interfering with Eastern European nations and to encourage economic choice by these nations and by individuals within these nations. Our purpose was to provide conventions that had been agreed upon by both states, to provide a basis for encouraging Eastern European nations to act independently of the Soviets, to encourage Eurocommunists to establish a greater gap between themselves and the Soviet Union, and finally, to use conventions with international status in order to take our discussion with the Soviet Union out of the realm of bilateral name-calling and sloganeering.

We obviously recognize there are limitations to carrying out such a policy.

The critical factors in this were, first of all, limits to US power—military and economic, obviously—to implement or enforce human rights. Secondly, cultural traditions of other countries,

their own national security problems and US interests in these countries on a case-by-case basis. Finally, we wanted to avoid contraproductive results by devising specific strategies and policies to enhance our own security without either abandoning our allies or destabilizing the strategic deterrence between the Soviet Union and the United States.

Then we got down to application—how do you carry out a policy which advances human rights? In the international opinion and ideological areas we suggested that we could put the USSR on the ideological defensive in international forums. We could emphasize Soviet Socialist imperialism by focusing on the right of national self-determination of states in the Soviet orbit. We could emphasize the rights of workers under the ILO Conventions and the Helsinki Accords.

In US and allied domestic politics, we felt that it was possible, emphasizing the human rights issue, to increase the favorable environment for US public opinion and congressional support of various things like military budgets, SALT agreements, and so forth. We felt it was possible to forge a consensus around this issue to support presidential will in managing crises.

We viewed long-term relations in two ways: first, in the context of influencing issues related to human rights specifically; and, secondly, in regard to US-Soviet economic relations.

In regard to the human rights issue and our long-term relations with the Soviet Union, we wanted to encourage opportunities for political and scientific *quid pro quos*, patterns of interdependence, better understanding, and long-term association between peoples, hopefully, leading to a more open Soviet society, by encouraging cultural exchanges and tourism, and cooperation in science and technology.

We thought it necessary to provide a basis for developing US-Soviet trade/aid/technology transfer criteria, and US use of economic trade and aid which could better serve our long-term interests and simultaneously enhance the cause of human rights. Specific tactical short-term exchanges—and we talked about political prisoner exchanges as well as technical exchanges—are probably the most practical in the near term. For a longer-term possibility, we discussed an expansion of Professor Goldman's idea in which we undertake an effort to facilitate a longer-run improvement in US-Soviet Union relations, an improvement in the US strategic situation, and in the climate for human rights in the USSR by possibly seeking to facilitate the sale and extension of credit for energy production in the USSR which, in turn, might increase the supply of energy raw materials to the world markets.

Without losing face, it is possible that the USSR might simultaneously announce an amnesty on the occasion of the 60th anniversary of the Bolshevik Revolution. Hopefully, an initiative of this kind would freeze the present movement toward a harder US line.

In long-term US-USSR economic relations, which obviously the above proposal is part of (but goes beyond), we felt that we needed to have a better understanding of Soviet economic vulnerabilities, needs and weaknesses in order to develop economic tools of policy which will provide leverage without penalizing individual firms; tools which will permit us to determine how to compensate such firms, as appropriate.

We thought perhaps we could set several objectives, such as an objective of opening up Soviet society and penetrating their secrecy, and an objective of limiting military technology transfer in lieu of a revised COCOM list, while allowing free trade in nonproscribed areas. The list of emerging technologies which DOD is developing, as I mentioned, perhaps could assist us in this second objective. Another objective should be to avoid subsidizing the Soviet military buildup, and to encourage Soviets to negotiate limits on arms expenditures. Finally, perhaps we should set an objective of changing patterns of Soviet exports.

We had lively discussions on three issues: the linkage of human rights with business and trade; doing business with the Soviets specifically; and technology transfer. Let me talk briefly about these.

In regard to linkage of human rights and economic issues, some would divorce trade and human rights. They say that the *quids* achieved in trade should be those normally resulting from business negotiations without carrying the additional baggage of extraneous issues. It's hard enough to deal with the Soviets anyhow. The other side says, essentially, if we aren't going to integrate a strategy of dealing with the Soviets, let's get on with the arms race and do it right! The Soviets link economic and rights elements of their national strategy with the military element, and we must do it also.

In regard to doing business with the Soviets, one side says the best way to open up the Soviet society is to do business with them. The pressures of consumerism are growing and growing very fast. Their society is changing. It is a different society than it was during Stalin's era. There is little risk in the military technology area. The other side is that some are disappointed with the Soviet reaction to our views and actions on detente. There are risks in the technology area. The Soviets get more out of trade than we do. They have nothing to exchange, and in the long run they may become competitors after building their industrial base on our know-how.

In regard to technology transfer, one side says the Soviet problem is management. They cannot use the technology we have given them. One remark: "For Christ's sake, they can't even figure out a bottling machine!" Technology is essentially obsolete when they get it. We are on the next generation of equipment when they start to use what we have sold them. Leakage of technology through the Western allies and Japan is significant and largely uncontrollable. Finally, except for a few items of technology contained on the DOD list, we ought to free up the remainder to reduce bureaucratic delays in administration in our export controls. The other side of that, of course, is that US business does not see Soviet high technology, which is reserved pretty much for the military application. They *can* convert their technology to their uses. It is not useful to strengthen them when we recognize this is the one area where they are really hurting. We cannot get technology from the Soviets in return, or what we get is extremely limited.

After we had had very lively discussions on these issues, we went on to the connection between military strategy and human rights. We concluded, I believe, that some freedoms or some rights do have military implications, specifically and most particularly those mentioned in the Helsinki Accords. If you encourage self-determination, for example, if you encourage nonintervention in internal affairs, then you may weaken or strengthen Eastern European reliability in the Warsaw Pact. And if you do strengthen or weaken the reliability of the Eastern European allies, that obviously has an impact on your military capabilities and force deployments in Europe. Secondly, if you encourage independent foreign policies in Communist states like Romania and Yugoslavia, you can create a military problem for the Soviet Union; likewise, probably some military problems for the US. If you stress the rights of other European states to act independently in their own interests, the military capabilities of the Soviet Union for wars of aggression, at least in Europe, can be diminished.

In the military issues and trade there was not agreement on specifics. I believe we all agreed that you should not transfer technology which could assist military development. But the question is, of course, "What is military technology?" I think the arguments for trade were that we did in fact learn something from Soviet technology. We have gotten some feedbacks in low temperature physics, high energy particle beams, lasers, astronomy; so it wasn't all one-sided. Furthermore, if the Soviets are to succeed, they have to shift to Western management, and in so doing we have the opportunity to influence them by example. Thirdly, if we don't sell products, with attendant

technology, we cannot keep up the profit base in our industry from which research and development is financed. We are liable to lose the market, force the Soviets to go elsewhere, or develop an in-house capability, thus strengthening both their industrial and technological processes.

The arguments on the other side are that the technical exchange benefits are really limited. The Soviets get more than we do, as I mentioned. That very little technology or trade can be classified as consumer-oriented. Most leverage is available from agriculture, which is generally regarded as a consumer product.

In summary, then, our overall objective, we thought, was to bring about an evolution in Soviet society, thereby improving our own security. In striving for our objective, we should seek to break down their secretiveness, ameliorate the arms race, establish a climate in which Soviet and Eastern European citizens have the opportunity to enjoy the fruits of their own labor, sell to the Soviets but extract a price, whether in social, political, or economic terms.

As a democracy, we are prohibited from operating like the Soviet Union. However, we should seek a mechanism to integrate, consistent with constitutional limitations and our free market philosophy, our relations with the Soviets in political, economic and social areas. I personally would hope that Mr. Shulman's new committee can start to get a handle on some of this.

Panel 4

National Security and Nonmilitary US-Soviet Relations

Rapporteur's Report

LTC Albert S. Britt, USA

THE PROBLEM STATEMENT

Is it possible that Western nations can bring about an evolution of the Soviet Union toward a more liberal, more open, perhaps eventually a democratic society? Even if not, it is necessary to determine whether and in what ways the US security posture vis-a-vis the Soviet Union will be improved by substantial changes in the US or Soviet human rights stance, or by greater or lesser Soviet involvement (with a similar implied US involvement) in East-West trade. This was the problem posed by the panel chairman for consideration.

The problem was not conclusively resolved; however, the panel did attempt to define the issues and explore the impact which a vigorous human rights stance and a prudent trade policy might have on US national security.

HUMAN RIGHTS

The first day's proceedings were devoted almost exclusively to discussion of human rights issues. (It is significant that some of these issues emerged again the following day during discussion of economic matters.) No single viewpoint dominated the discourse. On this day, the panel groped for basic understanding, not toward solutions. Eventually, a strawman was prepared at the chairman's request, and it was modified throughout the conference as consensus on limited issues was achieved.

At the outset, panel members sought to clarify the meaning of national security. What does it consist of, one asked; what are the assumptions on which the panel's judgment will be founded, inquired another. Time permitted no exhaustive exploration of this fundamental determinant, so it was decided to sidestep the question for the moment and treat US interests in terms of an exercise in comparative US/USSR systems. This viewpoint found expression in the first draft of the strawman later that day.

In this vein, the panel attempted to address the philosophic, cultural, and historical issues. Indeed, it was pointed out early that the rise of non-Western societies, and American misunderstanding of them, helped create opportunities which skillful Soviet diplomacy exploited in the name of anti-imperialist sentiment to cover up the absence of civil liberties and other rights in their own empire. This proposition was never fully debated, but it helped open the door to subsequent illumination:

- Self-determination is an important but often overlooked right.
- Fundamental historical differences between Soviet Russia and other East European countries make possible US policies that capitalize on these traditional distinctions.
- The most important thing is to decide what it is that US foreign policy is trying to accomplish.

Then, the discussion turned to analysis of US policy. All members expressed, or consented to the expression of, the view that while the idea of human rights enjoyed wide public support, there were a number of inconsistencies, contradictions, and omissions in recent policy statements that may cause the entire policy to be counterproductive. A number of potential prescriptions were aired as cures:

- US policy announcements should be specific, but they should avoid the seeming arrogance of attempting to legislate social change in other countries.
- US policy should exploit Soviet imperial vulnerabilities but at the same time understand to what degree the Soviets will give on specific issues.
- US policy must be tied to concrete expressions of the national interest. (What are we trying to do as a nation, was a compelling question raised at this point; our human rights strategy must be part of something larger.)
- Three elements, now apparently missing from the Administration's announced policy, were proposed for inclusion: right of political self-determination, rights of workers to choose employment, free market choice. (These concepts were disputed. Alternatives suggested were: "right of economic self-determination," "right to fruits of one's own labor.")

Several panel members urged the linking of human rights with national security. We must recognize, they said, that the USSR represents the last great empire (in which non-Russian minorities now constitute the majority). We should apply human rights initiatives to the objective of disbanding the Soviet Empire. Not until the next day did the other members of the panel take this proposal under fire, but even when they did, it was not for any lack of virtue in the idea, but because of its inflammatory properties which some participants felt might unnecessarily antagonize the Soviets.

Besides, one member cautioned on the first day, we must be careful initially to differentiate between individual and national rights. Is it more in our interest to encourage countries to separate themselves from the Warsaw Pact or to strive to improve the lot of the individuals in those countries? No meaningful answer to this question was forthcoming.

At this point, the debate fragmented into consideration of a number of subordinate and widely separated issues, which are briefly surveyed in the following three paragraphs.

One panel member strenuously disapproved, throughout the proceedings, of the use of the phrase "human rights" in official proclamations. The imprecision of its meaning and the Soviets' eagerness to appropriate the words but not the practice to their purpose make the use of the term potentially dangerous in unskilled hands, it was argued.

Another member suggested that for some purposes the International Labor Organization's (ILO) international conventions could serve as adequate definition of some specific human rights. Such matters as forced labor and the right to migrate to work are addressed in those conventions. Moreover, they are supported by the United States and the Soviet Union has ratified each one. To a certain extent, these conventions have had the practical effect of uplifting the living standards of workers, even in the Soviet Union.

A third member noted that for once American policy was being stated in terms of what we stand for, rather than what we oppose, but he spoke vigorously against the new Administration's method in which "rhetoric is ahead of the action." He warned of a potential return to the Cold War with increased tension and movement away from cooperative dealings with the Soviet Union. He was seconded in this opinion by an observation that the missionary approach only antagonizes since it implicitly demands that our opponents must live by our values.

The strawman was the first attempt at consensus. It specified an overall design within which human rights and economic measures could be assigned their appropriate place in the national security policy vis-a-vis the USSR. National security was defined in terms of long-range US/USSR competition and the contrasting socio-economic systems of the competitors. Specific applications of human rights measures were proposed, such as placing the Soviet Union on the ideological defensive by emphasizing the rights of national self-determination. Past promulgations of the rights of workers under ILO conventions and the agreements under the Helsinki Accords provide a number of specifics around which US strategy could be formulated.

Discussion of the draft brought out a number of cautions and criticisms. It will be impossible, nearly all agreed, to impose the Western free market system on the Soviets, although no possibilities should be foreclosed. Applying human rights standards indiscriminately to friend and foe raises the very real danger of forcing small, but technologically capable, embattled nations to seek the nuclear option as a final protective reaction. Furthermore, it was noted, there are limits to our power; we shouldn't encourage revolutions that we are unable to support. Although we cannot and should not avoid worldwide competition, we must be prudent in implementation, which requires a thorough review of all the measures, military and nonmilitary, available if a showdown materializes. The critique drifted away from the panel draft and returned to current policy. The substance of the critique was that current policy lacks coherence.

A number of thoughts were offered to correct that weakness. First, some argued, it is necessary to be patient in dealing with the Soviets. We have to avoid euphoria and concentrate on those things we can realistically do:

- Show how the US system works better, while fixing on the weaknesses in the Soviet constitution.
- Penalize noncompliance with ILO conventions, if necessary, by using trade leverage.
- Become more adept at using the semantic technique (being careful, of course, not to confuse ourselves in the process).

War is the ultimate leverage, it was suggested. It can be used as an instrument of public policy but it should not be considered as an all-or-nothing proposition. Most important, it was reemphasized by several members, it is vital to be constantly aware of the objective, whether domestic or foreign. The gradual improvement of the way governments treat people is a reasonable expectation, but most members of the panel agreed that the only effective way to pursue this objective is to base our actions on mutual interest with, not on trust of, the Soviet Union.

There was no formal summing up of the day's discussion, but there was a general feeling of agreement on the following points:

- National security depends as much on preserving the nation's values as on maintaining its power.
- There is a definite need for a long-term strategic framework in which human rights, as well as other nonmilitary measures, play a role in US-USSR relations.
- The hardest part of the program is in specific application of policy.
- The best way to deal with the Soviets is by emphasizing those agreements which they have signed.
- US and Soviet values and systems are different in very profound ways, recognition of which is central to the current Administration's stance on human rights.

ECONOMIC RELATIONS

The second day's work proceeded more smoothly against the backdrop of the previous day's tentative consensus on rationale and definitions.

Right at the beginning the panel received an unexpected policy proposal: The United States should attempt to halt the US-Soviet divergence by focusing on one specific area of mutual interest—production of energy. We should help the Soviets develop their sources of petroleum, it was proposed, and take all necessary actions, including expediting licenses, extending credit, and therefore changing the Stevenson Amendment. In the long run, it was argued, these actions will help the Soviet Union develop vested interests in cooperative development which in turn will encourage more civilized behavior on their part.

The panel immediately polarized, which produced sustained and productive debate.

One participant strongly endorsed the new proposal, adding the comment that rising consumer pressures in the Soviet Union offer a virtually untapped source of economic cooperation.

An opposing view swiftly materialized: Helping to strengthen the Soviets doesn't help us if the strategic situation turns sour; the Soviets already exploited our misconception of detente by expanding their global influence at our expense. Besides, it was argued, the benefits of technology exchange are limited.

This exposition provoked a rapid counterview. We have learned from Soviet technology, but, more important, they need our management expertise. Good management requires that they change their way of treating people and thus shift toward the capitalist system. We can therefore influence them by example.

A complementing opinion was added that stressed the importance of selling current products in order to finance, from profit, the research for future products. Restriction on sales to Soviet buyers unnecessarily undermines that concept. Furthermore, it was propounded, if we don't sell them the products incorporating new technology, they will develop the technology or acquire it from our allies. We will not only lose the market, we will strengthen their technological and industrial processes.

The atmosphere was now ripe for the statement of an alternative view. The Soviets link economic and human rights elements of their national strategy with military force. We must similarly look for economic measures that add to our national security. We must deal with the Soviet Union as an abhorrent society that uses force to deny fundamental human freedoms. The Soviets offer serious competition. If we aren't going to link economic with other measures, then we ought to abandon detente and get on with the arms race.

This vigorous statement prompted an explication of the new policy proposal: In long-term strategy, it is far more preferable and productive to strive for cooperation than to gear up for confrontation.

Nonetheless, resistance persisted. The new proposal is really nothing more than appeasement, it was charged. There are no issues to appeasement; it's a simple giveaway. We must look at the defense implications of such ideal solutions. Otherwise, that is not a responsible way of looking at national security.

Sensing that no new views were forthcoming, the chairman offered a restatement of the problem: Assuming that *quid pro quos* exist, how do we judge whether what we are selling is worth what we are getting in return? The response was scattered: What is crucial is the principle; even though we may link the treatment of dissidents to trade, the Soviets don't, so we get nothing in return. We should concentrate on the satellite countries, run another line of thinking. Offer them most favored nation status over the long haul and let them plan on it rather than making it subject to the uncertainties of annual renewal.

Eventually, the panel ordered its thinking around the statement of strategic objectives and discussion of possible mechanisms for making decisions. We should restate allied objectives, it was suggested, in long-range economic terms:

- Persuade the Soviets to reduce secrecy.
- Limit Soviet territorial expansion.
- Encourage the Soviets to permit their subjects to enjoy the product of their own labor.

We shouldn't sell our military technology (as represented by a list of items currently under review by Department of Defense), but we should sell consumer items, it was concluded, but each time we should extract a price. Although one member firmly stated that we should forget about linking trade to human rights, the linkage was implicit in the overall panel view that US long-term strategy cannot ignore the competition of two profoundly contrasting value systems.

Ultimately, this outlook served to unify the day's discussion, although comments, additions, and reservations were expressed throughout the afternoon.

Comments:

- Credit, which is essential to long-term trade relations, can be controlled by Congress through the Export-Import Bank.
- The limit on credit to the Soviet Union, currently established by the Stevenson Amendment, will require review.

- Eventually, the ruble must become convertible for full benefit to all parties.
- Ultimately, economic exchange must have a profound effect on Soviet society.

Additions:

- Priority for extension of credit should be to East European countries, to capitalize on and exploit independence tendencies.
- Similarly, build up labor and Eurocommunist pressures against the Soviet Union.
- Again, be careful of the language used; remember detente does not mean peace.

Reservations:

- We can't tie human rights and trade together.
- Use *quid pro quos* in operational decisionmaking but not in policy statements.
- Definitely do not try to enforce human rights reform upon the Soviet system.
- The Jackson Amendment attempted linkage, but accomplished little in this respect.
- Only after building a solid trading relationship can a healthy leverage be exercised.
- In the United States, we can't integrate all forms of power, as the Soviet Union does; no one speaks for both government and industry.

Heated debate reinforced these reservations. Late in the day, an unexpected cloud of support for the proposition that human rights and trade could not be linked threatened the chairman's original hypothesis that the two were linked and that the panel merely needed to discover the connecting mechanisms. However, the panel recovered from that sudden downdraft by reminding itself that the overriding unifier of these diverse issues is in fact US national security.

Human rights can be linked to national security by reinforcement of traditional US human rights philosophy and ideology against the vulnerabilities of the Soviet Empire. The economic relationship to national security lies in the Soviet Union's dedication of its command economy to steady growth in military power and in the US dependence on foreign sources of energy. Thus, there is an indirect triangular relation between national security and the two forms of nonmilitary relations with the Soviet Union; however, no member of the panel opposed the viewpoint that the entire triangle would be at risk without its military stiffener.

While total agreement on every issue was not possible, there was general accord that there is an ideological basis on which US foreign policy can be conducted. This basis lies in the best US tradition; it does not have to be invented. The difference in value and beliefs between the US and Soviet systems does not put the United States at a disadvantage. It means that we stand for something that is important to us, and we want others to understand our concern.

With regard to mechanisms for putting policy into action, the panel felt that the recently announced Inter-Agency Coordinating Committee on US-Soviet Relations would serve that purpose well. There was agreement that repeal of the Jackson-Vanik and Stevenson Amendments would be helpful in allowing government agencies more flexibility in dealing with the Soviets, and there was

also consensus on using the Export-Import Bank for extending increased credit to the USSR. On balance, that portion of the panel that argued for normalizing relations with the Soviet Union, especially in trade, presented a more persuasive case than the faction which asserted a harder line. However, this observation hardly does justice to the complexity of the issues addressed or to the strength of the widespread and expert views brought to the conference.

A final note on tactics. There was a general but not unanimous hesitance to see the United States confront the Soviet Union with inflammatory pronouncements. Although there was tentative agreement that the Administration should continue its outspoken ideological war to influence people in public, it was decided that it would be best simultaneously to deal quietly with Soviet and satellite governments on a case-by-case basis. Furthermore, it was more or less agreed that it would be necessary to establish clear, unmistakeable, identifiable objectives, but to soften the tone so as to allow operational flexibility in specific matters.

Panel 4

East-West Trade and Its Strategic Implications

Marshall I. Goldman

American-Soviet trade has been the focus of what often has seemed to be disproportionate attention. Despite some rapid growth in recent years, American exports to the Soviet Union in 1976 were smaller than those to Belgium, and not much larger than what we sold to Spain and Portugal combined. Moreover, over half of what we exported to the Soviet Union in both 1975 and 1976 was grain. The industrial component of our Soviet exports in both years amounted to only \$700-\$800 million. Imports from the USSR are even less important. We imported more from the Ivory Coast or Thailand than we did from the USSR.

Given the fact that larger transactions are taking place elsewhere in the world and that American exports and imports to the Soviet Union amount to 1% of our total trade, why is it that the American-Soviet trade looms so large in our thinking? Why is it that so much senior executive time is spent contemplating, discussing and negotiating contracts and trade with the USSR? The quantity and quality of participation by corporate chairmen and chief executive officers in such groups as the US-USSR Trade and Economic Council, the Arden House conferences, or even the National Security Conference is unique.

The businessman's interest in the USSR is not hard to explain. First, even though total US-Soviet trade may be relatively small, some very large contracts have been signed. Second, since the Soviet Union is the world's second largest industrial power, and since its needs are large, there is always the hope that large contracts are in the offing if only a talented person can find the proper way to design the appropriate package. Third, the Soviet Union along with China is a bit like the last frontier. Any old sales manager can sell to Belgium, Brazil, Mexico or Canada. The big challenge is to crack the Soviet market. That is what whets the appetite of senior management. Moreover, it is not only a business, but a diplomatic challenge. Foreign trade is never free of politics, but American-Soviet trade is almost all politics. Dealing with the Soviets brings out the suppressed diplomat in all of us. There is always the hope that somehow business transactions at the micro level will not only lead to a more secure understanding between two normal antagonists but that they will also facilitate international harmony between the United States and the Soviet Union, and internal humanization within the USSR itself.

Non-business critics, both in Congress and out, tend to be equally myopic about the importance of trade. Without American exports, it is argued the Soviets will starve to death both in human and technological terms. They need our grain and our know-how. Since they need our trade, we should use trade as a lever. Indeed, from all appearances, it seems to be one of the most effective weapons we have. (Ironically, the pressure by the non-business sector to use trade as a lever largely evolves from listening to the business community which has often exaggerated the

potential for US-Soviet trade.) Consequently, it seems only natural that we should use the trade weapon whenever we want to influence Soviet behavior. Since the Soviets are the ones who gain from trade, it seems natural according to such arguments, that we should make the Soviets pay a political price so that the gains do not fall only in one direction.

What both the no-strings-attached and leverage advocates neglect is that the importance of trade may be exaggerated. Trade and increased intercourse between nations is no guarantee of peace. Trade between Germany and France and between the United States and Japan in the 1930's testify to that. On occasion it may even increase tension. Similarly, American-Soviet trade is not a zero sum game with all the gains going to the Soviet Union. Certainly East-West trade is more important to them than to us. It amounted to about 4% of total Soviet trade in 1976 versus the 1% in the United States. For the most part, however, the Soviet Union can make do, if need be, by buying from other suppliers. Thus our leverage is not as effective as we might like.

Against this background, this paper will attempt to assess just what the short and long run implications of American-Soviet trade are. Who has and who is likely to have control over whom? Who would be affected most by a curtailment or a flourishing of trade? Finally, assuming that there will be trade, what if anything can be done to cope with the different institutions and systems of conducting trade in each country?

I Who Is Most Dependent on Whom?

One way to determine who benefits most from trade is to ask who would be the most affected by its cessation. Compared to the other developed countries of the world, trade in both the United States and the Soviet Union is a relatively small percentage of GNP. Both countries export less than 10% of their GNP and therefore are generally not as vulnerable to a disruption in trade as most of the rest of the industrialized world. In recent years the US has come to depend on larger and larger quantities of imported raw materials, particularly petroleum, but in the short run, at least, the bulk of those raw materials have not and probably will not come from the Soviet Union. At most the US has bought up to one million tons of Soviet petroleum a year, a marginal amount. Recently the Soviet Union has also become an important supplier of chrome and some semi-precious metal such as platinum, palladium, and rhodium. However, if the Soviet Union embargoes the sale of such goods, there are other sources of supply, particularly if trade with Rhodesia is permitted. Otherwise, as a survey of American imports from the Soviet Union shows, there seems to be little else that the USSR sells that the United States could not find elsewhere. See Table 1.

What would be the effect on the Soviet Union of an American embargo? The answer depends on the particular year the embargo might be applied. The impact of an industrial embargo today would not be overly serious, especially in the short run. With one or two exotic exceptions, there are substitutes for most manufactured goods that might be used in the non-military sector. That does not mean that the substitute goods would be as productive or as well-equipped to operate on the massive scale favored by the Soviets. The Soviets would suffer from an inability to finish off some turnkey projects and they would be hard pressed for an ongoing supply of spare parts. They would probably suffer most heavily from an inability to purchase drilling and mining equipment. As shown in Table 2, they have imported major quantities of such items from the US. Because mining and drilling are so important in the United States and to American companies overseas, the foreign competition in this field normally is far behind. Yet, as inconvenient as all this would probably be for the USSR, it would be more an annoyance than a crippler. Economic growth would probably falter a bit and a few more planned targets than normal would not be met, but overall growth would continue.

Table 1
MAJOR AMERICAN IMPORTS FROM THE USSR
(In Millions of Dollars)

	1975	1976 January June
Sable	2	3
Hops	2	
Petroleum	96	18
Naphtha	22	
Diamonds	14	7
Chrome Ore	26	11
Iron Ore	2	
Palladium	7	7
Rhodium	18	1
Platinum	35	18
Aluminum	6	5
Nickel	15	5
Titanium	5	1
Tractor	4	
Metal Coins	4	6
Miscellaneous	19	18
TOTAL	277	100

Source: East West Foreign Trade Board Report, Fourth Quarter 1975, Washington, USGPO, 1976

Table 2
US EXPORTS TO THE USSR, BY MAJOR CATEGORIES
(In Million of Dollars)

	1971	1972	1973	1974	1975	1976
Total Manufactured Products	\$118	\$101	\$266	\$295	\$669	\$794
Chemicals	38	21	17	28	44	37
Manufactured Materials	10	10	35	27	52	116
Non-electric Machinery	54	53	182	188		
Electric Machinery	6	7	14	28	547	605
Transport Equipment	3	1	8	9		
Miscellaneous Manufacturing	7	9	10	15	26	36
Total Agriculture Products	44	440	926	313	1159	1509
Food	17	366	842	288	1113	1359
Crude Material	27	71	78	25	29	141
Oil and Fats	-	2	6	-	17	9
Combined Total	\$161	\$542	\$1195 ^a	\$609 ^b	\$1828 ^c	\$2303 ^d

Source: *East-West Trade*, Bureau of East West Trade, US Dept of Commerce

^aExcludes \$3 millions of reexports

^bExcludes \$1 million of reexports

^cExcludes \$2 million of reexports

^dExcludes \$1 million of reexports

Table 2A

MAJOR AMERICAN EXPORTS TO THE USSR
(In Millions of Dollars)

	1975	1976	
		January	June
Wheat	667		78
Rice	9		15
Corn	424		833
Soybean			60
Woodpulp	10		
Tallow	14		
Organic Chemical	9		
Plastic Tape	6		11
Vehicle Parts	10		
Furnace	17		8
Steel Articles	10		
Gas Turbine	47		12
Tracklaying			
Tractor & Parts	83		72
Digital Computer	7		3
Machine Tools	78		24
Bulldozer and Construction Equipment	35		14
Foundary	24		14
Metal Processing	14		
Oil Well Pump	11		20
Miscellaneous	360		246
TOTAL	1,833		1,402

All of this assumes, of course, that the United States imposes such an embargo unilaterally without the support of its allies. It is hard to conceive of a situation in which such an independent step would be taken. It is even harder to imagine a scenario, at least in the short run, which would induce Japan and Western Europe to participate in a boycott of the Soviet Union. The money making opportunities of trading with the Soviet Union at a time when one or several competitors are imposing an embargo are enough to provoke cheating, and most probably, an effort to stay neutral.

Under such circumstances it is even possible that an American embargo would hurt American economic interests as much as it would Soviet interests. Even if one assumes that American industry could find alternate customers for its goods and thereby avoid unemployment of plant and employees, American industry may still be adversely affected. With the growth of economic nationalism, more and more countries are beginning to take an unsympathetic view of those American multinational corporations which ignore the political needs of the host country in order to conform politically with the demands of the United States. When a subsidiary of IT&T in France found that the United States Government would not issue an export license for some sophisticated telephone switching equipment, the French Government ultimately decided to force IT&T to sell the whole company to a French firm in order to provide the jobs the contract would produce. Similar measures are to be expected if the United States continues to attempt to block the trade of it multinationals.

All of this is not to deny that the United States can hurt the Soviet Union economically. But our muscle does not lie so much in the realm of manufactured goods. Despite the fact that we are the world's largest industrial nation, our economic ability to hurt, not just annoy, actually lies in our strength as the world's largest agricultural exporter and producer. As can be seen in Table 3, there was literally no other country that could have satisfied Soviet grain needs in 1972-73 and 1975-76. The USSR switched from being a grain exporter of about 7.5 million tons in 1970-71 to a grain importer of 20 million tons in 1972-73. That equalled Canada's total grain exports in that period. The next largest exporter was Australia and Argentina, each of which exported about 7 million tons. Only the United States had the capacity to expand its exports by 30 million tons in one year to about 70 million tons. The pattern was repeated in 1975-76 when the United States exported 78 million tons of grain, whereas the next largest exporters were Canada which exported 17, or Australia 11, and Argentina 8 million tons. None of the others could have satisfied Soviet net imports which alone totalled 25 million tons.

Even though Soviet imports in 1975-76 were 30% higher than they were in 1972-73, there is reason to believe that the Soviet should have, and indeed wanted, to import more. This conclusion emerges from a study of the change in their livestock herds as of January 1976. The pig herd, for example, fell from 72 million head as of January 1975 to 58 million head a year later, a significant drop of about 20% and one that clearly hampered the Soviet Union in its efforts to increase meat consumption. In contrast, the pig herd as of January 1973 fell only from 71 to 67 million head, only a 4-5% drop. Clearly, the Soviet Union purchased enough grain during the earlier poor harvest to handle not only their population's but their livestock needs. The harvest fell from 181 million tons in 1971 to 168 million in 1972. The drop in 1975 was much sharper, from 196 million tons in 1974 to 140 million tons in 1975. In other words, the harvest was 28 million tons lower in the later period, yet imports increased by only 6 million tons. The painful drop in the livestock herd was the inevitable result. The embargo imposed by the United States on grain shipments to the USSR in August 1975 undoubtedly contributed to the seriousness of their distress.

Because only the United States can come to the Soviet Union's aid during a crop failure, on such occasions the United States has enormous leverage on the Soviet Union. It can cause the Soviet Union to slaughter its livestock herd or to tighten the human food supply. We can exercise

Table 3
GRAIN PRODUCTION AND EXPORTS
(Million Metric Tons)

	1971/72	1972/73	1973/74	1974/75	1975/76
Wheat					
Production					
Argentina	5.7	6.9	6.6	6.0	8.6
Australia	8.5	6.6	12.0	11.4	12.0
Canada	14.4	14.5	16.2	13.3	17.1
USA	44.	42.	46.4	48.9	58.1
USSR	98.8	86.	109.8	83.8	66.1
Export					
Argentina	1.3	3.4	1.1	2.2	3.2
Australia	8.7	5.6	5.4	8.2	7.9
Canada	15.8	15.6	11.5	11.2	12.1
USA	16.9	31.8	31.1	28.0	31.5
USSR	2.4	-13.6	.6	1.5	-9.6
Feedgrain					
Production					
Argentina	9.5	16.0	17.9	13.8	12.
Australia	5.8	3.7	4.7	4.5	5.7
Canada	22.2	20.9	20.6	17.4	19.8
USA	189.7	182.1	186.6	150.5	184.1
USSR	70.6	72.5	101.0	99.7	65.7
Export					
Argentina	6.2	4.2	8.4	8.5	5.3
Australia	3.2	1.6	1.9	2.9	3.1
Canada	4.4	4.2	2.9	2.8	4.9
USA	20.7	35.6	44.5	34.3	46.5
USSR	-4.3	-6.5	6.2	-1.7	-15.5

Source: US Department of Commerce, *Export Administration Report*, Washington, 111th Report and 114th Report.

such pressure on the assumption, of course, that American officials at the time appreciate what is happening in the USSR and realize how much the Soviets need us. This was partially true in 1975, but certainly not so in 1972. Moreover, the American Government must be willing to impose an embargo or bargain toughly with the USSR. Given the present grain overflow in our warehouses and the farmers' lobby which was most distressed by our last embargo, it will likely be difficult if not impossible to use grain as an effective weapon at least in the near future. Nonetheless, the potential is there—more so than with almost any other item in our export arsenal.

II The Long Run Impact of Trade on the Soviet Union

Having considered the capacity of each side to hurt the other, we will now discuss their potential for helping each other. There is no doubt that American-Soviet or Soviet trade with the West in general is very beneficial for the Soviet Union. While it is impossible to measure such things, a good case can be made for asserting that the Soviet Union benefits more from East-West trade than its partners. This is not to say that the Western partner necessarily loses. As we explained earlier, foreign trade generally is not a zero-sum game where there is only one winner. Normally both partners gain in foreign trade—if not, the loser soon disappears from the scene. Still, while both sides normally gain, the Soviet Union frequently gains more. There are some important exceptions to this, yet this tendency was reflected in earlier discussions about the importance of Soviet grain imports. Because the Soviet Union and its East European allies have such a hard time with product innovation, the Soviet Union also gains disproportionately on much of the machinery and technology it imports. The alternative forms of technology available to the Soviet Union through either Eastern Europe or the non-OECD countries simply do not make possible equivalent levels of productivity. The Soviets cannot offset this by making available comparable rewards to its trading partners. There is embarrassingly little in the way of technology that the Soviets export that is markedly superior to that available elsewhere in the West or Japan. In fact, as Table 4 indicates, the Soviets export embarrassingly little machinery period.¹

While the ability to fall back on the United States market for grain supplies makes it possible for Soviet officials to preserve public order and avoid fundamental reorganization of the agricultural sector, access to the innovative technology of the United States and the West is a necessity if the Soviet Union is to prevent its industry from falling even further behind Western productivity in important areas of the economy. Western imports are essential then if the Soviet Union wants to modernize much of its existing industry and introduce the production of many chemical and electronic products that presently are not produced at home.

Equally if not more important from the strategic point of view is the fact that Soviet technology purchases are immensely important for increasing the capacity of the Soviet military sector. There the gains from trade are particularly advantageous for the Soviet Union. Again there is little to equal such gains on the Western side.

Just what are the benefits to the West and particularly the United States? To answer this it is first necessary to review what kinds of products the West buys from the Soviet Union. Recently, the Soviets have been selling some licenses for original technology and exporting some machinery. But as another look at Table 4 suggests, the West does not gain much from buying Soviet machinery. In the absence of machinery exports, the Soviet Union is a major exporter of raw materials to the hard currency countries. In 1975, 70% of all hard currency Soviet exports were raw materials, 40% of which was petroleum (the CIA notwithstanding).

In the reordering of priorities that has taken place since the Yom Kippur War, raw material producers have shed their status of inferiority and some find their products command not only more respect, but more of the world's income. As the largest raw material producer of them all, the

Table 4
SOVIET MACHINERY TRADE WITH SELECTED COUNTRIES
(In Millions of Dollars)

	England		France		Germany		Italy		Japan		United States	
	X	M	X	M	X	M	X	M	X	M	X	M
1958	-	18	-	13	-	41	-	7	-	3	-	1
1959	-	44	-	39	-	39	1	11	-	11	-	7
1960	-	58	1	63	1	96	1	30	-	19	-	28
1961	-	77	1	69	1	91	1	43	1	29	-	16
1962	-	62	1	88	-	59	1	33	2	77	-	20
1963	1	64	1	33	1	73	1	80	2	86	-	1
1964	1	47	2	42	2	134	1	52	3	133	-	4
1965	1	70	2	28	2	71	1	39	2	73	-	6
1966	2	102	3	55	2	98	1	38	1	106	-	7
1967	3	93	5	101	5	60	4	83	2	66	-	8
1968	7	134	5	193	9	103	6	110	2	65	-	9
1969	2	125	5	183	5	172	4	200	4	75	-	38
1970	5	110	7	174	28	136	5	196	3	122	-	24
1971	5	95	7	173	15	182	3	151	6	140	-	29
1972	10	108	10	160	20	367	6	146	6	241	1	58
1973	17	121	18	189	17	513	12	197	5	214	1	226
1974	29	76	20	362	19	736	18	210	6	251	2	253
1975	29	198	25	561	34	1332	19	412	4	583	5	600

Source: From annual issues of VT SSSR. (Rate of exchange prior to 1972 is \$1.11 = 1 ruble. In 1972 it is \$1.213 to 1 ruble; in 1973 and 1974, \$1 = 1.34; in 1975, \$1 = 1.32.)

Soviets have benefited enormously. For the same reasons, Soviet customers are paying more in real terms for Soviet raw materials. Yet with the exception of some of the rare metals, chrome and natural gas, most of what the Soviet Union sells is generally available elsewhere at roughly comparable prices. Another exception would be the purchase of Soviet oil during the 1973-74 oil embargo, when the Soviets took advantage of the embargo and the resulting high prices to sell to the Netherlands and the United States. Soviet raw materials also tend to be sold at a slight discount—the price the Soviets often must pay to win their way to the market. Discount or not, the fact that the Soviets offer their raw materials on the world market helps to diversify the sources of supply and makes the United States slightly less vulnerable should an embargo again be imposed by another country.

Potentially however, the biggest gain from East-West trade for the United States could come if the Soviet Union by entering into world trade suddenly begins to find itself dependent on East-West trade just as non-Communist countries find themselves dependent on world trade. We should not be so naive as to believe that such interdependency would lead to the end of hostility. It was pointed out earlier that foreign trade is unlikely to prevent war. Nonetheless, increased reliance on international intercourse might at least cause some second thoughts and opposition to war. Just as foreign trade in general gives birth to a lobby opposed to such trade, with time foreign trade also generates a lobby in favor of its continuation, if not expansion. In a sense, this increases the cost of going to war and insures that at least there will be voices opposed to any such action.

Bit by bit, Soviet planners and trade officials are opening up more and more of their economy to foreign intercourse. This is almost an inevitable, if inadvertent, process as the Soviet Union seeks to increase its purchases of products and processes from the West and Japan. Literally hundreds of foreign technicians and their families have taken up residence in the USSR, sometimes for periods of a year or more while they attend to the construction of factories and production lines. At the same time that Westerners have moved to Kama and Togliattigrad, Soviets have taken up residence in Pittsburgh and Milan. Moreover, many of these relationships are of a continuing nature since they may often necessitate the utilization of spare parts.

Such exchanges of technicians are a hopeful sign and serve to expose Soviet officials to Western processes. In addition, many of the factories are designed in the expectation that some of the eventual production will be sold in Western markets. That implies further involvement. But while all of this signals a creeping form of internationalism and interdependence, it is necessary to remember that as novel as this phenomenon may appear to be, it has all happened before, in fact several times. In the late 1920's and early 1930's as well as the Lend-Lease days of the mid-1940's, the same interchange and interdependence took place. Again, parts and people were sent back and forth in an impressive flow. However, to the surprise of many, the process was abruptly aborted and a period of autarky followed in 1932 and again in 1948.

What is there to indicate the same thing will not happen again? There can be no guarantee that history will not repeat itself a third time. But there are some differences that suggest that this time the Soviets have a different set of intentions. Even if they decide to revert, it may be much more difficult and costly for them to do so. To begin with, the technology being purchased today is considerably more sophisticated than that bought 50 or 30 years ago. In the earlier periods apparently it was easier to improvise and to do without a continuing flow of foreign help. Today, the sophisticated assembly line operation in such fields as chemicals, electronics and computers requires more than improvisation to sustain and maintain it. Moreover, the Soviets have decided at the highest level to begin discussion of some long-term joint ventures. While the Soviets are not about to allow joint ownership of operations on Soviet territory, they nonetheless have already entered into arrangements with companies like Pepsi and Philip Morris (Marlboro) to produce goods in the USSR with Western brand names attached. Going a step further, they are negotiating a

deal with Bendix whereby Bendix would assign its engineers to a sparkplug plant. The American engineers would then exercise quality and innovative control in the plant, in return for which Bendix would receive a royalty on total production. In payment it would market a proportion of these sparkplugs under its Autolite brand name outside of Eastern Europe. The Soviet Union is already engaged in a joint effort to explore for oil and natural gas off the island of Sakhalin and for natural gas in Yakutia with foreign partners from the United States and Japan. One could hardly regard this as a reckless selling out of the Soviet birthright. Yet, there are some novel twists, unknown before, including the recognition that foreign technicians must be involved in a long run relationship, the use of the foreign brandmarks and the decision to build factories with production capacity intended for the non-East European markets.

Consequently, the Soviets are making decisions that may have far reaching consequences. Conceivably if ever there should be a reversal, some of the steps described above can be altered and reoriented inward without too much loss. Yet increasingly investment decisions are being made by Soviet planners which are intended to service foreign business activity. These investments will be difficult to salvage for any other purpose. Projects, like the Bendix operation, intended for the foreign market will produce more than the domestic Soviet market can comfortably absorb. Similarly, Prime Minister Kosygin has officially called for factories designed primarily to sell in the hard currency export market.² Some of the chemical plants have been built with this purpose in mind.³ Also some of the ammonia plants and pipelines such as the one being built for Occidental Petroleum have been built primarily to serve the foreign market. Many of the Soviet natural gas pipelines have been built with this similar intent. Nor is it just investment for exports that would be lost. The Soviets have also begun to invest in facilities whose sole purpose is to serve imports. One example is the \$300 million alumina plant the French are building for the Soviets in Odessa. It will process bauxite from Guinea, Greece, Turkey and Yugoslavia. The Soviets have also built a pipeline in order to import natural gas from Iran and Afghanistan. The Iranian arrangement is particularly complex since it calls for the Soviets to offset some of those natural gas imports with exports to Czechoslovakia, West Germany, Italy and France.

Although not strictly an investment to facilitate exports or imports, the Soviets have also committed themselves to massive investments in foreign trade services. They now operate a landbridge for container shipments from Europe to Iran and to the Far East. This has necessitated the buildup of a large fleet of containers, special handling facilities, and even a new port at Port Vostochny. Most of these facilities are only useable in foreign trade. Similarly, the Soviets have built up the world's second largest merchant marine fleet in terms of ships (but seventh in terms of ocean going tonnage) designed almost wholly to facilitate shipments of Soviet exports and imports or to hire itself out for other forms of foreign trade. Every sign indicates that such intercourse will increase in terms of both quality and quantity of interaction. Almost of all of these investments would be valueless if the Soviet Union should abandon its foreign trade involvement.

We know by now that the Soviet Union is not wedded to its sunken costs and is not beyond writing off large investments in an emergency or out of necessity. But such a step would not be taken lightly. As the interdependent involvement increases, it probably becomes more and more difficult to take such a step, not only because of the size of the potential writeoff, but because of the pro-involvement lobby in the USSR which has grown up as such interchange increases. Like any such activity, those involved usually believe in what they are doing and want to see such activity expand. Their jobs and promotions depend on its continuation and growth. Other supporters in the spirit of the pre-revolutionary era Westernizers view East-West trade as the best strategy for bringing Western ways to the USSR. This includes not only industrial and governmental administrators, but even some military officers who want to strengthen Soviet military capacity with Western technology. While there is a pro-involvement lobby, there are also those opposed to any such interaction. Like the old Slavophiles, they fear that traditional values and structures will

be corroded by Western influences and that Soviet security will be breeched. Security is a national paranoia. Most Soviet military personnel (like their American counterparts) fiercely oppose the idea of foreigners running around Soviet factories and fields. Nor is security the only concern. Many factory managers fear that Western technology will disrupt their careers. These officials made their way to the top by mastering Soviet technology and methods. At this state of their lives they have no desire to learn a new set of standards.

There is one segment of the Soviet population, however, which in most countries would probably be opposed to such interaction, but support it in the USSR. This is the Soviet trade union movement. Because the state, not the market, decides what will be imported, Soviet workers and their unions generally are not in danger of losing their jobs to imports. On the contrary, the almost universal expectation in the Soviet Union is that Western technology will increase the general well-being of the Soviet population by making available high quality products that would otherwise be unavailable. In some ways supporters of East-West trade in Moscow have it easier than their counterparts in Washington.

III The Long Run Impact of Trade on the United States

The long run impact of trade on the United States is neither the same nor the inverse of the effect on the USSR. Since the United States is already deeply involved in multilateral trade, it is not very likely that the United States will be more dependent on foreign trade because of its increased trade with the Soviet Union. As pointed out earlier, increasing imports from the USSR will merely diversify our sources of supply. If anything, it may make our trade less multinational in nature if the Soviets manage to induce American corporations to trade on a barter basis. We will shortly consider this at greater length.

As in the USSR, however, increased trade has given rise to groups with a vested interest in increasing trade with the Soviet Union. This is only natural and in the same pattern as the joint chambers of commerce which represent numerous other pairs of trading partners around the world. What is unusual about the American-Soviet case is simply that heretofore the normal Soviet-American group has not been made up of establishment types. Until recently, it was only leftists and the powerless who supported close American-Soviet ties. Now this is changed and the establishment has taken over.⁴ This brings a new perspective to the issue of American-Soviet trade as well as political relations. Nor is such a development necessarily to be regretted. The American political system thrives on pluralism and differing points of view and perhaps a responsible voice which can challenge some of the more anti-Soviet or indifferent spokesmen is just what political dialogue in the United States has been lacking.

Some have also suggested that the United States because of its trade with the Soviet Union may find itself beset with another set of pressures favoring the Soviet Union. Although the United States is not as exposed as most of its large allies, the Export Import Bank has committed itself to \$469 million in loans since 1970. Reportedly, American commercial banks have upwards of \$800 million in Soviet debt outstanding. Whenever debt reaches that magnitude, the creditor often finds himself as much dependent upon the goodwill of the debtor as the debtor is upon the creditor. That may be a bit of an overstatement, but there is no doubt that the relationship has become more complicated than it once was.

Still, for the time being, at least, our exports to the USSR are less likely to come back and haunt us economically than our trade with the other industrialized countries of the world. If we export technology or sophisticated machinery to the Western Europeans or the Japanese, it usually is not long before we see the same product challenging American products in third markets and eventually in the United States itself. By contrast, the Soviet planning system is ill suited to

innovation and quality control. As a result, Soviet goods have not been able to generate much interest amongst hard currency buyers. In many ways then, American manufacturers who are worried about foreign competition may find it safer to sell to the Soviets than to the Japanese and the West Europeans. While the military implications of such Soviet sales might cause a problem, it is unlikely that there will be much in the way of short run economic competition.

While this may be true of the short run, some economists such as Raymond Vernon have warned that nevertheless in the long run there may be unusually severe complications for American industry as the Soviet Union and its East European allies begin to master some of the more basic technologies they have purchased. Even though they may lack sophistication, with time they may still be able to compete in industrial markets.⁵ The problem as Professor Vernon sees it arises from the *non-market nature of the Soviet system*. Among the questions to be resolved are how does one determine if the Soviets are dumping or engaging in unfair competition? How can the Soviets be prevented from disrupting markets? The differences between economic institutions in the two countries and the measures taken by each country to protect itself could lead to some potentially destructive confrontations that could easily spread from the economic to the political arena.

These problems stem from the non-market nature of the Soviet economic system. It is not just that exports to the Soviet Union are determined by the state and not the market, but that the volume of exports and prices are also set according to dictate, not the usual pricing guidelines. Normally the competitor in the West measures his costs of production, adds the margin for profit and offers his services for that price. Because Soviet domestic ruble prices are virtually untranslatable into hard currency prices, the traditional Soviet practice is to ignore Soviet prices and to *rely entirely on world market prices*. While they try to charge as high a price as possible, the Soviets if forced to will attempt to attract customers by coming in just under the prevailing market price. To the Western manufacturer who finds himself restrained by his own costs of production and his need to make a profit, the Soviets appear to be dumping. Yet technically, they are not dumping because the ruble-hard currency exchange rates are artificially determined. Who knows what the true cost of production in the Soviet Union is? The major concern of the Soviet exporter is to make certain that his hard currency price covers the hard currency cost embodied in the good being exported. Since the Soviet Union imports such a small proportion of its gross national product, it is usually not a very significant amount. As for the rest of the costs, they generally arise from the use of Soviet labor, capital and raw materials, almost all of which will be paid for in soft rubles. In a peculiar sense, they can be treated as free goods, particularly when the principal Soviet aim is to earn hard currency. It matters not that Soviet labor may not be fully earning its way. After all, what does "earning its way" in the Soviet context mean when the main quest happens to be for hard currency?

Given such different ways of operating, potentially there could be enormous problems. Fortunately it should be at least a decade before the Soviets become a bothersome competitor in the sale of manufactured goods. For the time being their raw materials will continue to be their primary export. Their market disruption proclivities therefore will be to our benefit. Yet there are already some portents of what could happen. For example, the Soviet Union has begun to make some inroads on the market for electric generating turbines and hydroelectric facilities. Lacking much feel for price, but determined to win their first foreign contracts, the Soviets bid so low for the hydroelectric power projects on the Nelson River in Manitoba, the Mica River Dam in British Columbia and the Solto Grande Dam between Argentina and Uruguay, that at times they have come out almost 50% lower than their nearest Japanese rivals. In one instance that meant the Soviets underbid by 21\$ million.⁶ Another example is in the automobile market. Although the volume of Soviet exports is so far relatively modest, Fiat dealers in Western Europe now find that they themselves have to compete with Fiat-type cars produced in the Fiat-built plant in Togliattigrad. The Italians neglected to stipulate in their contract that the Soviets must restrict

their exports to only the East European countries. Fiat apparently is not too distressed, however, since it has entered into additional negotiations for further contracts with the USSR.

While as yet Fiat prices have not been seriously affected by Soviet markets practices, the Soviet impact on the shipping industry has already been enormous. The Pacific Ocean Conference has been in a shambles because the Soviets have taken away a significant share of traffic at rates as much as 25-40% below the prevailing agreement. This is not to deny that the rates may have been too high to begin with. Nonetheless, Soviet actions have already been viewed as market disruption.

Obviously such problems will not be unique to the United States. In fact, it will most likely hit other countries first. Indeed the American domestic market is probably better protected from such practices because we manage to obtain a unique concession about dumping in the 1972 American-Soviet Trade Agreement. Although the Trade Agreement was aborted by the Soviet Union when we passed the Jackson-Vanek and Stevenson amendments, apparently most of the provisions still govern. Thus we and the Soviets have agreed to cease the exportation of products to the United States which the United States feel will "cause, threaten or contribute to the disruption of its domestic market."⁷ While we have made the same concession to the Soviets, the clause is likely to apply only to the United States since if a product is about to disrupt the Soviet market, the Soviet Foreign Trade Organization, which is after all the Soviet government, can simply not order or import the good.

With or without such special arrangements, there still is enormous potential for misunderstanding and resentment. One inkling of what lies ahead is suggested by the Polish golf cart case. After being urged to produce some product that would appeal to the American market and thereby reduce their trade deficit, the Poles concluded that they could make reasonably cheap, but serviceable golf carts. Since they have no golf courses of their own, it was clear to everyone that the Poles intended their production solely for the American market.

As Polish golf carts began to arrive in the United States, almost immediately the major American manufacturers began to protest about Polish "dumping." An investigation was ordered but immediately thwarted. What was the comparable Polish price for golf carts? In addition to the usual dilemma about the absence of any meaningful link between the Zloty and the dollar, there was no domestic market price for Polish golf carts. After all, there were no Polish golf courses! Ultimately the Solomon-like judge arrived at a novel solution—find another exporter of golf carts and see how Polish prices compare to his. A comparison with the prices of Canadian manufacturers indicated that Polish prices were lower. Therefore the determination was made that the Poles were, indeed, dumping.

The Poles may be significantly underpricing their golf carts, (whatever that means) but perhaps the Poles really can produce them cheaper than the Canadians. The complexity of the problem by now should be clear. The poor Poles are furious and also perplexed. They followed American advice and produced something only for the American market which apparently was of good quality. If this is to be the result every time they or their colleagues in Eastern Europe make something that will sell, how will they ever be able to reduce their trade deficit?

The question is not easy to answer, but it is possible to suggest at least one approach. In today's economic and political climate, the Communist countries are not the only ones who have to worry about the growing protectionist sentiment in the United States. For example, growing imports of Sony's, Hitachi's, Toyota's, Datsun's and Volkswagen's have already lead to arrangements which curb the flow of imports and increase the number of foreign companies which have opened branches in the United States. These companies are not the only ones importing products from Japan and West Germany. American companies such as Plymouth, Ford and GM as

well as General Electric and Westinghouse also import foreign manufactured goods and sell them in American markets but under the American brand name. But the protests about these imports generate much less criticism. If it is an American company that is doing the importing, it is often felt that the good is either produced in the United States or that it is less of a threat to the American economy because it is an American company that is doing the importing.

Such arrangements may suggest at least a partial solution to the Soviet problem. The East Europeans and the Soviets should be encouraged to open branches in the United States. Not only would they make nice hostages from the point of view of American investors who are worried about their interests in projects being built in the Soviet Union and Eastern Europe, but they would also provide a basis for cost comparisons. Suggestions of this sort are not as far fetched as they might seem. The Soviets own and operate, sometimes in partnership with local businessmen, a *variety of enterprises including an automobile assembly and servicing plant in Finland*, as well as a television and radio repair and assembly facility in England. In addition they run an oil depot and a network of petroleum filling stations in Belgium, Great Britain and Finland. The Czechs assemble their Skoda automobiles in New Zealand and in Pakistan. The Rumanians together with Armand Hammer and his Occidental Petroleum have invested in a coal mine in Buchanan County, Virginia. A few years ago, the Soviets tried to buy or build a petroleum refinery in Belgium and even in Louisiana. In retrospect, it is unfortunate that they did not succeed.

Short of direct investment, however, the best strategy would be for the Soviet Union and Eastern Europe to join together with American companies in a joint manufacturing effort. Indeed there already are several such arrangements. Allis Chalmers markets a small tractor manufactured jointly in Rumania. There have been some quality control problems, but so far no complaints about dumping or about selling a Communist product. Clark Equipment has a similar setup in Western Europe with Polish tractors and we have already mentioned the proposed Bendix agreement with the Soviet Union for sparkplugs. The French machine tool company, CIT-Alcatel, is jointly producing and marketing digital control machine tools with Stankofrance.

Such arrangements tie the East Europeans and the Soviets to the Western partners. For some Communist officials, however, particularly in the USSR, this causes ideological as well as ego problems. It can be interpreted as an acknowledgment that the Communist manufacturers cannot compete without outside assistance. But in addition to the manufacturing and marketing skills the Western companies can provide, they also make it easier to withstand the charges of dumping and job loss due to foreign imports. *Hiding behind an American company is not a foolproof protection*, but it does convey an illusion that can be helpful.

There is one area where the rewards from trade are equally positive for both sides. This is particularly the case when the Soviet Union exports its raw materials. In instances of this sort, where the United States can readily use Soviet raw materials, we should do all we can not only to increase the Soviet export of such items, but the Soviet production of those products as well. This means that the Soviet Union may increase its purchase of American mining and drilling equipment. To make this possible, it seems reasonable that our government should seek to facilitate the export of such equipment rather than complicate the process which so often is the case. In fact, it might be of benefit if the American Government organized or supplemented the sales promotion efforts of these manufacturers in an attempt to funnel Soviet purchasing efforts toward the increased importation of such equipment. The United States should also make it easier to finance such transactions. This may necessitate a change in the Stevenson Amendment which at present precludes Export-Import Bank credit for projects intended for the development of Soviet energy. Of course, the increased production of such items would increase Soviet strength, but in the process it would also increase the world's supply of raw materials.

IV Conclusion

If East-West trade is evaluated for its impact on American security, the conclusion would be that the United States is at a disadvantage. Because we are an open society, it is hard to hold back information and goods from a country like the Soviet Union. Even on those occasions when American officials and corporations do present a united front, the Soviets have the alternative of turning to our competitors in the rest of the industrialized world who are usually even less inhibited about dealing with the East Europeans, and even more eager to sign contracts. In this respect, the United States does not have much choice as to whether or not we should or should not sell to the Soviet Union.

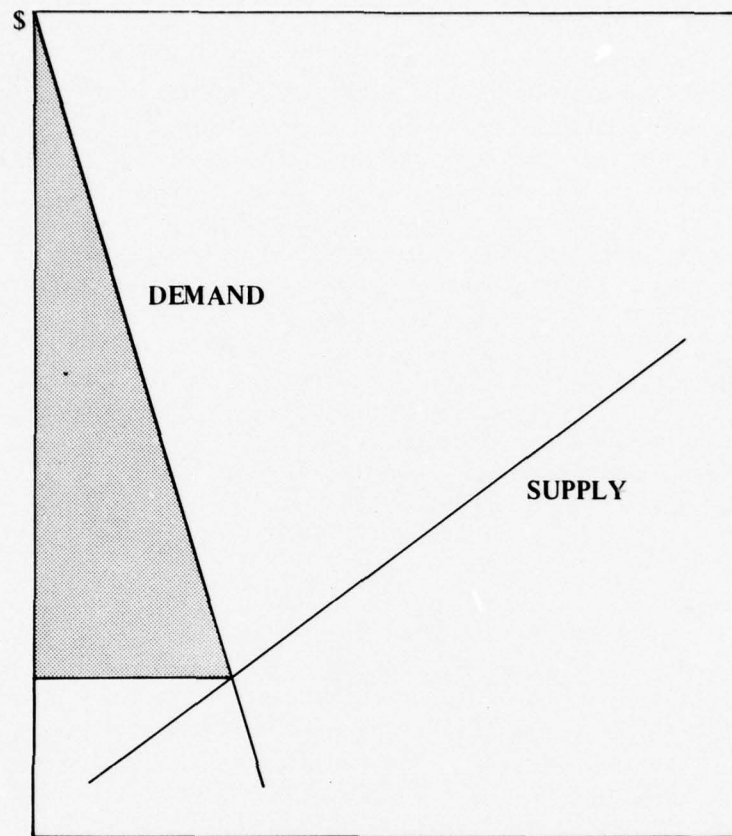
Our consolation, if there is any, is that such trade does seem to be drawing the Soviet Union, whether they want to or not, into the family of trading nations. It is a gradual process and one which in the past has not proven to be irreversible. But this time it does seem to have gone further than ever before. Of course, every time there is some political, economic or military confrontation, each side has second thoughts about the wisdom and desirability of such an ongoing arrangement and therefore tends to hold back from making too much of a commitment.

Trade is in the interest of both parties. By itself it is unlikely to prevent or give rise to war. But with time, it tends to build up vested interests both in its favor and opposed to it. While the Soviet Union seems to benefit somewhat more from trade than the United States, the United States also benefits. However, despite the Soviets' greater gain, it is unlikely that the United States can manipulate trade as a massive lever except in a time of serious agricultural failure. Short of that, trade can be used as a *bargaining counter by both sides for minor stakes*. Since politics intrudes in trade even between allies, there is nothing embarrassing about it being used in American-Soviet trade. But as both sides increase their stake in the continuation of such trade, each side will be prepared to make some concessions, the Soviet Union more than the United States, but neither side should expect to have its own way entirely. In a sense, that may be the first step towards true normalization of trade.

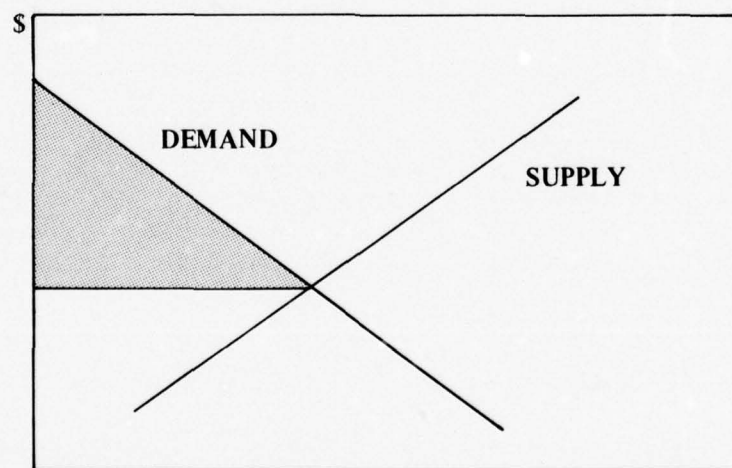
ENDNOTES

1. A technician would say that the Soviet buyer of Western goods captures more consumer surplus than the Western buyer of Soviet goods. Similarly, the seller of Western goods to the Soviet Union captures less consumer surplus with the purchases he subsequently makes from the earnings he obtains from selling to the Soviet Union. This is all because the Soviet demand curve is usually fairly inelastic whereas the supply curve facing the Soviet buyer is fairly elastic. See Diagram I.
2. *Sotsialisticheskaia Industriia*, March 2, 1976, p. 3.
3. *Foreign Trade*, May 1977, pp. 18-20.
4. This may be self-aggrandisement since I am a member of the American Committee on US Soviet Relations along with one or two others at these sessions.
5. Raymond Vernon, "Apparatchiks and Entrepreneurs: U.S.-Soviet Economics Relations," *Foreign Affairs*, January 1974, p. 260; "Storm over the Multinationals: Problems and Projects," *Foreign Affairs*, January 1977, p. 243.
6. Marshall I. Goldman, *Detente and Dollars: Doing Business with the Soviets*, New York, Basic Books, p. 141.
7. Goldman, *op. cit.* p. 189.

DIAGRAM 1



Q
SOVIET UNION



Q
UNITED STATES

THE SHADED AREA CORRESPONDS TO THE CONSUMER SURPLUS OBTAINED BY THE BUYER. THE RELATIVELY INELASTIC DEMAND CURVE IN THE USSR RESULTS IN MORE CONSUMER SURPLUS WHEN THE USSR IMPORTS FOREIGN GOODS.

Panel 4

Interference or Legitimate International Concern:

Adda B. Bozeman

The Human Factor in US-Soviet Relations

The range of possible reflections on "the human factor" in our relations with the Soviet Union is vast, but the focus in this particular discussion will be on one particular aspect of the issue, namely on what in today's trade language is known as "human rights." In addressing this theme and its linkage with the security interests of the United States, I hope that other significant human factors in this complex political association will become apparent also.

I

When then are human rights? Let me begin with a few comments on the evolution of this cluster of ideas and on the norms or values carried by the phrase in order then to inquire first, whether human rights are universally accepted either as legal concepts or as morally compelling propositions; and second, in which if any respects there is agreement between the United States and the Soviet Union on the meanings associated with human rights today.

The European founders of the United States brought with them two models for the conceptualization of a human being's status in political society. One derived from the legacies of the Roman civil law and the English common law which converged on the recognition of the individual as a legal person independent of family, class or other social grouping and capable, therefore, of forming intentions of his own, of making promises, assuming obligations and of acquiring rights. The gradual evolution of these principles made it possible to think of the state as a partnership in law and to develop contractual or constitutional forms of government in the context of which men had rights and duties as citizens. As students of the common law and the American constitutional system know, these civil or political liberties are few in number; precisely formulated as jural propositions and traditionally linked to appropriate writs and remedies, they are enforceable within, but not beyond, the actual reaches of the nation's law.

The second model for the perception of man's condition was borrowed by the founding fathers from certain European philosophers of the 17th and 18th centuries, among them J. J. Rousseau, who believed that all men were created equal and that a state of nature, antecedent to government and civilization, had endowed them with natural rights to life and liberty that could not be alienated. These hypotheses, which had probably issued from a misunderstanding of the original Stoic theory of a universal natural law of right reason and of the classical Roman *ius naturale*, were too precarious and ambiguous to rate as legal, historical, or philosophical truths. However, they stirred all revolutionary and reformist circles in the age of enlightenment as assertions of faith in the perfectibility of the human order. It was this moral conviction or dogma that passed from France to America where it was first embodied in Virginia's Bill of Rights before finding its most prominent and enduring recognition in the American Declaration of Independence.

The two sets of rights—namely the civil liberties of the Constitution and the rights of man in the Declaration—are thus different, indeed conflicting references, nowhere more so than in the field of foreign relations. The former, which addresses problems of justice and order within the domestic jurisdiction of the state, was fully compatible with the norms of the European states system in the frame of which the American claim for sovereignty and independence was officially made. The latter, by contrast, identified Americans as members of humanity at large and proclaimed that all men everywhere, being equally entitled to life, liberty and the pursuit of happiness, could claim independence and statehood as functions of their innate right to self-determination.

These entirely untested beliefs and assumptions had hardened into certainties at the time of the First World War when the United States emerged as an internationally decisive power, convinced that it knew how to improve the lot of men and nations in Europe, Africa, and Asia. The major source of innovative ideas continued to be the Declaration of Independence. Not only did self-determination, the focus of the Declaration, become a moral and political absolute from Woodrow Wilson's presidency onward, but, as Charles Burton Marshall reminded us at the occasion of the nation's Bicentennial,

*the great undertakings during three-and-a-half decades of unprecedented activity in world affairs—the Atlantic Charter, lend-lease, the forming of the grand coalition in World War II, the reincarnated Wilsonian dream of a world organization, the Truman Doctrine, the Marshall Plan, innumerable economic development programs, a global array of alliances, and two Asian wars—have all been executed in declared fealty to principles enunciated in the Declaration of Independence.*¹

These exertions in behalf of establishing national independence, democracy and the rights of man in all provinces of the world culminated in the breakup of Western European empires, the creation of numerous new states, each endowed with a constitution and a bill of rights, and the organization of the United Nations. The latter's charter provides that member states, being sovereign, may not interfere in each other's domestic jurisdiction. However, the dualism which marks American orientations to foreign policy, is present also here; for the international constitution stipulates expressly that peace requires the promotion of fundamental freedoms for all peoples in all states.

The close alignment of this particular provision with the moral persuasions of generations of Americans explains why Harry Truman, one of the nation's most realistic presidents, could say at the closing meeting of the San Francisco Conference on June 26, 1945:

we have good reason to expect the framing of an international bill of rights acceptable to all the nations involved. That bill of rights will be as much part of international life as our own Bill of Rights is part of our own Constitution.

The doctrines of intervention and nonintervention, which had been on a collision course throughout the history of American foreign policy, were thus officially sanctioned by us also as guidelines for the international organization—an ambiguous commitment that was to receive official endorsement by numerous later administrations. President John F. Kennedy thus proclaimed in his Inaugural Address:

*Let every nation know, whether it wishes us well or ill, that we shall pay any price, bear any burden, meet any hardship, support any friend, oppose any foes to assure the survival and the success of liberty.*²

And a similar pledge was made by President Lyndon B. Johnson in his State of the Union Message when he described "support of national independence—the right of each people to govern themselves and to shape their own institutions" as "the most important principle of our foreign policy." "For a peaceful world order will be possible only," he added, "when each country walks the way that it has chosen to walk itself..." "We follow this principle abroad...by continued hostility to the rule of the many by the few."³

No analysis of the Nixon, Ford and Carter policies on human rights and national security is possible without remembering that this country's self-view and its approaches to world affairs have long borne the imprint of two sets of ideas for which logic does not allow an easy linkage. Nor will it do to forget that our policy pronouncements, including the Declaration of Independence, had not been preceded by close examinations of the diverse cultures and societies whose populations we decided to represent. Questions whether a given human grouping has a demonstrable will and capacity to approximate the model of the democratic nation state; whether its traditional life style favors the principle of individuation, or whether its customary norms of law and administration allow for the liberty of speech or religion, have usually not been raised by policymakers. In fact the thesis is tenable that this nation's approach to international relations as well as to government is distinctly ahistorical and futuristic. Since it had staked its own destiny on the need to overcome the burden of the European past, it expected others to aspire at a similar liberation from the shackles of time. The heritage, for example, of the common law is thus not necessarily appreciated as unique to a particular civilization that favors the idea of the autonomous person but is being accepted, instead, as a body of norms accessible to individuals everywhere.

The other, closely related directive for politically relevant thought and action is the commitment, explicitly enjoined by the founding document, not to recognize culture as a determinant of man's place in society. True, we avidly support programs of "cultural exchange," but this refers to such transactions as sending Louis "Satchmo" Armstrong or Martha Graham to Asia and receiving Guinea's ballet or Tutankhamen's tomb treasures from Africa. The fact that art styles, religions, philosophies, manners and special systems differ today as they did in the past, continues to be registered and appreciated by the most casual American observer. Yet this realization has not been allowed to contaminate the pseudo-religious conviction that human values and preferences are the same when it comes to politics, morality and law. In sum, differences between civilizations are rarely being alluded to in official commentaries on civil liberties and human rights, even though generations of scholars have recorded the conclusion that public order systems in Asia and Africa as well as in parts of Europe have been, and are being kept going by reliance not on Western type law but on religion, bureaucratic power, military force, or arbitrary violence.

These findings in the field of comparative culture studies supply overwhelming evidence to the effect that the notion of the individual as a self-directing person or as a citizen endowed with civil rights is unknown in the various provinces of the non-Western world. As Joseph Campbell explained it a few years ago in a lucid lecture on "Human Rights in Oriental Beliefs,"⁴ there is actually no such word as "right" in our sense in any oriental language. Since all that anyone can properly be in the view of the classical Orient is subsumed in the role assigned him by religion and society, there can be only duties. In India each human being is therefore supposed to be selfless in the performance of his role, his *dharma*, and the *dharma* is a function of the caste into which he was born. All men here, then, are not born "equal"—a truth illustrated by Sir Henry Maine in the following comment:

*I have myself heard an Indian Brahmin dispute it (equality) on the ground that, according to the clear teaching of his religion, a Brahmin was entitled to twenty times as much happiness as anybody else."*⁵

Nor are all men born free. Whereas freedom in our civilization means the freedom of an individual to do something, in India it means freedom *from* individuality altogether. And that Indian freedom is achieved only when one has not developed an ego and when one is entitled therefore to be liberated of all desires for life.

Individualized rights were inconceivable also in pre-Maoist Confucian China. Here where the public order system was normally associated with the maintenance of carefully graded social relationships—summarized as the domain of *li*—and where law—the *fa* dimension of administration—was invoked only in situations requiring punishment, “liberty” was a nonsensical concept, while “equality” was openly denigrated as a barbarian, hence vulgar supposition. Each human being—and in the perspective of the West he was invariably a subject, not a citizen—had inalterable rights and duties, it is true; but these were functions of his status in the respective hierarchies of the family and society. That is to say, he had his particular *li* in accordance with his birth, sex, family status, profession, guild membership and so forth. If he did not have his *li*, he really had no life.

In traditional Africa south of the Sahara where the limits for organization and communication were narrowly set by nonliteracy and tribalism, stress was naturally put upon the group as the basic social and political unit. The individual, by contrast, counted for very little. Indeed he could not emancipate himself mentally or physically from family and lineage ties; for as Yomo Kenyatta explains it in *Facing Mount Kenya*, he has always been first and foremost several people’s relative and several people’s contemporary. Self-government, constitutional democracy and bills of rights were grafted carefully upon these complex societies under the auspices of Europe’s colonial administrations. However, the imports were rendered inoperative or ejected outright after independence and statehood were achieved. What we have been witnessing since both here and in Asia is the resurrection of older pre-Western norms and values as well as the diffusion in many provinces of the twentieth century world of communist ideologies and forms of rule in terms of which the rule of law and civil liberties are properly consigned to limbo. No one can predict just what kind of symbiotic arrangements of native, Western and communist ideas Asian and African societies will have brought forth 10 years hence. Yet it is reasonably certain that constitutionalism and individuated rights will not have emerged as primary norms.⁶

The outlook is clearer for the vast Eurasian expanse of the Soviet Union where the determined installation of Marxist-Leninist categories of thought about law and the administration of human beings has driven underground the legal values formerly associated with Byzantine-Roman jurisprudence, Russian customary law, the constitution of the Hanseatic Republic of Novgorod and the reforms of the 19th century which had been carried through in close alignment with French and English models. The new doctrine, steadfastly maintained by Soviet authorities throughout the last half century, insists that human destiny is the exclusive function of material circumstances, more particularly of the continuous struggle between economic classes representing two contending methods of production. The liberal Western proposition that an individual is capable of developing ideas, values and aspirations also outside this materially determined context, is categorically denied. Indeed individualism with its corollary of individuated rights has been regarded from Marx onward as a bourgeois illusion. Humanity, by contrast, is a legitimate concept in this vocabulary. However, it would come into its own only, Marx warned, when men ceased to think and feel as individuals with separate inalienable rights.

It goes without saying that Marxism-Leninism does not recognize “natural law” and that it rejects the contractual theory of the state. In official theory all law is but the will of the dominant class which holds power in the state in a particular historical epoch of the development of the forces of production—a definition that explains why “constitutionalism” is understood in this world as the dictatorship of the capitalist class. These negative understandings of what the West

accepts as major positive norms and values, condition all intellectually crucial human dispositions and thought processes in the Soviet Union. However, the negatives are viewed as positives by the communist tacticians of strife when the local situation invites a psychological or political takeover. A Western democracy is, after all, the most propitious arena for the class struggle because its constitution provides the individual rights to freedom of expression and assembly that communists view as the ideal tools for acquiring power.⁷ Once power is gained, however, they will say unhesitatingly "that ours is a class concept of freedom and . . . we shall not permit free speech to be abused against the interests of the working people."

All communications with the Soviet Union, including the discernment of communist realities in the area of law, rights and constitutionalism, are further impeded by the spurious, largely uncontested utilization of Western vocabularies for the conveyance of Marxist-Leninist propositions that are antithetical to the original meanings carried by the words. Notwithstanding all official strictures against the state, law and democracy as bourgeois entrapments, the Soviet Union is yet supplied with a constitution and with law codes, all formulated on Western models. Stalin's constitution of 1936 (rev. 1947) as well as the 1977 draft of a new Soviet Charter thus enumerate the classical freedoms of speech, religion and assembly (adding the right to demonstrate). But they also stipulate that these political rights may be exercised by citizens only in order to strengthen the established order. They may under no circumstances be advanced against the state, for the ruling assumption is to the effect that rights are granted by the state. And since this state is also authoritatively defined by its spokesmen as a dictatorship of the proletariat functioning under the leadership of the communist party—described in the 1977 constitution as "the leading and guiding force of its (the Soviet Union's) political system, of all state and public organizations"—it is illusionist to believe that civil or political rights are recognized by the Soviet Union. The situation is somewhat different when it comes to so-called social, economic and cultural rights, if only because the Soviet Union is ideologically committed to provide its peoples with social security, public health services, education and work. Impressive achievements have been registered under these headings, albeit at a cost that non-totalitarian societies would not be willing to pay. The right to education thus does not include freedom of thought; the right to health care is considered compatible with brain washing, thought control and other arbitrary interferences in mental and psychological health—all designed to impair the basic integrity of the individual personality; and the right to work has been concretised in millions of cases by consignment to forced labor camps where starvation or extinction have been the wages. Indeed, and as official data indicate, the productivity of the Soviet economy is in large measure a function of the network of gulags by which this communist land mass is covered.

The apt representation of "humanity"—the concept Marxists pit against the idea of the individual—is of course the collective, preferably peopled by likeminded members whose rights can then be socialized as group rights. In these conditions of streamlined coordination minorities, workers, academicians and others are assured protection of their rights by elaborate codes and constitutional provisions. However, violations of these legal norms have been just as common as abuses of individual rights. Ethnic and linguistic minorities have thus been forcibly removed from their homelands in the Baltic, the Caucasian region, and the Ukraine so as to disrupt their collective memories and make them serve the state in other provinces. The mass dispatch to labor camps of prisoners of war in violation of what in our times is known as "humanitarian law" is likewise a matter of public record, as is the fact that "at least 10 to 15 million people perished...by torture or execution, in camps for exiled kulaks...and in camps 'without the right to correspondence'."⁸

What is known as "The Great Terror" of the 1930's may be cordoned off in our consciousness as an exceptional era of lawlessness in the history of communist Russia. But as Robert Conquest reminds us, "from the point of view of memories of the Terror, it has to be noted (as has been done by Pietro Nenni, the Italian Socialist leader) that there are no institutional or moral

guarantees against a reversion to the habits of the thirties."⁹ It is this continuous vacuum of legal and moral restraints which explains why all post-Stalinist regimes have been able to devise effective programs for rendering human thought—and therefore also human rights—irrelevant.

II

The steady expansion and consolidation of the Marxist-Leninist ideology in all parts of the world and the Soviet Union's establishment of firm political and military controls over the territories of once independent states in Eastern and Central Europe present analysts of "the human factor in Soviet-American relations" with another set of questions that require at least cursory attention before one can decide first, whether there is a category of universally accepted human rights in terms of which Soviet dispositions to rights can be faulted on legal or moral grounds, and second, what policy options are open to the United States when a situation calls for "interference" or expressions of concern.

The original legal recognition of individual rights as well as group rights occurred everywhere within the contours of the state. However, and as earlier references have indicated, in Marxist-Leninist doctrine and hence also in the practice of modern communist states, "the state" as norm is devoid of jural or any other definitive significance. Accepted as a temporary tactical convenience in the evolution toward a world communist society to be organized along wholly different lines, it is as much subject to arbitrary interventions on the part of humanity's communist guardians as is the individual. All state centered political designs, such as international law which originated in Europe during the 17th century as a corollary of the rise of the modern state, or as collective security organizations for the maintenance of peace, which represent, in the main, American preferences for the conduct of international relations, are thus fraught by ambiguities today. And the same is true of such relatively new syndromes of allegedly universally valid norms as a people's right to self-determination. This, it is interesting to remember, was as important to Woodrow Wilson as it was to V.I. Lenin. But whereas such a potential defiance of the established political order was viewed by Wilson as the necessary prelude to the achievement of national freedom and sovereignty by minority peoples in Eastern Europe and the Near East, it was envisioned by Lenin as a device to pry all dissatisfied or freedom seeking groups—among them in particular minorities and colonial peoples—loose from the jurisdiction of the bourgeois order of things so as to ready them through agitation, propaganda and manipulation for their historic roles as fighters for the camp of socialism and against the camp of capitalism.

This fight has ever since been conducted by the Soviet Union and its surrogate or allied forces with admirable steadfastness of purpose and in strict accordance with the programs and rules of the communist party's operational code—each and all well known by the Soviet Union's friends and enemies. American policies lacked long-range perspectives and were no match for the communist design. The influence and power of the United States were thus progressively eroded, in some cases eliminated outright, by the skillful blend of diplomacy and warfare which its communist rival invested year in, year out, in such strategically vital areas as East-Central Europe and Southeast Asia. National noncommunist governments in these lands could thus be replaced by communist regimes; indigeneous populations were pronounced liberated, and the case for self-determination was considered closed.

The last massive transformation of this kind has been administered by Soviet supported forces in Vietnam, Laos and Cambodia after the communist takeover in 1975. It has been, and continues to be conducted without regard for the rights of man, individuated or collective, and at a staggering cost of human life.¹⁰ This entire complex of unredeemed human suffering—which is, I presume, covered by the term "the human factor"—is today totally removed from American policy considerations. It evidently does not call for "interference," and it even seems to have ceased being

a matter of "legitimate international concern." The only "human" factor that interests the defeated USA as it readies itself for the opening of friendly relations with its victors are the whereabouts of the human remains of Americans still considered missing in action.

Our present reaction to violations of human rights in the communist states of Eastern and Central Europe is different for a variety of reasons, chief among them the following. This area, being territorially contiguous to the Russian landmass, is militarily, politically and economically so tightly controlled by the Soviet Union that it may legitimately be viewed as part of the new Russian imperium. Our relations with the nominally independent sovereign states in the Soviet bloc are therefore in most important respects also aspects of our relations with the Soviet Union. Second, the North-South galaxy of Eastern European states—from which Esthonia, Latvia and Lithuania are excluded after their incorporation into the Soviet federation of republics—is also territorially contiguous to what now stands as Western Europe, namely the region West of the line dividing Germany, historically the heartland of the continent. American security interests are thus centered in this rump of a critically divided Europe. For after indulging, throughout the last decades, in the luxury of trading space—that of our allies in Asia, Africa, and Europe, for time, the time namely, that we need after each diplomatic or military setback to regroup our intellectual and political forces,¹¹—this nation is today absolutely dependent on its cultural motherland, the one that had originated the concepts of civil liberties and the rights of man.

However, the proposition that political security and consciousness of culture are closely linked, and that American security interests are therefore well served if a foreign nation's civilization is thoroughly understood, is not congenial to official American opinion as I noted earlier. The neglect of this particular dimension of "the human factor" is well illustrated by the circumstances during and after the Second World War in which the Baltic states, Poland, parts of Germany, Czechoslovakia, Hungary and Yugoslavia were allowed to pass "behind the iron curtain." It is true, of course, that this historically momentous reorganization of Europe which had been meticulously planned by the Soviet Union, was a function of the official communist view, clearly explained by Lenin, Stalin and their successors including Khrushchev and Brezhnev, that peace in international relations is really not different from war and conflict. The Roosevelt and Truman administrations were not sufficiently aware of this ideological or philosophical orientation, perhaps because it stood in direct opposition to the classical Western disposition which polarizes peace and war as conditions subject to different international laws and rules of behavior. Russian armies were thus skillfully deployed in Eastern European territory after the fighting stopped, whereas American military forces, starkly reduced as "peace" diplomacy was replacing "war" diplomacy, were not in control of strategically vital spaces.

This failure in planning and foresight, which is the ultimate cause of our continuing security crisis and the *raison d'être*, therefore, of the conferences in Helsinki (1975) and Belgrade (1977), has very much to do with that disregard of the cultural and historical component in the configuration of modern states. What we chose to forget then and also in Helsinki¹² is the fact that generations of peoples in that broad North-South belt stretching from Finland to the Adriatic Sea have lived West of a most important line separating communities Christianized by Rome from those Christianized by Constantinople. Prominent among the latter are the Russians who succeeded to the imperial Byzantine tradition before experiencing that of their Mongolian conquerors, and who were left untouched by the great movement of the Renaissance. Prominent among the former are Baltic groups, Poles, Germans, Bohemians, Hungarians, Croats and others who participated for centuries in the political, moral and legal system which constitutes Western Europe's civilization, and who know therefore what individuated civil liberties are. It is here, then, where the communist break with the humanist traditions was most acutely experienced, that revolts in behalf of both, nationalism and individual rights have been taking place continuously since 1948. The United States, which had given rhetorical support to some of these uprisings, did not interfere when the

Soviet Union, acting in collaboration with local communist regimes and the forces of the Warsaw Pact, crushed these movements.

The Eastern European communist order with which we must contend today, was circumscribed by the so-called Brezhnev Doctrine in 1968 at the occasion of Soviet Russia's invasion of Czechoslovakia. The following major propositions are here asserted under the heading "Sovereignty and International Duties of Socialist Countries":

Those who speak about the "illegal actions" of the allied socialist countries in Czechoslovakia forget that in a class society there is not and there cannot be non-class laws. (sic)

Laws and legal norms are subjected to the laws of the class struggle, the laws of social development. These are clearly formulated in Marxist-Leninist teaching and in the documents jointly adopted by the Communist and Workers' parties.

The sovereignty of each socialist country cannot be opposed to the interests of the world of socialism, of the world revolutionary movement.

Formal observance of the freedom of self-determination of a nation in the concrete situation that arose in Czechoslovakia would mean freedom of "self-determination" not of the popular masses, the working people, but of their enemies.

Naturally the Communists of the fraternal countries could not allow the socialist states to be inactive in the name of an abstractly understood sovereignty, when they saw that the country stood in peril of anti-socialist degeneration.¹³

These tenets are corroborated by article 28 of the 1977 draft of a new constitution for the Soviet Union which declares that Soviet foreign policy is aimed at insuring favorable international conditions for building communism in the USSR, strengthening world socialism, supporting the struggle of peoples for national liberation, preventing wars of aggression, and consistently implementing the principle of peaceful coexistence. Article 29, by contrast, seems designed to pacify the not-yet-socialist camp. It disavows the revolutionary dynamic of the preceding section by declaring that the Soviet Union's relations with other countries will be based on the observance of the principles of sovereign equality, renunciation of force, inviolability of frontiers, territorial integrity of states, peaceful settlement of disputes, noninterference in internal affairs and on respect for human rights and basic freedoms. Most of these are core norms of international law and the United Nations Charter. They are also listed as the basic guidelines for all relations between the signatories of the Helsinki Agreement of 1975.

The preceding inquiries and reflections permit the following conclusions on the contentious subject of political liberties in US-Soviet relations.

The official framework for the conduct of all Soviet-American relations is an outgrowth of Western law: the world is divided into sovereign states, each defined in legal language; each state has a constitution; each constitution mentions rights; all states are described as democratic and profess to observing the maxims of international law in their interactions, chief among them the duty to refrain from interfering in each other's domestic jurisdiction.

This international system is not operational today, for each of its component elements has been allowed to atrophy or become extinct. The dense paper facade of near-identical, hence internationally unifying constitutions, charters and other legal documents thus conceals the following facts.

States are not the only "actors" or members of the system. They coexist with international communist parties whose local officers usually outrank communist heads of state, and with such other non-state entities as national liberation fronts whose sovereign powers have frequently been recognized by states and international organizations. Next, the vast majority of states and all internationally active non-state movements or units are ruled in authoritarian or totalitarian, not in democratic fashion. Civil liberties and other individuated rights are not guaranteed here; in fact, a survey of realities finds them missing altogether.

The diversity of the inner normative orders of the world's societies has naturally communicated itself to the conduct of external affairs. Desuetude is thus the lot today of many core norms identified with international law, notably those recited most frequently in constitutions, charters, and treaties. No accord exists when it comes to criteria for measuring independence, claims to self-determination, and the legitimacy or illegitimacy of one state's interference in the domestic jurisdiction of another; legal and moral agreements on what is right and what is wrong, or what is "peace" and what is "war," are missing. In short, and in counterpoint to all the unifying structures built of words, we must count today with the existence of divergent, in most respects legally and morally incompatible systems of thought and organization.

If Soviet-American relations are viewed in this context, the following position seems logical and reasonable in respect to individual rights.

First, it should be remembered that civil liberties were not internationally valid norms in the corpus of classical international law that regulated relations between the morally and legally unified nations of the West.

Second, these rights do not constitute shared understandings of the role of the individual in society in the multicultural, ideologically divided world today.

Third, the absence or violation of civil liberties in the vast orbit dominated by the Soviet Union does not constitute a legal cause for intervention by the United States. However, this particular plight of the individual is no doubt a matter of legitimate concern, both morally and politically, nowhere more so than in Eastern Europe. Intervention on this ground, which implies considerations of our own national interests, is entirely fathomable, but it would have to be predicated on the admission that the paper order of the international system, being now devoid of meaning, is no longer binding on the West.

III

American concerns with the human factor in foreign relations are being conveyed today by references to "human rights" rather than to civil or political rights. However, the essence of the latter has to be borne in mind if the former are to be understood.

Contrary to the rights stipulated, for example, in the American Bill of Rights, human rights are, by definition, universal. It is therefore no coincidence that their elaboration is closely related to the establishment and evolution of the United Nations. A reading of relevant Charter provisions, the Universal Declaration of Human Rights, the two Covenants dealing, respectively, with Civil and Political Rights and with Economic, Social and Cultural Rights, and of resolutions recorded in UN councils and committees shows furthermore that attention centers on collective or group rights, and that the stress here is on economic, social and cultural rights—a category not singled out for conceptualization by the Stoics, John Locke, J. J. Rousseau or Thomas Jefferson.

This shift away from individuated rights and the consequent formulation of the group rights is properly viewed as a diplomatic victory of the Soviet Union. But it also mirrors certain realities that were noted in earlier sections of this paper and have been candidly and forcefully presented by an African delegate when she explained the abstention of her country in the voting on the Optional Protocol to the Covenant on Civil and Political Rights in the following terms:

*Our abstention...is our manifestation of our apprehension about the utilization of these rights (i.e., civil and political rights) for political ends or propaganda.... The young states must guarantee human rights. They also know better than anyone else that there can be no human rights where there is no state. That is why our countries are particularly concerned with the security of the state—in other words the collectivity at the expense of the individual.*¹⁴

A review of national and international documents bearing on this entire complex of issues thus shows convincingly that too many group rights are incompatible with respect for individuated political rights, if only because they represent the policy objectives of the state. Furthermore, these so-called "programme rights" of the Covenant on Economic, Social and Cultural Rights are subject to discretionary governmental implementation. Governments ratifying the Covenant are merely asked to report what they have done or what they intend to achieve, and since most of today's governments are authoritarian, it is not difficult to agree with John P. Humphrey's conclusion that "more and more the individual stands alone in the face of an all-pervading State."¹⁵

Furthermore, and contrary to an earlier international consensus, concern for the rights of minorities has been steadily decreasing. The Universal Declaration of Human Rights does not even mention minorities, and their distinctive cultural characteristics are not recognized as being in need of protection in the Covenant on Civil and Political Rights. This negative attitude is usually rationalized by the argument that, since the United Nations is dedicated to obtain respect for the human rights of everyone without discrimination, no special measures are required to protect minorities. What then is a group entitled to group rights? This too seems today the subject of arbitrary political decisions. For example, how does one define "a people" entitled to one of the most important of all collective rights, the right, namely, to self-determination? The documents are silent on the point, but the international consensus has it that the Czechs, the major tribes of Katanga (1960), and the white South Africans—to name but a few exceptions—do not constitute "a people" eligible to exercise the right to self-determination.¹⁶

In short, the human rights vocabulary is marked by ambiguity and imprecision. Furthermore, it invites political not legal, discourse and sanctions capricious conduct on the part of local and international authorities because it does not provide objective jural standards for the definition of rights and their violations. Reliable procedures for the handling of human rights complaints—and these come yearly from thousands of individuals—cannot even be expected in the heavily politicized circumstances that are being condoned in the Human Rights Commissions of the United Nations and the various regions. The exception here is the European Commission on Human Rights, and this is so, of course, because the Western European nations are still constitutional democracies in which the individual continues to have rights as a citizen and a person. In Africa, by contrast, "there is evidence that human rights violations are becoming accepted state behavior with a repertoire of rationalizations to excuse them." Indeed here it appears to become immoral to mention human rights violations in a fellow black African state.¹⁷ Other recent surveys have been equally pessimistic. Prince Sadruddin Aga Khan, UN High Commissioner for Refugees, noted in November 1976 that governments do not heed Human Rights commitments;¹⁸ and William W. Scranton, the American emissary to the United Nations in the last Republican administration, expressed "deep disappointment" over the United Nations' performance in safeguarding human rights, asserting that the speeches had been superb but the record of accomplishment "sadly

deficient." "The only universality that one can honestly associate with the Universal Declaration on Human Rights is universal lip service," he concluded.¹⁹

The phrase "human rights" does not refer to legal propositions or to realities as these are perceivable today. In its most positive meaning it constitutes a list of desires, political goals, or ideological commitments. Read negatively, but equally justifiably, it may be likened to a paper blanket covering up the absence of real and enforceable rights of the kind customary under Western constitutionalism.

The foregoing exploration of the meanings carried by "human rights" suggests that security interests in our relationship with the Soviet bloc should not be carried by confidence in human rights provisions written under the auspices of the United Nations.²⁰

The opposite is suggested by the record of foreign policy pronouncements in the Ford and Carter administrations. These are heavy with references to international law, legal commitments, and the compelling demands of a universally valid code of morality; they are light in explanations as to just how this particular type of concern with human rights is linked to the security interests of the nation.

The Helsinki Agreement between the United States, the Soviet Union, 32 European states and Turkey, which issued from the Helsinki Conference on Security and Co-Operation in Europe in 1975, has thus brought us, according to President Ford

*a public commitment by the leaders of the more closed and controlled countries to a greater measure of freedom and movement for individuals, information, and ideas than has existed there in the past, and...a yardstick by which the world can measure how well they live up to these stated intentions. It is a step in direction of a greater degree of European community, of expanding East-West contacts. . . .*²¹

Addressing the Conference on August 1, 1975, the President carefully listed "the most fundamental human rights," namely, liberty of thought, conscience, and faith; the exercise of civil and political rights; and the rights of minorities as constituting the main content of the so-called Basket III. These, he continued, call for the exercise of certain secondary rights:

*A freer flow of information, ideas, and people; greater scope for the press; cultural and educational exchange; family reunification; the right to travel and to marriage between nationals of different States; and. . . the protection of the priceless heritage of our diverse cultures.*²²

These texts are replete with ambiguities. After referring to the signatories' "diverse cultures," Mr. Ford yet reminded the peoples of the East "that the principles on which the Conference had agreed are part of the great heritage of European civilization which we all hold in trust for all mankind."²³ Just how are we to understand the reasoning that underlies this conviction? Does our Government really assume that all mankind is morally unified around principles *also* found in European civilization? Or does it believe that the representatives of Europe's civilization are the trustees of this particular heritage, charged with educating the rest of mankind?

In aligning itself firmly with these positions on human rights—illogical as they may seem to be—and in expanding the radius of their relevance to the world-at-large, the Carter Administration has so far confounded existing confusions. The President's Inaugural Address thus placed a heavy accent on our moral duties, "the quiet strength of noble truths and this country's absolute commitment to human rights"; and his Commencement Address at Notre Dame University in May

1977²⁴ announced the need for an entirely "new foreign policy that is democratic, based on our fundamental values and that uses power and influence for humane purposes." This foreign policy, President Carter explained, "is rooted in our moral values; it is designed to serve mankind"—a theme stressed earlier in his letter to Mr. Sakharov²⁵ which pledged his Administration "to shape a world responsive to human aspirations in which nations of differing cultures and histories can live side by side in peace and justice."

Ways of reconciling and realizing these ideas have not been offered yet. For example, if nations have differing cultures and histories as President Carter admits they do, would it not follow that they have, in all likelihood, also brought forth different forms of government, different evaluations of an individual's status in society, and different conceptions of "peace and justice"? Further, how does one respect "differing cultures" and at the same time intend to reform them in the image of *our* culture? Needless to say, measures for differentiating between civilizations have never been officially developed in this country.

These aspects of the Human Rights policy as pursued by the Ford and Carter Administrations must be viewed, regrettably, as symptoms of a serious crisis in our capacity to conceptualize the problems of human existence with which our foreign policy is challenged to deal. This crisis, which is in my view the most serious faced by the nation today, will not be solved by rushing into evangelistic prose and building paper facades of solemn covenants and pledges for "camouflaging realities" (the term is borrowed from Ivor Richards²⁶). In the present environment of morally and politically disparate societies, we would instead be well advised to remember Dean Acheson's advice:

*... the vocabulary of morals and ethics is inadequate to discuss or test the foreign policies of states. We are told that what is ethical is characterized by what is excellent in conduct and that excellence may be judged by what is right and proper as against what is wrong, by existing standards But when we look for standards we find that none exist.*²⁷

The security problems implicit in our relationship with the Soviet Union have been greatly aggravated by the present crisis in thought and language use which is self-induced. The Helsinki Agreement thus sanctions the coexistence of two mutually exclusive conceptions of the European order and the world society. On the one hand it assumes the existence of an international community of individuals, with each and all entitled to the enjoyment of the same human rights. On the other hand, the Final Act confirms the continued validity of the classical vocabulary of international law and the states system in the context of which each state is fully sovereign within its domestic jurisdiction.

This paradox is confounded by the fact that the two major signatories of the Helsinki document differ in their interpretation of its meaning and purport. The Soviet Union, which had pushed for the pledge of noninterference in the domestic affairs of the Eastern European states (and these are, in the frame of the communist bloc's organization the domestic affairs also of the Soviet Union), sees it as confirming the territorial status quo that its arms and its diplomacy had won. The United States, by contrast, stresses the fact that the Helsinki agreement is "neither a treaty nor legally binding" on any of the signatory states and that it does not confirm the Soviet Union's incorporation of the Baltic states.²⁸ More importantly, this nation's government views the accord as conducive to changes of the status quo *within* the boundaries of existing communist states that may, eventually, transform established power relationships and enhance the security not only of individual human beings but also of the societies that share the European space. The West thus points to the Third Basket as a major accomplishment, and it appears from the negotiating records that the East was in fact compelled to make considerable concessions in this regard.

But the major premise for the American participation in the Helsinki conference and for the ratification—however “tacit”—of Europe’s existing boundaries was the national commitment to detente in relations with the Soviet Union. In the language of the American administrations, and therefore also in the nation’s interpretation of all official references to detente, the word is practically synonymous with peace, and peace, again, is generally understood as the opposite of war as well as conflict.²⁹ In communist usage, by contrast, detente means something entirely different. In the present historical era (and as Gerald L. Steibel explains it convincingly in a recent essay, there have been five earlier “detentes” in the Soviet Union’s relations with the West),³⁰ detente has been authoritatively defined by Brezhnev as follows:

Detente does not in the slightest abolish, and cannot abolish or alter, the laws of the class struggle. No one should expect that, because of detente, Communists will reconcile themselves to capitalist exploitation.

(See records of the 25th Congress of the Communist Party of the Soviet Union.)

Detente, then, is not a synonym for “peaceful coexistence,” and “peaceful coexistence” is not a dimension of peace as generally understood in the West. Rather, “. . . It is a policy of mobilization of the masses and launching vigorous action against the enemies of peace. Peaceful coexistence of states does not imply renunciation of the class struggle. . . . The coexistence of states with different social systems is a form of class struggle between socialism and capitalism.” (Statement of the 81 Communist and Workers Parties of December 1960.)

The question that arises in this connection is the following: why was the reading or listening public in the United States made to believe that peace and detente—the two major references in the Helsinki Agreement—are international givens, in no need of explanation? Should the signatories of the Final Act not have registered their full awareness of the fact that these two words have totally different connotations in the East and in the West? The leaders of the West, perhaps notably of the United States, have much to learn in this respect from the spokesmen for the Soviet Union who have been consistently clear, from the days of Lenin onward, in their instructions to friends and adversaries alike, just how detente relates to peace, and in which ways both serve Soviet conceptions of tactics, strategy, and security.

A definitive assessment of Helsinki and subsequent developments in our foreign policies may be premature in Belgrade (June 1977), at this Conference or anywhere else. But I found it difficult, at the time, to agree with Mr. Ford’s rationalization of the Helsinki arrangements, namely, that “If it all fails, Europe will be no worse off than it is now.”³¹ Washington may have thought of Helsinki as “a modest undertaking” (President Ford’s term), but its implications for Warsaw, Prague, or East Berlin are surely more serious than that, and the same holds for the governments and peoples of Western Europe.

The difference here may well be a function of different orientations toward time, specifically perhaps to experiences recorded in the past. No one in Europe will forget either the uprisings and protests against communist totalitarianism in Poland, East Germany, Hungary or Czechoslovakia, or the skillful integration of ideology, military force and semantic prowess that marked the crushing of these national and individual activities in furtherance of “the dignity of man.” Nor has the fact been consigned to oblivion that the United States was politically and militarily passive in the decades that climaxed in the years 1968 and 1970, even though it had morally and verbally encouraged this stubborn Eastern European resistance. Is our latest or our “new” initiative in behalf of human rights in this tortured European world designed to be more credible? How should one summarize its effects to date?

The American ratification of detente at Helsinki has provided the Soviet Union with many opportunities for the furtherance of its objectives in economic development, political consolidation and diplomacy. It has not been instrumental in promoting the cause of primary human rights. Certain technical provisions, calling, among other measures, for harmonizing statistical standards, arranging uniform hotel classifications, and promoting medical cooperation between the signatory states, may have been implemented. But it would surely be extravagant to regard these arrangements of Basket III as "rights," or as steppingstones toward the gradual evolution of legal norms protective of human dignity or conducive to "the spiritual enrichment of the personality." Indeed, in light of the well-known fact that the Soviet Union is the superpower it is in virtue precisely of its totalitarian form of government—and not of its success in exploiting its enormous economic resources—it was odd on our part to expect compliance with the human rights provisions of Helsinki, all the more so as the Kremlin had not honored earlier covenants guaranteeing similar lists of rights.

However, in encouraging protests and inducing a certain edginess on the part of the ruling agencies, our Helsinki policy has been effective in baring the vulnerability of the Soviet Union on several counts: it has revealed the lack of progress in intellectual life and culture, and, above all, it has removed whatever cover-ups remained from the realities of deep human disaffection with the Soviet order. Yet these effects of Helsinki and its aftermath have not, and probably will not be translated into advantages for our side because we lack the necessary policy design. There is thus no counterforce to stem the measures of repression against dissidence which have become intensified in the last few years—a vacuum calling to mind the great Maoist game of letting 100 Flowers bloom and wilt. Apart from convicting scores of dissidents of crimes and sending others to mental institutions, the Kremlin has also been able to reduce criticism at home, just before taking on the Belgrade Conference in June 1977, by arresting members of the unofficial watchdog group which had been set up to monitor compliance with the Helsinki principles.³²

The present human rights situation in the signatory states of Eastern Europe is infinitely more complex than that in the predominantly Russian realm. The main reasons for this difference must be sought in the realm's culture and history³³ on one hand, and in the satellite status of the nations on the other. Helsinki has sparked protest after protest here, nowhere more so than in the region's Northern triangle of East Germany, Poland and Czechoslovakia which constitute the foremost advance bastion of the Russian empire and are securely held by hundreds of thousands of Soviet troops. Despite forbidding odds, people here have not ceased being rebellious. Flights from communism have thus been going on in war and peace, with nearly 170,000 East Germans escaping to West Germany in the course of the last 16 years; with at least 171 would-be escapees killed since 1961, among them 70 at the Berlin wall; and with 125,000 ethnic Germans being allowed, by the Polish communist regime, to emigrate to West Germany—in this case bartered for more than \$900 million in cash and loans.

But the most impressive and important reaction to Helsinki was registered in Czechoslovakia where hundreds of dissidents combined to formulate their own human rights manifesto in 1977.³⁴ In this so-called Charter 77, the Czechs argue their case in a severely legal vein, charging violations not only of the two International Covenants of Human Rights and the Helsinki Agreement, but also of the state's national laws and constitution which assures freedom of speech in art.²⁸ In characterizing the philosophy of this document, the late Czech philosopher Jan Patocka had this to say:

... thoughtful persons look about them and see that there has been no success at all in "technically" establishing a morality, a convincing set of principles or reliable inner

convictions, because that is simply impossible. In the absence of inner convictions, one can neither expect that men will accommodate themselves to some given social order as a kind of second nature nor to accept coercive power lacking in moral legitimation. . . .

The Signatories of "Charter 77," therefore, believe that the spiritual significance of the Human Rights Pacts far exceeds that of current international treaties which are only a matter of national power-political opportunism.³⁵

The Prague government's rejoinder was quick and stern.³⁶ Reminding the people that adoption of the principles of coexistence "does not mean peace in the ideological sphere," that "ours is a class concept of freedom and that we shall not permit free speech to be abused against the interests of the working people," the regime notes:

The Helsinki conference clearly reaffirmed the inalienable right of each country to choose and develop its social system, and in line with it to set its laws and regulations.

Since this "inalienable law" has not been effectively contested by Western signatories of Helsinki—all "*verwicklungsscheu*" according to the *Neue Zürcher Zeitung*³⁷—it would indeed be unreasonable to overestimate Eastern Europe's capacity to withstand Russian pressures. In other words, the linkage between concern for the human factor and concern for security interests has either not been perceived or not been developed.

An evaluation of the effect of the American Helsinki initiative upon the nation's own processes of foreign policymaking can only be tentative in 1977. However, reasons exist to make one sceptical of President Carter's decision to make the Helsinki guidelines applicable to all nations everywhere, irrespective of whether our security concerns are served or damaged by such a move. The Ford Administration, being ideologically less doctrinaire than its successor, was more cautious and reflective in this regard. Philip C. Habib, then Assistant Secretary, Bureau of East Asian and Pacific Affairs, thus explained before the Subcommittee on International Organization of the House Committee on International Relations³⁸ that in our dealings with e.g. the Philippines and South Korea, we were, after all, dealing with friendly sovereign states that had political systems different from ours. And it must be noted that Secretary of State Cyrus R. Vance spoke in a similar vein on April 30, 1977, when he cautioned against dogmatic approaches and listed a set of carefully formulated criteria in terms of which violations of human rights should be analyzed for purposes of state. Being an advocate of "a realistic approach" the Secretary declared: "A sure formula for defeat of our goals would be a rigid, hubristic attempt to impose our values on others. A doctrinaire plan of action would be as damaging as indifference."³⁹ However, other spokesmen for the Administration, including President Carter, have in the meantime modified the message and the tone so that it is difficult today to know in just which ways our policy toward the Soviet Union diverges from our policies to other nations, friendly or unfriendly. This means that the security issue is being made to fade from public consciousness. It also means, in the context of the topic to which I was asked to address my remarks, that I cannot focus clearly on the "either-or" of "Interference or Legitimate International Concern...." Last year when I had my first chance to think seriously about Helsinki, I was more optimistic even though I had to register several reservations. But some of the conclusions which I reached then I also hold to today, namely:

Human Rights are not legitimate propositions either in domestic or international law.

Human Rights are not morally shared values or norms throughout the world.

Human Rights are legitimate concerns, not internationally or transnationally, but nationally and culturally in the context of Western civilization to which the United States may still belong despite its protestations to the contrary.

Human Rights are legitimate policy propositions; as such they require profound study before they are entrusted to diplomacy.

In last year's moment of truth, I could feel free to ask: Has the West under the leadership of the United States at long last found a way of countering communist ideological offensives by developing its own ideological initiatives, and if this should be so, is it likely that this new Human Rights Diplomacy will succeed? Assuming then that the ideological contest with the Soviet Union had been joined deliberately by the United States, and assuming further that we are serious in our intention to induce profound value changes in the camp of communism, the following might have to be considered:

(1) To refine the meaning content and definitions of the human rights that constitute the core of the Helsinki Policy. For example, is "emigration" a "right"? Should "being a refugee" be considered a "right"? Does it make a difference whether one person or a group of one million wants to emigrate? Is it morally or politically defensible to press for the emigration of a few prominent dissidents if such an action leads to greater hardships for X number of anonymous dissidents? Above all, is it compatible with our commitments to the security of Europe and with our national interests to help empty vital space in Europe by favoring the exodus of hundreds of thousands of people who are the carriers of the very values we want to promote in precisely the areas they want to leave?

(2) Establish an absolutely convincing linkage between our policy of advancing the cause of human rights and our military strategy.

(3) Perfect diplomatic and intelligence gathering methods with a view to:

(a) weakening the prestige of the Soviet Union; discrediting the communist operational code for manipulating men, ideas and history; and destabilizing relations between communist governments and between them and nongoverning communist parties;

(b) strengthening ties with groups favorable to the cause of increased autonomy and national independence;

(c) designing a reliable monitoring system for the appraisal of changes in orientations to human rights.

(4) Devise a new system of economic policies and sanctions for application solely in the Helsinki context of East/West relations which would reverse past practices of sustaining the economic foundations of the Soviet Union by grain shipments, chrome purchases, etc., while penalizing states for not conforming to our specified norms of human rights that are our friends and allies, or have been singled out as objects of sanctions by majority votes in the United Nations on grounds unrelated to our national interest.

(Earlier assumptions that economic development produces political stability, and that international cooperation in nonpolitical activities leads to cooperation in political relations, have proven quite unfounded. With special regard to our trade relations with the Soviet Union, we have often been told that if the Western world had not, since 1970, exported over 50 million tons of cereal grain to the Soviet Union and its satellites, and much of the bloc's most modern technology, and if we had

not financed the transactions with Western credits to the extent of \$40 billion, the Soviets could not have constructed its immense war machine. But see Professor Goldman's paper on this set of subjects.⁴⁰)

(5) Explain to the American public that a foreign policy which is not based on defense capability—a euphemism for the capacity to wage war successfully—is little more than words.

(6) Lastly and most importantly, sharpen perception, thought and verbalisation in all matters pertaining to East-West relations in general and the human rights issue in particular and engaged in systematic monitoring so as to know whether morally, diplomatically or legally crucial ideas are properly rendered by the words employed. This may imply the need to review the usefulness today of the traditional Occidental vocabulary of legal accord. It must include increased consciousness of the importance of semantics in our negotiations with communists—an issue well explained by Paul Nitze:⁴¹

In the actual substantive negotiations, they (the Moscow negotiators) employed an amazing tactical versatility. They used words in other than their normally accepted sense, or quotations out of context or subtly modified, and exploited the differences in nuance between Russian words and their English equivalents. . . they thoroughly understand the value of endless repetition.

Assessing our human rights policy 2 years after Helsinki does not allow for the conclusion that we have formulated a coherent strategic design, or that we have an equivalent for the Soviet doctrine of "the correlation of forces"—a term which includes the aggregate of psychological, intellectual, military, political and economic forces bearing on a given situation. Hopes to substantiate such a design in Soviet-US relations will therefore have to be deferred until we come to realize that security in the moral, political and military sense is, in the final analysis, a function of an enduring national will.

ENDNOTES

1. Charles Burton Marshall, *American Foreign Policy as a Dimension of the American Revolution*, American Enterprise Institute for Public Policy Research, Washington, DC, 1974, p. 17.
2. *Department of State Bulletin*, February 6, 1961, p. 175.
3. *Department of State Bulletin*, January 31, 1966, p. 152.
4. *Sarah Lawrence Alumnae Magazine*, vol. XXX (Spring 1965).
5. Sir Henry Maine, *Lectures on the Early History of Institutions*, New York, 1888, p. 399; See also Adda B. Bozeman, *The Future of Law in a Multicultural World*, Princeton, NJ, 1971, pp. 121-139 on India and Southeast Asia; pp. 140-160 on China; pp. 85-120 on Africa south of the Sahara. On "the human factor" in Africa, see Bozeman, *Conflict in Africa: Concepts and Realities*, Princeton, 1976.
6. For a full argumentation on these issues, see Bozeman, *The Future of Law* and authorities there cited.
7. For a recent affirmation of the need for tactically accommodating constitutionalism, see Santiago Carrillo's statement on the present policy of the Spanish communist party: "We are going to play the game of legality." *The New York Times*, January 16, 1977, p. L* 3. See Alfred G. Meyer, *Leninism*, New York, 1963, for a lucid analysis of the uses of democracy, specially pp. 57 ff, 92 ff.
8. See Robert Conquest, *The Great Terror, Stalin's Purge of the Thirties*, Rev. Ed., New York, 1973, p. 713, for this report from Sakharov.
9. *Ibid.*, p. 696.
10. *The Wall Street Journal*, January 24, 1977, to the effect that more than a million Cambodians had been killed as a result of Communist attempts to radically reorganize that nation. For detailed accounts of these processes, see Jean Lacouture in *New York Review of Books*, March 31, 1977.
11. On this point, see B. A. Santanmaria, "1976," *Quadrant*, November 1976, No. 112, vol. XX, No. 11, pp. 46-51.
12. *Infra*.
13. For the text of the Pravda Article Justifying the Invasion of Czechoslovakia (dated September 25, 1968), see Bozeman, *The Future of Law*, Appendix, pp. 187.
14. John P. Humphreys, "The International Law of Human Rights in the Middle Twentieth Century," in Dr. Maarten Box, ed., *The Present State of International Law and Other Essays*, written in honour of the Centenary Celebration of the International Law Association, 1873-1973, Kluwer, The Netherlands, 1973, pp. 75-105, see p. 102 for this quotation. See also by the same author, "The World Revolution and Human Rights" in Gottlieb ed., *Human Rights, Federalism and Minorities*, Toronto, 1970, p. 174.
15. Humphrey, "The International Law of Human Rights...", p. 105.

16. Cp. *supra*, p. . . . See Humphrey, *loc.cit.*, pp. 102 ff, to the effect that the right of self-determination can today be exercised only by a colonial "people" against a metropolitan power, and the latter must be European. For another searching analysis of the human rights issue, see Maurice Cranston, *What are Human Rights?*, Basic Books, New York, 1962. Among several valuable essays on the issue in *Howard Law Journal*, vol. II, Spring 1965, No. 2, "Symposium on the International Law of Human Rights," see A. Luini Del Russo, "The Human Person and Fundamental Freedoms in Europe," and Branko M. Peselj, "Recent Codification of Human Rights in Socialist Constitutions," pp. 342-356.

17. Warren Weinstein, "Africa's Approach to Human Rights at the United Nations," *Issue*, vol. VI, No. 4, Winter 1976, pp. 14 ff. See in the same journal, p. 2, "Note from the Editors," to the effect that the only human rights violations which do receive world attention in official forums are apartheid practices in the Union of South Africa and violations of rights in Rhodesia, Chile, and Israel's occupied territories.

18. *New York Times*, November 21, 1976.

19. *New York Times*, November 25, 1976 (as reported by Kathleen Teltsch).

20. Cp. *supra*, pp. 16-17 for my conclusions under section II and cp. Eugene V. Rostow's remarks in American Society of International Law, *Proceedings of the 70's Annual Meeting*, Washington, DC, April 23-24, 1976, p. 161, where the question is asked in regard to the norms of international law under Article 51 and Chapter VIII of the Charter, "whether these doctrines and principles, reiterated with startling continuity through the various organs of the United Nations, can properly be characterized still as legal norms, bearing some recognizable relationship to the behavior of states, or as no more than pious and utopian dreams."

21. From a statement by President Ford prior to his departure July 25, 1975, for the Helsinki Conference. *Department of State, News Release*, July 25, 1975.

22. *Department of State, News Release*, August 1, 1975.

23. *Ibid.*

24. *The New York Times*, May 21, 1977.

25. *The New York Times*, February 18, 1977.

26. *The New York Times*, March 21, 1977 (Report by Kathleen Teltsch).

27. From an address at Amherst College, December 9, 1964.

28. President Ford's speech of July 25, 1977, *loc.cit.*

29. Cp. *supra* p...

30. Gerald L. Steibel, *Detente: Promises and Pitfalls*, New York, 1975.

31. See address of July 25, 1977.

32. *New York Times*, June 2, 1977, and June 14, 1977.

33. Cp. *supra* p...
34. Text translated and published in *The New Leader*, January 31, 1977; also *New York Times*, January 27, 1977.
35. See *Encounter*, June 1977, vol. XLVIII, No. 6, pp. 74-75.
36. Permanent Mission of the Czechoslovak Socialist Republic to the United Nations, Press Release, February 7, 1977, "Human Rights: Facts against Slander."
37. *Neue Zürcher Zeitung*, 23-34 January 1977, p. 1, "Gärstoff 'Helsinki'."
38. *Department of State, News Release*, June 24, 1975.
39. *New York Times*, May 1977
40. See *Neue Zürcher Zeitung*, 6-7 February 1977, p. 17, for Vladimir Bukowski's address before the European Management Forum in Davos which contained a frontal attack on the generally accepted thesis that commerce and exchanges are bound to conduce, in the long run, to a relaxation of tyranny. As poignant evidence to that effect, he told his audience that the hand shackles he wore on his transport from the Soviet Union to Europe were marked "Made in USA."
41. Paul Nitze in "Foreword" to Donald G. Brennan, *Arms Treaties with Moscow: Unequal Terms Unevenly Applied?*, New York, 1975, p. xv (Agenda Paper No. 3, National Strategy Information Center).

Panel 5

Structure and Process in Forming National Security Policy

An examination of the process by which national security policy is formulated and the influences of the pluralistic society on that process. An appraisal of the national defense structure, the role of non-military sectors of the society in formulating policy through the dialogue of competition for limited resources and the part played by the media, labor and the Congress in the formal and informal structures. An assessment of the provisions, within the system, for corporate memory and institutional foresight.

Chairman

Honorable Brent Scowcroft, Lieutenant General, USAF (Ret.)

Authors

Professor Robert S. Wood, Department of Government and Foreign Affairs, University of Virginia

Professor Adam Yarmolinsky, University of Massachusetts, Downtown Center

Panelists

Mr. E. C. Aldridge, Systems Planning Corporation

Dr. Roy Amara, President, Institute for the Future

Mr. Ronald H. Brown, Deputy Executive Director, National Urban League

Honorable William E. Colby, Former Director, Central Intelligence Agency

Honorable Leslie Gelb, Director, Bureau of Politico-Military Affairs, Department of State

General Harold K. Johnson, USA (Ret.), Financial General Corporation

Mr. Crosby Kelly, Vice President, Rockwell International Corporation

Mr. John H. Lyons, President, Ironworkers International

Dr. Earle C. Ravenal, Georgetown School of Foreign Service

Ms. Joyce Lasky Shub, Foreign Policy Advisor to Senator Biden

LTGEN William Y. Smith, Assistant to the Chairman, The Joint Chiefs of Staff

General Maxwell D. Taylor (Ret.)

MG Jasper A. Welch, USAF, Assistant Chief of Staff (Studies and Analysis), United States Air Force

Rapporteur

LTC Thomas A. Pianka, USA

Panel 5

Structure and Process in Forming National Security Policy

**Honorable Brent Scowcroft,
LTG, USAF (Ret.)**

Chairman's Plenary Session Summary

Panel 5 on structure and process was peopled uniformly with strong panel members having strong views on every aspect of the subject. The discussion was invariably lively, albeit sometimes distinguished more by heat than light. I will try to be careful to, at pain of public disavowal, represent the panel's views on the various things that we discussed.

It was very difficult for us to get a handle on something so, on the one hand, cohesive and on the other amorphous as structure and process. In many respects we thought we were like the six blind men defining the character of the elephant. But armed with two outstanding papers, we sort of felt our way into the topic.

At the outset it was suggested that maybe we should decide what it was that we were talking about. That was followed by a lively discussion on the meaning of the term "national security," especially in view of the fact that the term in the past had perhaps been abused.

One of the papers presented to the panel pointed out the growing interdependence and mingling of things traditionally felt to be foreign and domestic and that the framers of the National Security Act of 1947 had in fact a very broad view of what was encompassed within the term "national security." It was suggested that "national security" could be defined as "a process of protecting all the assets, national interests, and sources of power necessary to secure the nation's well-being from threats—military, economic, and political—using appropriate resources."

Even with a definition such as this, we felt it was difficult to place any given subject either inside or outside the term "national security." It was also suggested that national security be viewed as one part of a continuum, following the goals specifically designed with survival of the nation at the one hand, blending down into issues dealing entirely with quality of life at the other. But there was no clear place on this continuum that you could delimit or mark a boundary of national security. It was noted that it had expanded to include issues such as global poverty, which had earlier been felt not to be a matter of particular national security concern for the United States.

Other issues, such as energy and nuclear proliferation, have, of course, both very intense domestic and national security implications, so we did not arrive at anything all that specific but did observe that national security had a much broader kind of a context now than had ordinarily been felt.

We did discuss quite explicitly whether a definition should include reference to domestic aspects of national security. I think the panel felt definitely that there were domestic aspects to

national security, and there was some attempt to include them in the definitions that I have set forth, but in view of the sensitivity of that aspect of it and the feeling that a description would have to be so carefully honed and delimited, we did not make that attempt.

As a way to get inside structure and process, which, if you pull it apart in a way you destroy what it is you are looking at because each part interacts with all the other parts, we decided to look at the principal actors in the process—the President, the Executive Branch, the Congress, pressure groups, and public opinion.

Starting with the President, there was a clear consensus that the President is the preeminent actor, certainly within the Executive Branch, in national security policy formulation and, therefore, that the particular structure of national security policy machinery would depend mainly on the President. It had to be something that he could or would use and feel comfortable with because the process was highly personality-dependent.

We felt that any structure should provide the President with: accurate information which he wants, needs quickly; all reasonable options on the issue under review; the views of all principal advisers and agencies; and some kind of mechanism to oversee the implementation of Presidential decisions. How this should be done was not discussed in the sense of a disposition to tinker with wiring diagrams or with the details of a structure, especially within the Executive Branch, for national security decisionmaking. I think this is a reflection of two things—that the machinery over the years has evolved into something that there is no great disagreement with; and secondly, in recognition of this preeminent role of the President, that he must be the one to develop the machinery or to use the machinery that is extant in the way in which he will be comfortable.

There was some discussion on (avoiding constitutional issues) compelling the President to receive advice from one or more people in different parts of the process. The feeling of the panel was that while there was no way that the President can be compelled, in making a decision, to accept advice from any or all of his advisers, the mere fact that he had to sit down and face or listen to one or more advisers, be it the Chairman of the Joint Chiefs, the Secretary of State (whatever), would be, first, an additional brake on hasty decisionmaking and would further ensure that all points of view would be heard.

The panel also looked at the relationship between the President and his personal advisers, whomever he selected, whether they had a formal or informal position within the government, and the bureaucracy itself. We felt that there were, by the very nature of the bureaucracy, pressures which naturally tended to impel the President to rely more heavily on a personal staff or on personal advisers as opposed to the bureaucratic machinery itself.

The panel felt that there was no guarantee that the agencies would or would not be brought into any particular issue in a bureaucratic way, that part of it depended on the nature of the issue itself, on the time available to make the decision and, in a sense, on the secrecy which the President or other actors felt was required in making the decision.

It was also felt that a decision with which the bureaucracy or elements of it were not in sympathy could cause grumbling, disaffection, leaks designed to negate the policy, and that this frequently would be an element in a decision not to use it. The panel felt, however, that the bureaucratic machinery was a vital resource, it always provided the function of keeping its own agency head abreast and aware of issues so that if the President decided on a more informal kind of decisionmaking process, the agency heads, the personal advisers that the President may call on, would themselves be able to provide these necessary attributes of a useful decisionmaking process.

The panel also was greatly concerned with the problem of introducing longer-range thinking into the decisionmaking process. And it was felt that perhaps this was a role that the bureaucracy could play which had not been fully exploited. There was full recognition of the difficulty of getting a grip on longer-range planning, the understanding that long-range planning staffs frequently become sort of ivory towers, totally outside the process, and therefore ignored; or, if they are successful, they tend to be coopted into the immediate decisionmaking process and lose the time and capacity to make longer-range projections.

While we didn't come to any real conclusion, I think we felt that perhaps a remunerative way to do it was rather than to set up separate staffs for long-range planning, to make cognitive changes on the part of the staff—which would have to come from the top, from the agency heads, or from the President himself—to structure the bureaucratic reward system, and to introduce a premium on longer-range implications of decisions and of policies. This, we all recognize, was likely, even if assiduously pursued, to take a matter of some years.

We dealt at considerable length with Executive-congressional relations. In general in this process we skirted the questions of constitutionality. We discussed the War Powers Act, for example, at some length but without attempting to get into any kind of a determination of whether any particular role was or was not constitutional in the breakdown. We had very interesting discussions, bolstered by an outstanding paper on this issue, but we did not try to resolve the question. We did generally agree, however, that the Congress' constitutional role should be strongly supported and that while for constitutional and organizational reasons we did not feel they could be involved in the details of substantive policymaking, greater efforts should be made to provide them with information. I think this was based both on the sense that they sometimes acted from insufficient information and also to break down what the panel felt was a significant problem pervading the whole area of national security policymaking at the present time—and that is a sense of distrust between the Executive and the Legislature, a sense of suspicion and distrust, and in a broader sense the public itself: distrust of government and of all larger institutions; that whatever the particular merits of the Executive-Legislative balance at any point, that it was important to make efforts to somehow break down this sense of distrust and a more open attitude toward providing Congress information would help. There was no great feeling, however, that this would in fact greatly diminish what I think at least most of the panel felt was a sort of struggle for power at the present time between the Executive and the Legislature stemming from past events but broader than any particular thing.

We labored under the handicap of not having a member of the media present in the panel, so they didn't fare quite as well as some of the other actors in the thing. We generally felt that the media was difficult to define and you could put it, depending on your predilections, either as a pressure group or within public opinion; we recognized that whether you felt it was a creator or a transmitter of opinion was of substantial importance in this whole process. The fact of it was apparent to all of us. What we did not agree is how the national security structure could or should deal with it. That question largely remained unanswered.

As I mentioned before, I think, in connection with this attitude of mistrust within the country, it was generally felt that the government as a whole had to live and operate more "in the sunlight," as one panelist expressed it. This stimulated considerable debate. For example, does not the public already have more information available to it, impressive fractions of which it ignores? Can it absorb more? What is the feedback? What do you expect from more information? How does the government protect what the panel felt was absolutely essential—and that is the Presidential advisory process in opening itself up? And would not the government opening up, leave itself open to charges of propagandizing the people in favor of its own ideas?

Nevertheless, I think most of the panel felt that there should be a more open policy for dissemination of information. A number of the panelists felt that the Executive Branch should make a fuller explanation of the choices that it faces, their anticipated costs and consequences, even if by doing so occasionally the ensuing debate would close off a favored option; in other words, that the Executive may have to sacrifice a certain amount of effectiveness for the sake of legitimacy. As I say, this was perhaps the most controversial of our discussions, and we all realized the difficulties and the pitfalls in this recommendation and the essential antagonism between some of the actors in this process.

Just by way of summary, to leave time for some questions, either for this or other panels, I think of the five actors, certainly the President, we felt, was by far the strongest in terms of the determinations of the policy itself; that the Executive agencies themselves played a considerable role in underpinning the policy, in developing it, in providing an expert basis for it.

We felt the pressure groups could be extremely effective but usually only on a narrow front on particular issues. The Congress and public opinion: I think generally it was felt that in a day-to-day operation of national security decisionmaking, they were not as strong certainly as the Executive Branch and not as strong generally on individual issues as pressure groups could be, recognizing that pressure groups, for example, would work through both the Executive Branch and the Congress and public opinion in achieving their particular aims, but that the Congress and public opinion possessed gross tools which on particular issues could substantially change both the direction and the character of national security decisions.

Panel 5

Structure and Process in Forming National Security Policy

Rapporteur's Report

LTC Thomas A. Pianka, USA

The panel agreed that it would be useful to begin its discussion by attempting to define at least in general terms the meaning of the term "national security." This seemed especially necessary because of the widely-held perception that in the recent past the term had been abused. One of the papers prepared for the panel underscored the growing interdependence and mingling, in recent years, of "domestic" and "foreign policy" issues. It was also pointed out that one need only glance at the 1947 National Security Act to realize that its framers had a broad view of the meaning of national security. In the spirit of the broad view, one panelist suggested the following definition: National security is the process of utilizing the appropriate resources to protect all the assets of power necessary to secure the nation's well-being from foreign military, economic, and political threats.

Even if this definition is accepted, the panel felt that it remains difficult to place any given issue inside or outside the domain of national security. One panelist suggested that the concept of protection is the essence of national security: The national security process entails looking at goals or interests with a view toward their protection. It was further suggested that national security be viewed as falling on a continuum of national goals, with national survival as one extreme which is clearly identifiable as a "national security" issue, phasing toward issues dealing chiefly with the quality of life. Especially in the present age, which as previously noted, is characterized by an increased comingling of issues, it is difficult to cut this continuum at any one point which would clearly mark the limits of national security and separate it from other national goals. National security may expand to encompass issues previously considered to be outside its purview. Global poverty, it was suggested, is an issue which is now seen to have previously unperceived national security implications. Other issues, such as energy, may move along the continuum toward the national survival extreme and assume additional national security aspects which they once lacked. Finally, new issues may arise, such as nuclear proliferation, with clear implications for national security. Through these various processes, the panel agreed, the mantle of national security has indeed come at the present time to cover a considerably broader range of issues than it had at any time in the past.

In its discussion of definitions, the panel recognized that threats to national security may arise in the form of unconstitutional or extraconstitutional domestic challenges, such as terrorism, subversion, the advocacy of violent overthrow of existing institutions and the like. However, in light of the complexity and sensitivity of these issues, it was felt that it would be more profitable to concentrate the panel's attention on the national security process in relation to the more clearly perceivable and definable parameter of foreign threats.

Having reached an acceptable working definition, the panel decided that it would be useful for its deliberations to discuss structure and processes in national security policymaking in terms of the five major actors involved: the President, the Executive agencies, Congress, pressure groups, and public opinion.

There was clear consensus that the President—defined as the “institutional Presidency,” including the Chief Executive and his immediate staff—is the preeminent actor in national security policy formulation. This preeminence results from the nature of foreign affairs in general and, as one of the papers prepared for the conference emphasized, the historical development of American constitutional theory and practice.

The panel also agreed that the structure within the Executive Branch for national security policy formulation depends mainly upon the President and his personality: it must be something he can use and with which he must feel comfortable. Whether the structure is formally designed or evolves, it is dependent upon the President’s personality. Any established organization for policymaking, even if it happens to be legislated, may be supplemented or bypassed by a system the President finds more suitable. Moreover, the formal system, whether it is legislated or otherwise developed, may or may not be the primary vehicle for national security policy decisionmaking. Many issues, or perhaps only selected ones, may actually be decided outside the formal system. Some panelists recalled Dr. Kissinger’s 1966 article in which he pointed out the necessity of sometimes keeping the development of major policy departures secret from the established system, a technique most dramatically employed in President Nixon’s opening to China.

Given the decisive influence of the Presidential personality on the policy process, the panel agreed that a staff’s duty is to adapt to the President’s needs. As one panelist expressed it, it is fruitless to try to “reform” the President. If he is disorderly, the staff must work all the more assiduously to ensure order in the system. Another panelist felt that all established systems eventually break down and that *ad hoc* systems will evolve. It is the task of staff personnel, he felt, to adapt to this: it must “staff the Tuesday Luncheon,” so to speak, if such an affair becomes the primary means of conveying advice to the President on national security problems.

In any case, it was agreed that any structure should:

- Provide the President with the information he requires quickly and accurately;
- Present all reasonable options; and
- Present the point of view of all principal advisors to the President.

The precise structure should function in such a way that the President will be encouraged to use it because it allows him to make the most informed decisions possible.

The panel also agreed that the structure should provide a means for monitoring the implementation of decisions. There was no clear consensus, however, as to whether this could be more effectively accomplished by an entity on the President’s staff, similar perhaps to the Policy Coordinating Board of the Eisenhower Administration, or by the operating Cabinet and agency heads. Some panelists suggested that a system for critiquing the implementation phase of the policy process would be useful.

The panel devoted some time to discussing the problems that may arise in relations between the President’s personal staff and the larger bureaucracy. It was felt that inherent slowness in responding to requirements and the possibility of dissent—whether for legitimate or shortsighted

reasons—on the part of the bureaucracy impel a President to depend more heavily on his personal staff or advisors than on the bureaucratic machinery. This is inescapable, given the President's preeminence in foreign policy, the human inclination to acquire an inner circle of trusted advisors, and the attitudinal and administrative tendencies which are familiar from the "bureaucratic politics" literature, that encumber and slow down the response capabilities of the departments and agencies. These inherent and timeless weaknesses of the larger bureaucracy are reinforced by advances in new technologies of communication, transportation, and data transmission which in many instances compel quick decisions and immediate action. The panel also discussed the inner workings of the President's staff and advisory circle and concluded that absolutely smooth and friendly relationships among the principal national security advisers is not a prerequisite for effective policymaking. In fact, and again depending upon the personality of the President, a certain amount of "creative tension" among them may not be unwelcome in that it may tend to illuminate more fully the options available and their costs and consequences.

There was considerable discussion of the necessity to bring political considerations early and effectively into the policymaking process. The panel addressed more fully the need for openness in the system later in its discussions, but at this point, it generally agreed that the political ramifications of a policy under consideration be an integral part of the decisionmaking process.

As alluded to previously, the larger bureaucracy of the Executive Branch departments and agencies may or may not be brought substantively into the policy formulation process. This will frequently depend not only upon the nature of the issue, but on the time available for decision, as well as the President's predilections. The consequences of this fact were discussed at some length. Exclusion of the bureaucracy from effective participation in the process may cause grumbling, leaks designed to counter policies upon which the agency was not consulted or with which it disagrees, and lags—often deliberate—in the implementation process. The bureaucracy, in other words, is not without weapons in this struggle. On the other hand, the President is far from powerless in countering or foreclosing such actions on the bureaucracy's part. It is a simple matter, and a technique sometimes used in the past, to hold formal meetings to ratify or "legitimize" decisions already taken in private or within a closed inner circle—a form of "stroking" the bureaucracy as one panelist expressed it. Bureaucratic maneuverings of the past notwithstanding, however, the panel seemed generally to agree that the best system provides for full and real presentation of the views of all principal statutory advisers and the organizations they represent in order to ensure the best informed policymaking process. Whatever the particular involvement of the bureaucracy in a specific case, it still performs the vital function of keeping the various department and agency heads as fully informed as possible with the background information they require to fulfill their function of advising the President. At any rate, the panel felt that despite the inherent cumbersomeness of the machinery, the bureaucracy represents a vast fund of knowledge, information, and expertise, and the President and his staff should make strong efforts to use its potential effectively.

The panel also addressed at some length the problem of building into the policy formulation system a capacity for anticipatory deliberations, i.e., a capability for a longer-range look at potential or burgeoning issues. Put another way, can long-range policy planning be satisfactorily integrated into the decisionmaking process? Experience has repeatedly demonstrated that policy planning staffs, if relatively ineffective, degenerate into ivory towers whose personnel, deliberations, and products are ignored. If they are effective, on the other hand, they tend to be drawn into the maw of current events and crises. Some panelists also pointed out that it is difficult to establish the relevance of long-range planning and another stressed that all planning should affect today's operations or it ceases to be useful. For these reasons it was generally agreed that long- and short-range planning and policy formulation should not be organizationally separated and that separate entities for the longer perspective are best avoided. Rather than being a piece of

institutional turf, long-range planning, in the expression of one panelist, should be a habit of mind. It is better to encourage cognitive changes on the part of existing staffers, to seek to impart changes in their mind sets which will impel a longer-range perspective. Moreover, success can be expected only on occasion and only on the margins. Even this is an admittedly difficult order and many panelists were not sanguine concerning it. Based on the experience of private business, it would seem that this desirable if difficult change depends upon revising educational processes, both in the general educational system and within the organization's training program, changes in the incentive systems within the organization to reward the longer-range perspective and the strong and sustained interest of the Chief Executive.

The question of how well the Executive Branch can be expected to develop a purposeful and coherent strategy, with due consideration and concern for the long range, and the role of the Congress in this process, was discussed at some length. Substantive questions such as containment and detente, Cyprus, Angola, and the Indian Ocean were brought into the discussion in order to illuminate the issues involved in this problem. Some participants pointed out that the implementing agencies, especially their planners and operators, need clear policy guidelines. However, other panelists noted that detailed long-range planning is either anodyne or implies or conduces an activist interventionist role unsuited to a power like the United States which does not seek world domination. In general it was conceded that the formulation of long-range strategy is difficult, especially in detail. Nevertheless, the panel generally agreed that a stronger effort should be made to seek long-range continuity and coherence in foreign policy, i.e., to project ahead and to integrate as much as possible goals and operations, plans, and actions.

The panel discussed Executive-congressional relations at length. It became clear in this discussion that, because of congressional sensitivity to constituent and media opinion and to interest group pressures, the Executive's relationships with all three actors are closely intertwined. The panel did not question the necessity and desirability of providing for the constitutional role of Congress in the foreign policy formulation process. It was generally agreed, however, that it is infeasible, as well as of dubious constitutionality, for Congress to be involved in the details of substantive policymaking. Because of its inherent organizational character, Congress cannot be a mirror-image of the Executive Branch and it cannot aggregate interests into a coherent policy. However, subject to maintenance of secrecy for constitutionally protected advice given to the President, the Executive Branch must make a greater effort to supply more information to Congress, through declassification of information where possible and necessary, and through other devices. The panel did not believe that such an effort would quickly solve the present conflict between the two branches, but a more frank and open dialogue between the branches could over time rebuild a more cooperative and fruitful relationship.

However, for Congress to play its legitimate role effectively, the public must also be kept informed and, of course, the media cannot be ignored in this process. The resolution of national security issues often requires not simply "permissive consensus," but rather a positive stand on the part of individual Senators and Congressmen. (In this connection, some panelists pointed to a serious dilemma for Congress—does it and should it *lead* or *follow* public opinion?) At any rate, public opinion will be a major determinant of how Congress reacts to the Executive lead in national security policy issues. Moreover, a substantial portion of the old foreign policy consensus, anchored essentially in the containment policy, has broken down. One panelist pointed out that large numbers of people reject both containment and its more recent partner, detente, preferring instead a form of isolationism. The panel also recalled from its earlier discussions that foreign policy issues are now often intertwined with domestic issues having powerful constituencies, some broadly based and others depending on single issue pressure groups which may be more narrowly based but have the advantage of a tight and disciplined focus. Furthermore, Congress, reflecting the society at large, is now more pluralistic, and there has been a substantial decline in its inner discipline, making

consultation and agreement between the two branches both more difficult and less assured. Thus, the Executive must make efforts to inform more completely the public, which is accomplished most often through the media, in order to strengthen the cooperation of Congress.

There was considerable debate and some disagreement as to the nature of the media, i.e., is it merely a business or literally a Fourth Estate. Further discussion concerned the degree to which its opinions tend to be monolithic or characterized by a predictable sameness. The exact degree of its effect on public opinion was also subject to some disagreement. The panel did agree, however, that the media are extremely important whether as creators or transmitters of opinion. Television especially, because of its intimacy and pervasiveness, is of overwhelming influence. The fact is that the media are there: The question is how does the national security policy structure deal with them? That question remained unsolved in detail, but the panel agreed with one member that rather than "subverting, overriding, co-opting, or faking out" the media and the public, the system must live with them honestly.

The panel felt, then, that the government must learn to live and operate more openly, "in the sunlight" as one panelist suggested. There was considerable debate on the details of operating "in the sunlight," however, and a number of doubts were raised. Does not the public already have available a great deal of information, most of which large fractions of the public ignore? Can it absorb more information, and how is the feedback to be gauged? How does the government protect a President's advisory process, without which he will not be able to get the assistance essential to sound and informed decisionmaking? Finally—and most of the panel found this point deeply disquieting—would not the government open itself to charges of propagandizing its own people were it to provide more information with a view to seeking increased support for its policy decisions?

Nevertheless, most of the panel agreed that the current national mood of distrust and suspicion decrees that the national security policy process must be more open, that there should be less secrecy, and that a greater effort must be made to keep Congress and the public informed. As already noted, there was strong support for protecting Presidential advice and counsel. Most felt, however, that the Executive Branch must provide a fuller explanation, not of the deliberative process itself, but of the choices it faces in national security affairs and their anticipated costs and consequences. (This would have the additional welcome effect of forcing the system to think through the costs and consequences of proposed policies more thoroughly than had sometimes been the case in the past.) This is necessary even if by doing so the Executive will see a favored option foreclosed or suffer an occasional reversal of policies it prefers. In short, the Executive may have to sacrifice a certain amount of effectiveness for the sake of legitimacy. The panel recognized the difficulties and pitfalls in this recommendation. The issues are complex and not easy to explain. Adversary relationships between the branches and among the various and multiple nodes of interest and power within the body politic will ensure that information provided by the Executive will be used selectively to support preconceived positions. Nevertheless, the general desire on the part of the citizenry for a sense of participation and for knowing what is happening in matters that seriously affect it, are basic psychological needs not to be denied in a democratic system.

Finally, by way of summary, the panel reviewed the relative power wielded by the five actors on national security policy which formed the framework for its discussion. The President remains the central figure in policy formulation and he, with his personal advisers, will have the strongest effect on its outcome. The Executive Branch departments and agencies have a moderate influence and considerable potential, and could perhaps provide the venue for improvements in dealing with long-range issues. Individual pressure groups can and do exert a strong and tightly-focused effect on policy, especially as they act on all the other participants in the process, but usually on only a narrow front. Congress and public opinion (under which rubric the media are included) possess

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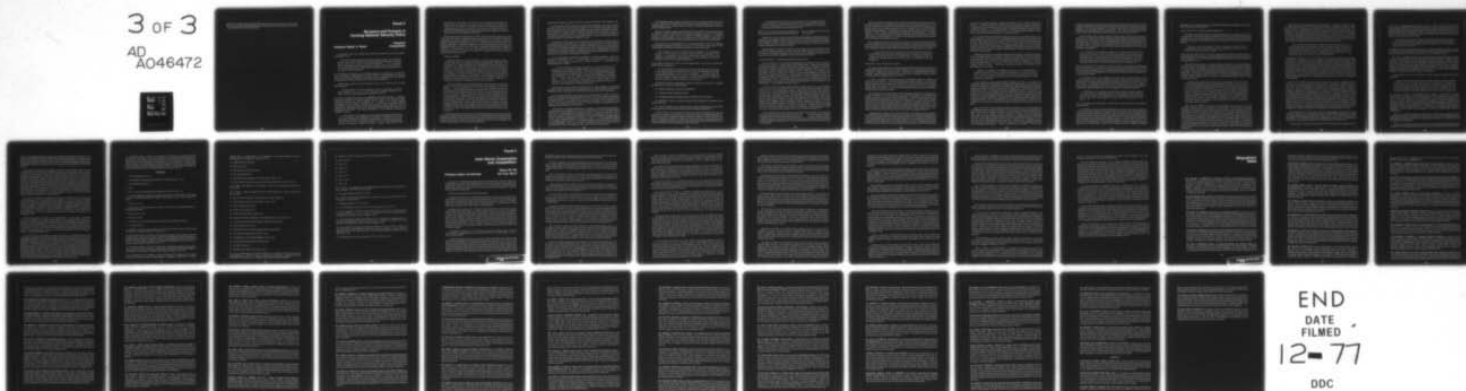
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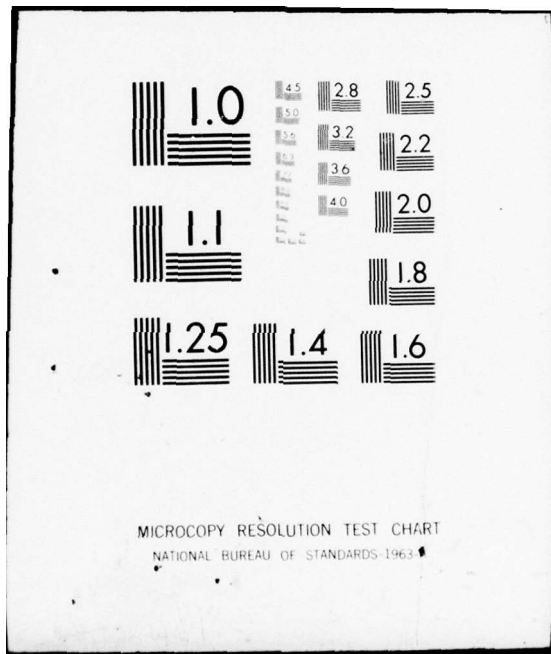
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gross tools or powers which, although of lesser influence than the other actors on a day-to-day basis, can cause radical changes and departures in policy, when they are aroused to do so by real or perceived abuse of power by the other actors.

Panel 5

Structure and Process in Forming National Security Policy

Professor Robert S. Wood

**Historical
Perspectives**

In explanation of the forces motivating the drafters of the Constitution of the United States, James Madison wrote:

To secure the public good and private rights against the danger of [an overbearing majority], and at the same time to preserve the spirit and form of popular government is then the great object to which our inquiries are directed. . . .¹ It is a melancholy reflection that liberty should be equally exposed to danger whether the government have too much or too little power, and that the line which divides these extremes should be so inaccurately defined by experience.²

In effect, Madison conceived the great constitutive mission as the construction of a *democratic* form of government so organized as to be both solicitous of *individual rights* and *stable and competent* in operation. The formula by which this was to be accomplished was the twin principles of the separation of powers doctrine and the concept of checks and balances.

Madison defined tyranny as the concentration of power. As he observed in *The Federalist Papers*, number 47:

The accumulation of all powers, legislative, executive, and judiciary, in the same hands, whether of one, a few, or many, and whether hereditary, self-appointed, or elective, may justly be pronounced the very definition of tyranny.³

The powers of government can thus be distinguished along functional lines—i.e., legislative, executive, and judiciary—and should be divided into three branches of government. So divided, institutional jealousies and personal ambition will so operate as to forestall dangerous concentrations of power. Hence, as Madison wrote, “. . . the greatest security against a gradual concentration of the several powers in the same department consists in giving to those who administer each department the necessary constitutional means and personal motives to resist encroachment of the other.”⁴ Thus was asserted what M. J. C. Vile called the “pure doctrine of separation of powers.”

A “pure doctrine” of the separation of powers might be formulated in the following way: It is essential for the establishment and maintenance of political liberty that the government be divided into three branches or departments, the legislative, the executive, and the judiciary. To each of these three branches, there is a corresponding identifiable function of government, legislative, executive, or judicial. Each branch of the

government must be confined to the exercise of its own function and not allowed to encroach upon the functions of the other branches. Furthermore, the persons who compose these three agencies of government must be kept separate and distinct, no individual being allowed to be at the same time a member of more than one branch. In this way each of the branches will be a check to the others and no single group of people will be able to control the machinery of the State.⁵

Madison and the other founders did not, however, believe that a strict separation of powers would prove either efficient or adequate to prevent an abuse of power. The doctrine was therefore complemented by checks and balances. In effect, the separation of powers did not require the branches of government, in Madison's words, to "be wholly unconnected with each other" and indeed he argued that "unless these departments be so far connected and blended as to give each a constitutional control over the others, the degree of separation which the maxim requires, as essential to a free government, can never in practice be duly maintained."⁶ In effect, the constitutional system was so devised as to require the cooperation of the separate branches if government were to function at all.

As Mr. Vile explained:

The pure doctrine as we have described it embodies what might be called a "negative" approach to the checking of the power of the agencies of government. The mere existence of several autonomous decision-taking bodies with specific functions is considered to be a sufficient brake upon the concentration of power. Nothing more is needed. They do not actively exercise checks upon each other, for to do so would be to "interfere" in the functions of another branch. However, the theory does not indicate how an agency, or the group of persons who wields its authority, are to be restrained if they do attempt to exercise power improperly by encroaching upon the functions of another branch. The inadequacy of the controls which this negative approach to the checking of arbitrary rules provides, leads on to the adoption of other ideas to complement the doctrine of the separation of powers and to modify it.

The most important of these modifications lies in the amalgamation of the doctrine with the theory of mixed government, or with its later form, the theory of checks and balances. . . . From an analytical point of view, the main consideration is that these theories were used to import the idea of a set of positive checks to the exercise of power into the doctrine of the separation of powers. That is to say that each branch was given the power to exercise a degree of direct control over the others by authorizing it to play a part, although only a limited part in the exercise of the other's functions. Thus, the executive branch was given a veto power over legislation, or the legislative branch was given the power of impeachment. The important point is that this power to "interfere" was only a limited one, so that the basic idea of a division of functions remained, modified by the view that each of the branches could exercise some authority in the field of all three functions. This is the amalgam of the doctrine of separation of powers with the theory of checks and balances which formed the basis of the United States Constitution.⁷

It was the conjunction of these ideas in the constitutional framework which was to provide a democratic government both efficient and protective of individual liberties. The Constitution thus embodies the American version of limited government. The critical question for any inquiry into national security policy is whether or not this constitutional formula was to be applied to the conduct of foreign affairs as it was to domestic policymaking.

Foreign Policy Prerogatives, Separation of Powers, and Executive Privilege: The "Classical" View

It is interesting to note that John Locke, another great contributor to the notion of limited government and one who exerted important influence on the thinking of the founders, did not place foreign policy power under the same limitations as other exercises of government authority. Locke, unlike the Founders, defined institutional limitations almost exclusively in terms of restrictions upon executive power—but, at the same time, he did not extend these restrictions to the executive's exercise of power in external affairs. Indeed, he referred to this latter assertion of executive authority by a special term, "federative" power.⁸

In his essay *On Civil Government*, Locke argued that whereas government should be limited and controlled by the people with respect to domestic policies, the nature of external affairs was such that government must be sovereign and capable of speaking with one voice. Locke's argument may be related to the general tradition of "reason of state"—that is, that the security of the state is fundamental and undergirds whatever constitutional order may be established. Protection of the state and its external position is thus extra-constitutional and resides in that authority most able to mobilize forces and conduct a unified policy, the executive.

In the United Kingdom, this power was designated as "the King's prerogative" under which Blackstone's *Commentaries* listed "...The entire range of powers relating to war and peace, to diplomacy and the making of treaties, and to military command..."⁹ Arthur Bestor thus describes Blackstone's position:

At the outset, Blackstone recognizes two different sources for the authority of the chief executive in the domain of foreign relations. Vis-a-vis other nations, the King "is the delegate or representative of his people." Therefore, the handling of all aspects of the "nation's intercourse with foreign nations" is an executive prerogative. The King is also "the generalissimo, or the first in military command, within the Kingdom," and this fact places in executive hands the control of a variety of matters relating to military security. . . . One of the variety of matters relating to military security is the "prerogatives to make treaties, leagues, and alliances with foreign states and princes." The next is "the sole prerogative of making war and peace."¹⁰

Those partisans of executive power in foreign affairs in the continuing debate over presidential prerogatives tend to emphasize both the general perspective of Locke and Blackstone and the near absolute character of the separation of powers doctrine, at least in the area of external policy.

Even Alexander Hamilton, who argued in the *Federalist Papers*, number 69, that the President's powers under the constitution were far inferior to those of the King of England, later asserted that authority over foreign relations was *per se* an executive function and that Congress was limited only to such authority as was specifically enumerated in the Constitution.¹¹ In practice, many implied powers flowed from the executive authority in foreign affairs whereas congressional power should be seen restrictively.

Under this line of reasoning, foreign policy is "executive" in nature and the presumption of authority therefore should always be on the side of the President. As Justice Sutherland argued in *United States v. Curtiss-Wright Export Corporation* (1936): "In this vast external realm, with its important, complicated, delicate and manifold problems, the President alone has the power to speak or to listen as a representative of the nation."¹² And Senator J. William Fulbright supported in 1961 a near total presidential authority in the use of force: "...We have hobbled the President by too niggardly a grant of power. . . . As Commander-in-Chief of the armed forces, the President has full responsibility, which cannot be shared, for military decisions in a world in which the difference between safety and cataclysm can be a matter of hours or even minutes."¹³

If the President possesses extensive prerogatives in the area of national security, then so too do many departments and subordinates acting under his general direction. An invocation of national security is thus a political question not subject to judicial interpretation or resolution under constitutional norms.

Moreover, this range of privileged presidential power is also justified on the general grounds of the separation of powers doctrine—that is, presidential discretion in the area of his executive functions is complete, subject only to the grossest of legislative discipline, i.e., cutting off appropriations or impeachment. In effect, in carrying out an executive function, as long as they are not clearly criminal, deliberation and decisionmaking within the executive branch are privileged.

This assertion of a constitutional basis for executive privilege was the heart of Attorney General Richard Kleindienst's testimony on April 10, 1973, before a joint session of three subcommittees of the Senate's Government Operations and Judiciary Committee:

*The separation of powers doctrine gives the President the constitutional authority. . . in his discretion to withhold certain documents or information in his possession or in possession of the executive branch from compulsory process of the legislative or judicial branch of the Government, if he believes disclosure would impair the proper exercise of his constitutional functions.*¹⁴

Earlier President Eisenhower's Attorney General, William Rogers, later Secretary of State under Richard Nixon, also argued that:

*By the Constitution, the President is invested with certain political powers. He may use his own discretion in executing these powers. He is accountable only to his country in his political character, and to his own conscience. . . . Questions which the Constitution and laws leave to the Executive, or which are in their nature political, are not for the Courts to decide, and there is no power in the Courts to control the President's discretion or decision, with respect to such questions.*¹⁵

On this basis, Attorney General Rogers stated the privilege of the executive to withhold information from Congress in the following areas:

- (1) military and diplomatic secrets and foreign affairs;
- (2) information made confidential by statute;
- (3) investigations relating to pending litigation, investigative files, and reports;
- (4) information relating to internal government affairs privileged from disclosure in the public interest; and
- (5) records incidental to the making of policy, including interdepartmental memoranda, advisory opinions, recommendations of subordinates and informal working papers.¹⁶

In *United States v. Nixon*, 418 US (1974), the court ruled that President Nixon could not invoke executive privilege to withhold from a prosecutor evidence in criminal proceedings. The issue did not concern a congressional request for information. However, the fact that the court did make a determination would tend to indicate that, in the court's view, executive privilege is not plenary nor entirely discretionary. At the same time, Chief Justice Burger did uphold the notion of executive privilege as rooted in the separation of powers doctrine:

The privilege can be said to derive from the supremacy of each branch within its own assigned areas of constitutional duties. Certain powers and privileges flow from the nature of enumerated powers; the protection of the confidentiality of Presidential communications has similar constitutional underpinnings.¹⁷

Moreover, the Court did maintain that presidential assertions of privilege in order to protect matters relating to national security should be given the "most deference."¹⁸

Although the executive privilege asserted by Kleindienst and Rogers relates specifically to the transmission of information, both the substantive claims and constitutional arguments constitute a broad discretionary authority under the separation of powers doctrine. Coupled with an assertion of the peculiarly "executive" nature of foreign affairs, these arguments give enormous scope to the President's prerogatives in national security policy.

Although there is no question that there have been abundant arguments throughout history for broad presidential prerogatives in foreign affairs, the original question remains: what is the exact pattern of authority established by the Constitution and, assuming the language of that document is not necessarily unambiguous, what was the intent of the framers?

Foreign Policy Powers: Constitutional Language and Framer's Intent

Article I, Section 8, of the Constitution explicitly grants to Congress the power to "provide for the common Defense"; "regulate Commerce with foreign Nations"; "define and punish Piracies and Felonies committed on the high seas and Offences against the Law of Nations"; "declare War, grant letters of marque and reprisal, and make rules concerning captures on land and water"; "raise and support Armies"; "provide and maintain a Navy"; "make Rules for Government and Regulation of the land and naval forces"; "provide for calling forth the Militia to execute the Laws of the Union, suppress Insurrection and repel Invasions"; "provide for organizing, arming, and disciplining the Militia, and for governing such Part of them as may be employed in the service of the United States"; and to "make all laws which shall be necessary for carrying into Execution the foregoing Powers, and all other Powers vested by this Constitution in the Government of the United States, or in any Department or Officer thereof."¹⁹

If Article I, Section 8, grants specific authority, Article II, Section 2, states presidential authority not in terms of function but of office: "The President shall be commander in chief of the army and navy of the United States, and of the militia of the several states, when called into the actual service of the United States."²⁰ Partisans of presidential power assert that authority in external affairs, particularly war powers, not specifically delegated elsewhere, inhere in the executive office of the President. On the other hand, advocates of Congressional authority argue that the specific grants of authority in Article I, especially the power "to declare war," provide Congress with an amplitude of power, including the right to authorize war. Indeed, in 1793 none other than James Madison defined external power, and most specifically war making, not as being executive but legislative in character: "The power to declare war. . . including the power of judging the causes of war, is fully and exclusively vested in the Legislature, that the executive has no right in any case, to decide the question whether there is, or is not cause for declaring war."²¹

If one examines the record of the debates of the Constitutional Convention, it in fact becomes rather clear that the framers, unlike John Locke, did not treat the exercise of power externally as something apart from the general constitutional formula. There was indeed an attempt to organize a unified foreign policy represented by the executive branch but in coordination with Congress. As in other areas, both the separation of powers and checks and balances were to govern the conduct of foreign affairs.

Much of the debate concerning the relative authority of President and Congress centered on the power to declare war. The original draft empowered Congress "to make war," but it was felt that this wording was too restrictive on the Executive in case of sudden attacks. Moreover, it was generally agreed that the normal conduct of war, once initiated, was an executive function. Nonetheless, there appeared to be general agreement that the determination of war was normally a legislative function.²² Hence, Raoul Berger concluded that the Constitution "...conferred virtually all of war making powers upon Congress, leaving the President only the power 'to repel sudden attack' on the United States."²³ It would seem that Madison's assessment of the respective powers of President and Congress was accurate.

But, if Madison was correct as to the general consensus at the Constitutional Convention, many have argued that he was wrong in terms of the historical evolution which in the long haul favored presidential authority. Eugene Rostow criticizes those scholars who seek to delimit foreign policy authority on the basis of the Constitutional Convention. He argues that they too readily

*...dismiss the fact that the men who made the Constitution had quite another view of its imperatives when they became Presidents, Senators, Congressmen, and Secretaries of State. The words and conduct of the Founding Fathers in office hardly support the simplified and unworldly models we are asked to accept as embodiments of the only True Faith.*²⁴

Foreign Policy Powers: The Historical Evolution

As early as 1793 the nation was torn by a presidential assertion of foreign policy authority. In response to Washington's declaration of neutrality between France and England, Hamilton writing as "Pacificus" defended the executive right to determine war whereas Madison writing as "Helvidius" upheld a legislative right in this area. As it turned out, Washington's position prevailed, as Congress enacted a neutrality act on June 5, 1794.²⁵

In 1795, by the Militia Act Congress granted to the President authority to mobilize and command the state militia "...whenever the United States shall be invaded, or be in imminent danger of invasion from any foreign nation or Indian tribe."²⁶ Both in this case and that of the war between Britain and France, one could argue that Congress did in fact assert its legislative authority. But, at the same time, a process of sustaining prior presidential actions and granting him broad discretionary authority was begun.

This expanding view of presidential power was subsequently sustained by two Supreme Court decisions. In *Martin v. Mott* (1827), Justice Story argued "The authority to decide whether the exigency [requiring the use of militia under the Militia Act of 1795] has arisen belongs exclusively to the President, and his decision is conclusive upon all other persons."²⁷ And in *Luther v. Borden* (1849), the court in effect declared the question as to whether an emergency sufficient to require the exercise of force existed a "political question" and beyond the competence of the Court: "It is said that the power in the President is dangerous to liberty, and may be abused. All power may be abused if placed in unworthy hands. But it would be difficult, we think, to point out any other hands in which this power would be more safe, and at the same time equally effectual."²⁸

American history is replete with instances of assertions of war-making power by the President or his subordinates without legislative authorization or at times even subsequent formal approval. A notable early example in 1818 was General Andrew Jackson's foray on President James Monroe's orders into Spanish Florida in pursuit of renegade Indians and the subsequent attacks by Jackson on Spanish forts and Indians alike as well as the summary execution of two British citizens. And in the Mexican-American War one can certainly argue that President Polk presented the Congress with

a *fait accompli* virtually compelling a Congressional declaration of War. As William Howard Taft observed, "...Congress has the power to declare war, but with the army and navy, the President can take action so as to involve the country in war and to leave Congress no option but to declare it or recognize its existence."²⁹ And indeed, despite the dominance of legislative authority between Jefferson and Lincoln, one study indicates that over 60 reported military hostilities occurred without explicit Congressional authorization or a declaration of war.³⁰

It is generally agreed that President Abraham Lincoln was the principal architect of the modern expansion of the powers of the Commander-in-Chief—ironical in view of Congressman Lincoln's dissent from Polk's action in Mexico.³¹ By virtue of the Commander-in-Chief clause and the clause which makes it the duty of the President "to take care that the laws be faithfully executed," Lincoln without prior consent of Congress suspended *habeas corpus*, ordered money advanced from the treasury without legislative appropriation, expanded the armed forces, ordered summary arrests and confiscation of property, submitted civilians to military tribunals, and ordered a blockade of southern ports.

Although these initiatives are classified as domestic and although the court did later invalidate certain of Lincoln's activities (i.e., suspension of *habeas corpus*, martial law), these actions together are generally indicative of the expansion of executive power during crises and tend to sustain the notion that the power to protect the fundamental security and integrity of the state is extra-constitutional. Moreover, in the *Prize Cases* (1862), the Court reaffirmed the "political question" notion of *Luther v. Borden* and asserted the primacy of the President in the determination of war and peace:

*Whether the President, in fulfilling his duties, as Commander-in-Chief, in suppressing an insurrection, had met with such armed resistance. . . as will compel him to accord to them the character of belligerents, is a question to be decided by him, and this Court must be governed by the decision and acts of the political department to which this power was entrusted.*³²

In the twentieth century, President William McKinley acted solely on his authority as Commander-in-Chief when he dispatched a naval force and 5,000 land forces to participate in the international expedition to suppress the Boxer Rebellion in China. Theodore Roosevelt explicitly embraced an expansive view of the executive power in foreign affairs: "The biggest matters (of my administration), such as the Portsmouth peace, the acquisition of Panama, and sending the fleet around the world, I managed without consultation with anyone; for when a matter is of capital importance, it is well to have it handled by one man only."³³ Subsequent to raids by Pancho Villa into New Mexico, Woodrow Wilson authorized a punitive expedition into Mexico without formal congressional sanction. Similarly, he committed forces in North Russia and Siberia following the Bolshevik Revolution in 1917. Although there was substantial opposition in Congress and two resolutions were introduced with the intent of halting the expeditions, no Congressional action was taken.

After the Civil War, the most significant increases in presidential power occurred during the two World Wars. After a refusal by Congress in 1917 to allow him to arm merchant ships bound for Europe, President Wilson undertook the action on his own authority and thus moved the United States closer to war. Similarly, President Franklin D. Roosevelt without Congressional authorization exchanged 50 American destroyers for the lease of British bases, placed Greenland under U.S. control and Iceland under American protection, occupied Dutch Guinea, and in 1941 issued the famous "shoot-on-sight" order to the Navy: "when you see a rattlesnake poised to strike, you do not wait until he has struck before you crush him. The Nazi submarines and raiders are the rattlesnakes of the Atlantic. . . . They are a challenge to our sovereignty."³⁴ And, of course,

the apparent vindication by the Japanese at Pearl Harbor of Roosevelt's prewar actions in the face of hostile Congressional criticism strengthened the President's assertion of presidential prerogatives during the war. As Arthur Schlesinger, Jr., explained: "The grand revival of the presidential prerogative after Pearl Harbor must be understood as a direct reaction to what happened when Congress tried to seize the guiding reins of foreign policy in the years 1919 to 1939."³⁵

Indeed, President Harry Truman's ability to commit troops to Korea and the decision to expand forces in NATO, both without Congressional approval, probably stemmed in part from the memories of the interwar period. And, it is a fact that notable instances of Congressional assertions in foreign policy, e.g., The War of 1812, The Spanish-American War, and the interwar period, have fared rather badly in the judgment of historians. The French commentator, Raymon Aron, well expressed in 1974 the attitude of those who unfavorably contrast presidential and congressional initiatives in foreign affairs:

*...it is on Richard Nixon and Henry Kissinger that a European pins his hopes for a foreign policy governed by reason. The elected representatives of the American nation are swayed today by economic interests, both commercial and monetary, since public opinion does not cry out in fear of an enemy or call for a crusade against evil. It was in a somewhat similar period that Congress voted the Hawley-Smoot protective tariff. It is to the presidency rather than the Senate that Europeans look for an equitable policy.*³⁶

What is remarkable about this statement is that it was made in full cognizance of the Watergate scandal. So searing was the experience of the interwar period and so substantial was the foreign policy prestige of the presidency that the constitutional qualms that Senator Robert Taft expressed in the early fifties were still dismissed out of hand by many foreign and domestic commentators in the early nineteen seventies.

If in political practice a wide amplitude of executive power in foreign affairs has been successfully asserted, so the Supreme Court on those rare occasions when it pronounces on the subject at all has tended to sustain presidential prerogatives. This was true not only of the early *United States v. Curtiss-Wright Corporation* but the *Youngstown Sheet and Tube Company v. Sawyer* (1952) case. Although Truman's seizure of the steel mills was held to be unconstitutional, the decision reemphasized the President's external prerogatives. As Justice Jackson states:

*We should not use this occasion to circumscribe, much less to contract, the lawful role of the President as Commander-in-Chief. I should indulge the widest latitude on interpretation to sustain his exclusive function to command the instruments of national force, at least when turned against the outside world for the security of our society. . . .*³⁷

And, of course, the Court in *United States v. Nixon* spoke of "utmost deference" to the President's external authority.

It should be clear that neither the Constitution nor the intent of the framers definitively resolved the respective authority of the branches of government in the conduct of foreign affairs. It is equally true that the President has tended to assert successfully the widest prerogatives in the long term. On the other hand, the Congress has tended to reassert itself after most strong Presidents and the relative balance is always subject to dispute. Moreover, one might argue that the framers of the Constitution intended this tension and shifting weight as a result of their extension of the principle of checks and balances to the conduct of foreign affairs. Indeed, although the experience from the end of World War II until the early seventies tended to strengthen presidential

prerogatives, one can discern shifts within Congressional-Presidential relationships and attempts at major restructuring in the mid-seventies.

Foreign Policy Powers: The Experience Since World War II

It should be noted that the extension of presidential prerogatives is not limited to the conduct of foreign affairs. The general tendency in modern times and in a wide diversity of polities is to strengthen the executive and administrative at the expense of the legislative. However stark and apparently exaggerated it seems, Richard Nixon's recent statement in fact represents a general tendency:

*The point is: that when an agency is asked by a President or anybody else to do something that it has a responsibility to do, that's not illegal for them to do it or for it to be ordered, even if the motivation is political. . . .*³⁸

Indeed, Woodrow Wilson early in the century philosophically defended the widest latitude for presidential authority and explicitly rejected the Madisonian amalgam of separation of powers and checks and balance.³⁹ And in practice modern presidents have in one degree or another behaved in line with Wilson's dictum.

Wilson saw the Constitution as a transitory document suitable to a nation characterized by sharp diversity. With the emergence of a harmonious national community wrought by technology, war, and education, the structured conflict of the Constitution was no longer necessary and was in fact harmful. Indeed, from Wilson's perspective, although the nation had from 1787 onward a Constitution, it did not have a constitutional system. He defined constitutionalism not in terms of limitations on governmental power but in terms of "common understandings, common interests, common impulses, common habits" which allow the government extensive power to realize community objectives.⁴⁰

*Evidently, if a constitutional government is a government conducted on the basis of a definite understanding between those who administer it and those who obey it, there can be no constitutional government unless there be a community to sustain and develop it,—unless the nation whose instrument it is, is conscious of common interests and can form common purposes. A people not conscious of any unity, inorganic, unthoughtful, without concert of action, can manifestly neither form nor sustain a constitutional system. The lethargy of unawakened consciousness is upon them, the helplessness of unformed purpose. They can form no common judgment; they can conceive no common end; they can contrive no common measures: nothing but a community can have a constitutional form of government, and if a nation has not become a community, it cannot have that sort of polity.*⁴¹

Wilson saw the wielding of the House of Representatives into an "organic" unit under disciplined leadership and the development of strong parties as reflective of an emergent harmonious community. By contrast, he saw the Senate as regressive, more individualistic, and less representative—a holdover from the past. Senators reflect a particular community and not a national one. But it is the President who preeminently represents this national community and who, supported by a strong party system, will overcome the divisiveness of the federal system of representation and the hindrances of the eighteenth century constitution. Indeed, in the execution of the popular will the President should be allowed to make of the office of the President "anything he has the sagacity and force to make it" unfettered by legal inhibitions.⁴² Indeed, the power of the presidency is extra-legal: "His executive powers are in commission, while his political powers more and more center and accumulate within him and are in their very nature personal and inalienable."⁴³

Wilson showed a remarkable distrust for legal restrictions: "The guage of excellence is not the law under which officers act, but the conscience and intelligence with which they apply it, if they apply it at all."⁴⁴ Presidential power should be seen less in formal than personal terms: "The President is at liberty, both in law and conscience, to be as big a man as he can. His capacity will set the limit,"⁴⁵ and presumably not the formal Constitution, for "the personal force of the President is perfectly constitutional to any extent to which he chooses to exercise it, and it is clear by the logic of our constitutional practice that he has become alike the leader of his party and the leader of the nation."⁴⁶ The future presidency, in Wilson's view, would, less in terms of formal power and more in terms of personal power, represent the spirit of the national community:

*[We] can safely predict that as the multitude of the President's duties increases, as it must with the growth and widening activities of the nation itself, the incumbents of the great office will more and more come to feel that they are administering it in its truest purpose and with greatest effect by regarding themselves as less and less executive officers and more and more directors of affairs and leaders of the nation,—men of counsel and of the sort of action that makes for enlightenment.*⁴⁷

Unquestionably the Wilsonian view of the presidency came to dominate the perspective of popular and academic commentators alike. Heavy emphasis on presidential prerogatives generally would almost perforce be matched by even greater support for executive power in foreign affairs, given the classical view of the extra-constitutional nature of this authority and the presumed exigences of the nuclear age. By the same token, therefore, shifts in the Congressional-Presidential balance and increasing defenses of legislative prerogatives in foreign affairs reflect not only assessments of the structure of authority and decisionmaking in the area of foreign policy, but often represent a general debate on the nature and power of the presidency. This is certainly true of the current period. In any case, any evaluation of legislative-executive relations in the area of foreign affairs since World War II should take into account the broader question of the constitutional and political balance generally.

Frans R. Bax argues that there have been five successive phases in legislative-executive relations in the area of foreign affairs since World War II: a period of *accommodation* from the presentation of the UNRAA program to Congress in 1943 until 1950-51; a period of *antagonism* from 1951 until 1955 dominated by both partisan and institutional rivalries; a period of *acquiescence* beginning in 1955 and lasting for a decade in which Congress tended to legitimize presidential actions without participating as an active partner or assuming responsibility; a period of *ambiguity* beginning in 1966 and ending with the invasion of Cambodia in the spring of 1970 and characterized by growing doubts about the substance of Administration policy and concern over the passive role of Congress in the formulation of foreign policy; and a period of *acrimony* initiated at the time of the Cambodian action in which Congress moved to challenge not only the specific elements of U.S. policy in Vietnam and elsewhere but to alter the manner in which national security policy was developed and implemented by asserting a more independent role for Congress in the process.⁴⁸ Although Congressional-Executive relations are always somewhat fluid, Professor Bax's categorization appears to be a sufficiently accurate organization of the time.

The important feature of the early period of accommodation was the pattern of close consultation which grew out of Congressional insistence that the UNRAA program not be accepted by executive agreement but after submission to Congress. The key figure in the development of this collaboration was the Republican Senator Arthur Vandenberg and the period saw the approval of such complex or far-reaching commitments as the Marshall Plan and the NATO treaty.

With the passing of Vandenberg, however, the "loss" of China, and the mounting costs of the

Korean War, Congressional-Presidential relations entered a period of acrimonious charges and counter charges symbolized by the Bricker Amendment, which would have clearly ensured Congressional approval of all international agreements concluded by the President. Moreover, the decision of the Truman administration in 1951 to increase American forces in Europe by four divisions without prior Congressional authorization triggered strong Congressional opposition headed by Senator Robert Taft who argued:

*The President has no power to agree to send American troops to fight in Europe in a war between the members of the Atlantic Pact and Soviet Russia. Without authority he involved us in the Korean War. Without authority he apparently is now attempting to adopt a similar policy in Europe.*⁴⁹

Although the Bricker Amendment failed to receive the necessary two-thirds majority, it was only by a single vote, and the concerns raised by Taft were widely shared. Moreover, during this period, Senator Joseph McCarthy's influence cast a pall over Executive-Legislative relations.

The election of Dwight Eisenhower and the reduced influence of McCarthy appeared to signal a return to accommodation; but, after the Democrats regained control of Congress in 1955, consultations between the two branches declined and Congress, as Bax argues, tended to legitimize rather than actively participate in the formulation of national security policy. It was only the length, cost, and inconclusiveness of the Vietnam War which gave rise first to a period of ambiguity and then acrimony in Executive-Legislative relations. But unlike the earlier period of antagonism, Congress successfully moved by legislative acts to curb the power of the President, although the durability of such actions may still be a subject of some debate.

In June 1969, by a 76 to 19 vote, the Senate voted the "National Commitments Resolution" which read:

*Whereas accurate definition of the term "national commitment" in recent years has become obscured: Now, therefore, be it Resolved, that it is the sense of the Senate that a national commitment by the United States to a foreign power necessarily and exclusively results from affirmative action taken by the executive and legislative branches of the United States Government through means of treaty, convention, or other legislative instrumentality specifically intended to give effect to such a commitment.*⁵⁰

The Cambodian Invasion of 1970 brought forth a plethora of amendments to financial authorization or appropriation bills to limit the President's power to maintain or employ combat forces in Indochina. Finally in 1971, an amendment to the Special Foreign Assistance Act stipulated that funds could neither be authorized or appropriated "to finance the introduction of United States ground combat troops into Cambodia, or to provide United States advisors to and for Cambodian military forces in Cambodia."⁵¹ In August 1973 the President was forbidden to employ U.S. forces in Indochina in the future. In other areas, such as Cyprus, Angola, and Soviet immigration, Congress quickly moved to restrain or control the Administration's conduct of foreign policy.

Aside from substantive disagreements between the Executive and Legislative branches, Congress moved to assert its authority in the formulation of foreign policy through legislative act and institutional innovation. Basically, the Congress acted in two areas: (1) *war making power* and (2) *intelligence and information*.

Alexis de Tocqueville in his *Democracy in America* noted that American tendency to resolve substantive differences through procedural initiatives and to translate political into legal issues.⁵²

Given the Constitutional framework within which national security policy has developed, it was nearly inevitable that the substantive disagreements and institutional rivalries of the early seventies would be cast in legal and procedural terms. And the whole Watergate episode merged with the foreign policy questions to raise the issue to the level of a general Constitutional confrontation. The passage of the *War Powers Resolution* of 1973 symbolized this confrontation as had few other actions.

Quite simply, the War Powers Act required consultation with the Congress on the part of the President prior to the introduction of military forces into actual or potential conflict. It further required a report in justification of such action within 48 hours of deployment. In an emergency the President might deploy combat forces without authorization but such forces must be withdrawn within 60 days unless Congress gives its formal assent. There may be a single 30-day extension if the President certifies in writing that the extension is essential to the protection of U.S. forces. During this 90-day period and presumably beyond, Congress may recall all troops by the passage by a simple majority of both houses of a concurrent resolution which would not be subject to a Presidential veto. Congressional power is defined broadly whereas Presidential powers to introduce forces "into hostilities, or into situations where imminent involvement in hostilities is clearly indicated by the circumstances, are exercised only pursuant to (1) a declaration of war, (2) specific statutory authorization, or (3) a national emergency created by attack upon the United States, its territories or possessions, or its armed forces."⁵³

In respect to information and intelligence operations, the Subcommittee on United States Security Agreements and Commitments Abroad reported in 1970 a number of important commitments undertaken abroad without the knowledge or participation of Congress. Congress subsequently passed a bill requiring the prompt reporting of executive agreements and many items of regular legislation established reporting requirements. Congressman William S. Moorhead, Senators Mike Gravel, Jacob Javits, and Edward Muskie have all introduced various bills aimed at the establishment of legislative committees empowered to establish and regulate government classification systems.⁵⁴ And, most importantly, a Senate Select Committee on Intelligence was established in 1976.

This latter committee stemmed from the determination of former Major Leader Mike Mansfield to establish effective congressional oversight over U.S. foreign intelligence activities. The experience of Vietnam, the Watergate investigations, and various journalistic exposés all prompted demands for official investigations—the result of which were the Rockefeller Commission in the Executive branch, the Pike Committee in the House of Representatives, and the Church Committee in the Senate. It was the work of the latter which eventuated in the Senate Select Committee. The charter of the committee made it privy to essentially all information about U.S. intelligence activities—a radical break with the past.⁵⁵

It is thus clear that the period of acrimony has given rise to important procedural and institutional developments. The important question concerns the future relation of the executive and legislative branches in the area of foreign affairs. Obviously, continuing acrimony would serve neither the Congress nor the nation. Nor is it possible for Congress to act as chief representative, negotiator, or Commander-in-Chief for the nation. Good faith on the part of both branches and sufficient deference on the part of Congress to allow some executives flexibility seem essential for the effective conduct of foreign affairs. In effect, if the current restructuring of relations between Congress and President allows a return to accommodation and partnership, however competitive the relationship may at times be, then the nation may be well served. As Wolfram Hanrieder once observed, an effective foreign policy must be "compatible" with the challenges and opportunities of the external environment and command a broad internal "consensus."⁵⁶ It is not always easy to reconcile these demands but there appears to be no alternative than to attempt it.

If American society is beset in the seventies with suspicions concerning the general effectiveness of government, so have many commentators come to doubt the omniscience of the President or the uniqueness of his representation of the national community. The attempt to render Congress a more responsible and active partner in the development of national security policy is thus part of a general movement in political thought. To some degree, in foreign affairs, we appear to be moving away from Woodrow Wilson and back toward James Madison. Whether this is but a slight detour away from a continuing national trend remains to be seen.

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Panel 5

Inter-Sector Cooperation and Competition:

Where Do We
Go From Here?

Professor Adam Yarmolinsky

The process of shaping national security policy for the United States in the best of all possible worlds ought to be a simple and straightforward one. We need only determine what should be our foreign policy objectives, to what extent those objectives can and should be accomplished through national security measures, and what national security resources should be applied to make these measures achievable and believable.

There are only three difficulties with this formulation:

Foreign policy objectives can no longer be separately stated, except in the most general terms. Foreign policy is rather an aspect of every major national policy decision, and every foreign policy option must be examined in the light of its *domestic policy consequences*. Farm policy is domestic policy and it is foreign policy. Trade policy is foreign policy and it is domestic policy. Human rights issues reverberate in the domestic and the international arena.

National security measures can no longer be treated separately from other means of policy implementation. The United States is too much involved in the world, in too many complicated ways, for us to be able to say about any important problems, "This is a national security problem" or "This is not a national security problem." Just as there is a foreign policy aspect to almost every domestic policy decision, so there is a national security aspect to almost every foreign policy decision. Clearly, deterring nuclear attack depends on national security measures. But reducing the risk of nuclear proliferation is at least as much a function of energy policy and trade policy and development assistance policy, as it is of "national security policy" per se. Sorting out appropriate national security measures is like playing a game in which the rules (and even the players) are constantly changing.

As President Carter observed in his Notre Dame commencement address in May, "We can no longer separate the traditional issues of war and peace from the new global questions of justice, equity and human rights."

And national security resources are not created *ex nihilo*. We already have a 100-plus billion dollar military establishment, the largest single institution in American society today, in which major new weapons systems take upwards of 10 years to develop, from concept to deployment. Decisions about what national security resources should be developed are based on decisions about what national security policies should be pursued. But national security policy choices are also based on available national security resources, and the resource base changes only gradually—and in response to a variety of other influences as well as national security policy decisions: political,

bureaucratic, and just plain inertial influences. Thus, policy decisions and resource decisions have almost as ambivalent a cause and effect relationship as the chicken and the egg.

Given these complexities, it is scarcely surprising that national security policy—like most public policy—changes slowly and incrementally, and is more nearly predictable on the basis of what national security policy has been, than on any other basis. After all, we do not yet have a coherent national energy policy, or a coherent national welfare policy, or even a coherent national tax policy.

Once a clear national consensus had developed on the political and moral necessity for US withdrawal from Vietnam, it took more than 4 years for that withdrawal to be accomplished. Granted, the incumbent administration was at least partially paralyzed by the Watergate crisis during most of that period—but that is still a long time.

Lyndon Johnson observed in 1964 that, "There is no longer one Cold War." It has taken 12 years until Jimmy Carter could articulate effectively for the American people the proposition that while the Soviet Union remains our principal antagonist in the world arena, we can no longer organize our foreign policy around that single fact.

The nuclear triad, which is so central to the theology of nuclear deterrence, developed largely out of a series of historical accidents, fueled by inter-service rivalry. But the possibility of abandoning any element of the triad in the short or even the middle run is very small—and for sound political reasons—unless we can do so by agreement with the Russians, which presents its own set of difficulties.

Not only does national security policy change slowly, but it has not been really very widely debated. What is surprising is how few genuine national debates we have had on national security issues over the past 30 years. Between the debate that led to our post-war commitment to our European allies, first through the Marshall Plan, and then through NATO, and the debate that led to our withdrawal from Vietnam, there was an emotional flare-up over who lost Communist China (as if it were ours to lose), a number of struggles within the military establishment over rival weapons systems, and some election-eve quarrels over the adequacy of our defenses. National security crises tend to draw the country together, as in the wake of the North Korean invasion or the Cuban missile crisis, but they do not seem to produce policy debates at the national level.

One can argue of course about what amounts to a national policy debate. Clearly, it is something more than a disagreement within the executive branch, even if the disagreement reaches the cabinet level. It ought to be something more than a partisan brawl in the Congress. It should probably exclude excitement generated by extremist groups on one side or another, provided the excitement is pretty well limited to those groups. A fair test of the genuineness of a national debate—although a difficult one to administer—might be the extent to which it engages the active interest of opinion leaders outside government, over a wide range of communities of interest.

By this test, perhaps the only real national debates over national security program and force structure were the 1968-69 ABM debate and, to a lesser extent, the 1961 civil defense debate; and the debate over the termination of the war in Vietnam, with its subsequent fallout in the debate over the war powers of the Executive. Significantly, all of these debates involved issues with an immediate domestic impact, in the location of ABM sites, in the construction of fallout shelters, and in the expenditure of American blood and treasure in South East Asia. A fourth debate seems to be shaping up on the export of nuclear power technology, particularly enrichment and reprocessing technology, and this debate too, if it develops, will have its roots in powerful domestic economic interests.

When one looks at these four examples, one can project that the frequency of national debates on national security issues is likely to increase, since those issues are increasingly involved with domestic matters directly affecting—either favorably or adversely—important interest groups in the United States, many of which are not elements of what is usually thought of as the military-industrial complex.

If we discovered in the sixties that the optimum national security could not be obtained by ignoring the costs of national defense—that calculating tradeoffs was the name of the game—we may be learning in the seventies that it is not a simple zero-sum game, that we cannot afford to think of the defense establishment as pitted against other interests in society. It is not just the inherent ambiguities and uncertainties of national security policy in a multipolar world that tend to depolarize disagreements over those issues within the domestic polity. It is also the fact that so many active interest groups are involved.

The issues are likely to be so complicated, moreover, that one cannot identify in advance which interest groups will be on which sides—and these issues are likely to have more than two sides. What is predictable is that defense industry—and the complex of interests that surrounds it—is likely to have a less dominant position among all the domestic interest groups, if only because there will be more of them with direct interests.

The energy issue, for example, is inextricably intertwined with national security, and it involves the energy industry, or rather industries, the automobile-industrial complex, consumers, environmentalists, etc. Technology transfer is an issue that sharply divides the military-industrial complex, and that involves other high-technology industries, where precedents may be set for defense industry. How we handle our grain reserves (or indeed how far we go to establish and maintain such reserves) is a question with all kinds of national security implications, but it is also an issue involving and affecting farmers, food processors, consumers and grain traders. The Law of the Sea Treaty, currently in negotiation, affects naval deployments, rights of innocent passage, and access to raw materials in the seabed that may become essential to national security. It also affects major extractive industries in the United States, and involves our relations with all the less developed countries, who have argued for a quite different regime to control those seabed resources.

Traditional national security issues are often presented in terms of oversimplified national security principles: The United States must be militarily strong. The United States must not be overextended. We cannot trust the Russians. We must stop the arms race. Since most critical national security issues in fact involve a delicate balancing of competing technical considerations, how popular opinion divides on these issues tends to be a function of the ability of the protagonists on both sides to identify a specific issue with one general principle rather than another. Whether popular opinion tends to support the production of the B-1 Bomber or the size of the US ground forces commitment to Europe can easily become a battle of slogans. By the same token, Presidents and members of the legislative branch may feel somewhat more free to decide these issues on the basis of their own judgments, satisfied that they can justify a close call either way to their constituencies, except where the specific interest of a particular defense industry or of the partisans of a domestic defense installation are involved.

To put this last point another way, in the resolution of traditional national security issues, there is not likely to be any very coherent center of countervailing pressure to offset the institutional pressures of the national security establishment. There is likely to be a systematic bias, therefore, towards bureaucratic solutions: preserving the status quo, expanding existing programs, and resisting major innovations. The expansionist tendency may then run up against overall budgetary constraints imposed by pressures on the entire federal budget (and by the fact that the defense budget has become one of the decreasing number of areas of “discretionary” spending), and the consequences of this encounter may be ill-advised budget cuts, based more on internal bureaucratic considerations than on considerations of national policy.

But the new kinds of issues affect too many domestic interests that will not be turned off by slogans, because they are too much involved, and too sophisticated, as suggested in the examples above. Politics, in the broadest sense, can no longer stop at the water's edge, because the water's edge no longer marks a significant boundary in national affairs.

Add to these circumstances the general tendency to greater openness in discussions of public policy (a combination of a post-Watergate push and a Jimmy Carter pull) and the public demand for more and earlier explanations of what government is up to, and the result is likely to be a good deal more general discussion of issues involving national security.

Because these debates will involve a good deal more than national security, they will often be settled on other than national security grounds, at least where the "pure" national security issue is a close one, as debatable issues tend to be in a more and more complicated world. Constraints, therefore, are more and more important, and there are several kinds of constraints that can be expected to press a good deal harder on the decisionmaking process than they have in the past. These can be classified broadly as constraints based on resources, constraints based on dollars, and on balance of payments considerations, constraints based on political commitments, domestic and foreign, and constraints based on political repercussions, domestic and foreign.

Resource shortages over a wide range of resources and uses will clearly be a feature of the next quarter century. The list begins, of course, with energy shortages, which can impact both on national security objectives and on national security force structures and deployments. There is a good deal of debate about the nature and extent of other probable shortages in national resources, but there are at least indications that significant shortages of some such resources will appear from time to time. Meanwhile, awareness of environmental fragilities makes the exploration of available resources more difficult.

The last resource on the list, as predictably in short supply, is manpower, or rather military manpower. Shortages here result from the fact that, despite generally high levels of unemployment, voluntary recruitment for the military is likely to have a high marginal cost. When the decline in the number of births hits the age cohort for entrance to military service, about 1985, the problem will become more serious, particularly in the reserve components. Since compulsory service probably cannot be reinstated, absent a major international crisis, the high cost of military manpower may limit both the overall size of the armed forces and the amount that can be spared for new or improved weapons systems.

Perhaps the most direct way to moderate this constraint would be to expand greatly the proportion of women in the armed services, substituting person power for manpower alone. Another, complementary approach, would be to initiate a major program of voluntary national service, creating a context in which non-career voluntary military service could be seen as a form of national service for which one would receive a minimal stipend, rather than a paycheck competitive with the private sector.

The supply of military officers qualified to deal with the increasingly complex problems of national security may not be a constraint on the policy process, but only if even more vigorous efforts are made to prepare senior officers for their roles in the civil-military dialogue. Samuel Huntington's classic distinction between "objective" and "subjective" civilian control of the military, that is to say between educating military leaders to understand and share the civilian point of view, or simply keeping military men out of civilian matters, has already been resolved by events in favor of the former approach. There remains some uncertainty about how best to implement that approach—through changes in the military educational system, through greater ease of

movement back and forth between the military and the civilian sectors, with concomitant modifications in the military retirement scheme, and through more exchanges between military and civilians like the ones embodied in this conference. In my own experience, military professionals are at least as responsive to civilian leadership as any other professional group in public service, but the tasks are becoming more challenging, and the preparation must continue to meet the challenges.

Even with a new kind of voluntary (enlisted) military service, dollar constraints on national security budgets and force structures will become, if anything, more serious. The problem arises because relatively so small a proportion of the federal budget is discretionary spending, and political reluctance to increase taxes is increasing. Whatever tax dividend might result from a slowly rising GNP is likely to be consumed in the rising cost of existing federally-supported social services. Whether or not the national security budget is an appropriate target for budget cutters, it is one of the few targets in sight.

Direct budgetary concerns are exacerbated by the fact that a portion of military spending involves balance-of-payments costs as well. Some of those costs can be offset, but the use of arms sales agreement to offset balance-of-payments costs has managed to create more problems than it has resolved, and will probably not be available as a policy instrument in this context.

The web of political commitments in which government involves itself is a function both of the increasing politicization of the economic structure, and of the increasing interdependence of the world we live in. Government is constantly making promises to domestic interest groups, and to allies and friends abroad. Domestic promises may be broken, but at a substantial cost in present good will and future trust. We are a good deal more reluctant to make international promises today than we have been over the past 20 to 25 years. But this gives greater significance to the promises we do make. To abrogate or to repudiate them is to threaten international stability.

Even where government does not promise, it is extremely reluctant to undertake any actions that will have adverse repercussions on any organized interest group. And adverse repercussions will be more frequent in a more tightly-knit, interdependent world. The power of veto groups over national policy is thus substantially enhanced. For example, the military force structure may be sized and shaped on the basis of certain assumptions about the degree of energy independence to be achieved in the United States. But that energy policy objective may have to be significantly modified as a result of objections from the auto industry (and the UAW) even in the absence of any commitments by the government to those interest groups. Similarly, in thinking about military deployments around the world, we need to consider not only the reactions of our potential adversaries, but those of other nations and groups of nations, great and small, allies and friend, and "nonaligned" states.

There is a fifth kind of constraint that needs to be considered here as well, and that is the availability of suitable forums for debate and discussion of national security issues, and, at least equally important, the interest of the general public in participating, even as observers, in those forums.

We begin with an enormous range of activities, from courses in high schools, colleges and universities, and articles in learned journals to television documentary "specials" on national security issues, and institutional advertisements in newspapers and magazines. These activities can be arranged on a number of scales: size of audience, degree of audience participation, degree of audience interest (probably closely correlated), depth of exploration of the issues, partisanship, breadth of exposure to a wide range of viewpoints, degree of (perceived) influence of the forum on the actual outcome, etc.

It may be useful to distinguish, at the outset, between maintenance and expansion of the general knowledge base on national security matters, and exploration of particular current issues. By and large, American society seems to be doing better with the second task than with the first.

Immediately after World War II, the educational community responded to the new role of the United States in the world with new attention to teaching and research on national security topics. The phenomenon of Sputnik increased that attention, and multiplied the resources made available, from public sources, through the National Defense Education Act of 1958 and related legislation, and from private sources, primarily through the great foundations. These resources had their intended multiplier effect, in the decisions of school boards and college and university faculties about new courses, in the decisions of students about choice of courses, and of scholarly careers, and in the research orientation of private research organizations. Language and area studies programs sprang up everywhere, as did national security studies programs on a smaller scale. Permanent federal legislation was even proposed to finance graduate study and research.

But the federal legislation was never enacted, although the foundations, anticipating its enactment, cut back their support in the field. Newly created programs, not yet established within the core budgets of colleges and universities, found themselves struggling for a share of an increasingly limited pool of outside resources. And as educational institutions, at all levels, moved from the fat years to the lean years, the financial problems of national security teaching and research became even more acute. In higher education, even more than in most bureaucracies (using the word in no invidious sense) seniority is critical in the distribution of resources, and in a period of contraction it is the most recently-established programs that are likely to suffer the most.

One exception to this reversal of trend has been the research institutions supported by the military itself—Rand, CNA, RAC—but they are necessarily concerned more with the elucidation of current problems than with maintenance of the general knowledge base.

At the same time there has been a proliferation of private institutions addressing current national security issues: examples include the Hudson Institute (established in 1962) and the Institute for Strategic Studies (now the International Institute for Strategic Studies) established in 1958, the Center for Strategic Studies and the Defense Information Center, the Center for Strategic and International Studies at Georgetown, and the Center for National Security Studies. The Brookings Institution set up a Defense Policy Study Group, and Harvard University organized a program for Science and International Affairs, while Harvard, MIT, Cornell, and Stanford have joined a coalition, the Arms Control Consortium, organized under the auspices of the Aspen Institute. This last group of activities, although conducted within the university framework, is distinguishable from the first category of programs in that they have tended to find support outside the university itself and have consequently focussed their attention more on current issues and problems.

If this combination of trends continues, it suggests a danger that there may be more serious but basically less well-informed interest generated in national security issues—or even that the proponents of particular points of view may find themselves more and more either preaching to the converted, or engaging in a dialogue of the deaf.

There is, however, a counter-tendency to incorporate the international aspects of any academic subject—from anthropology to zoology—directly into the study of that subject. This seems a natural development as the world becomes more interdependent, and it naturally incorporates national security issues as well. Yet the inclusion of this material is not an adequate substitute for the availability of courses focussed directly on foreign policy and national security

issues, any more than scholars in anthropology or zoology would be satisfied to have their disciplines incorporated into the study of foreign policy.

The same considerations that apply to the development of academic disciplines apply to the presentation of public issues in the media. It is more and more difficult for even the most parochial to ignore the international and national security aspects even of the local news. But the treatment of international issues is so casual and compressed even in the print media—and even more so in the broadcast media—that it scarcely provides a basis for intelligent citizen judgments. Journalists who cover national security news are too often lacking in substantive background and expertise in the subject matter—although there are notable exceptions. And the information scarcity problem is exacerbated because while citizens can supplement what they learn from the media about local issues through word of mouth and actual firsthand exposure, there is very little opportunity to supplement their information about foreign affairs, and what supplementary information is available is likely to be quite limited by accidents of time and place.

If current information on national security issues is becoming more widely available, a question then arises as to the interest of the general public in that information, and in the debates on national security policy that are (one hopes) based on that information. I have argued above that there is a wider range of special interests involved in the new kind of national security issues. There is nothing sinister or even improper in the involvement of these interests. But national security policy ought to be more than the resultant of all the lines of force that they exert. Unless there is significant interest and concern on the part of the general public, the main line of national security policy may be discontinuous, and erratic—a series of zigs and zags to which the observer cannot fit a regular curve.

Recent events—Watergate and its attendant revelations, the last act of Vietnam, and the violent death of three national leaders—have all tended to alienate Americans from our government. Although the peaceful transition from these unhappy events has demonstrated the strength of our democracy, it has left many citizens with a pervasive and persistent sense of powerlessness. Paradoxically, the new campaign finance laws have contributed in a way to this sense, at least temporarily, by cutting off a traditional avenue of citizen involvement—fund raising—in Presidential elections. If, however, campaign contributions are severely limited in amount but still permitted by future campaign financing laws, the net effect may be to reduce the sense of nonparticipation.

Unless and until that sense is overborne by an appreciation of the opportunities for participation in policymaking, citizens whose primary concern is with the public interest will not be drawn into the policymaking process. There are some indications of a resurgence of this kind of concern, not yet on anything like the scale that it manifested itself when the Marshall Plan was proposed, or at the height of the Vietnam debate. The key to citizen interest is probably to be found in Presidential leadership; that is one of the principal tasks that President Carter has set for himself, and, as he has put it in another context, he intends to succeed.

Biographical Notes

MR. EDWARD C. ALDRIDGE, Vice President and Director, System Planning Corporation. A former Director of Defense Planning and Evaluation, Mr. Aldridge was Deputy Assistant Secretary of Defense for Strategic Programs from 1974 to 1976. Prior to that time, he served as Senior Management Associate, National Security and International Affairs, Office of Management and Budget; as an advisor to the SALT talks in Helsinki and Vienna; and as a systems analyst in the Defense Department. He has held staff and management positions with LTV Aerospace Corporation and with McDonnell Douglas Astronautics, and holds bachelor's and master's degrees in aeronautical engineering.

DR. ROY AMARA, President, Institute for the Future. Dr. Amara joined the Institute in 1970, and became its president the following year, having been associated with Stanford Research Institute from 1952 until that time. He is a prolific researcher with emphasis on systems innovation, and has done significant work on the future corporate environment, emerging societal issues, methodologies for long-range planning, and forecasting and decision analysis. He received his bachelor of science degree from MIT and holds a master's degree from Harvard University and a doctorate in engineering from Stanford.

DR. BARRY M. BLECHMAN, Senior Fellow, The Brookings Institution. Dr. Blechman is head of the defense analysis staff at the Brookings Institution and has coauthored Brookings' annual review of the federal budget. Prior to joining Brookings, Dr. Blechman was affiliated with the Center for Naval Analyses, and has worked for the US Army. He has served as a consultant to the US Senate Committee on the Budget, the Joint Economic Committee, and the National Academy of Sciences. He recently took leave from Brookings to work on the Carter-Mondale Transition Planning Group. He is presently a visiting professor at the Johns Hopkins University School of Advanced International Studies, and holds a doctorate in international politics from Georgetown University.

DR. MICHAEL BORETSKY, Senior Policy Analyst, Department of Commerce. A former member of the Science and Technology Panel, President's Science Advisory Council, Dr. Boretsky directed the Technological Gap Study Program for the Department of Commerce and the Interagency Committee on the Technological Gap (1967-69). He has been a Federal Executive Fellow at the Brookings Institution and a Research Associate at the University of North Carolina. He was educated in the Ukraine and in Germany and holds a Ph.D. Degree from Columbia University.

DR. ADDA B. BOZEMAN, Professor of International Relations, Sara Lawrence College. Mrs. Bozeman is a Founding Director of the National Committee on the Present Danger, a Consultant and Panelist for the National Endowment for the Humanities, and a widely read author. She has received study grants from the Hoover Institution at Stanford, the Carnegie Endowment and the

Rockefeller Foundation and has lived in Europe, southern Asia and Africa. She is a diplômée of the École Libre des Sciences Politiques, Paris; a barrister of the Middle Temple Inn of Court, London; and holds a doctoral degree in law from Southern Methodist University.

MR. RONALD H. BROWN, Deputy Executive Director, National Urban League. Mr. Brown is the Urban League's representative and spokesman in the nation's capital and is responsible for all League program-related activities. He has been a leading figure in the fields of civil rights, human resource management and domestic policy for over a decade and is active on a number of national committees involved with such issues as safer cities, child labor, and public advocacy, including the American Civil Liberties Union. He has studied in Israel and Asia and has been visiting professor in Community and Poverty Law at the State University of New York, as well as a guest lecturer at many institutions. He holds a bachelor's degree in political science, a doctorate in law from St. John's University and is a member of the bars of New York, the District of Columbia and the US Supreme Court.

DR. SEYOM BROWN, Director, US-Soviet Relations Program, Carnegie Endowment for International Peace. Dr. Brown is an Adjunct Professor at the Johns Hopkins School of Advanced International Studies and a former Senior Fellow in Foreign Policy Studies at the Brookings Institution. He is also a former social scientist with the RAND Corporation, and has been a consultant to the Office of International Security Affairs, Department of Defense, and the Policy Planning Council, Department of State. Dr. Brown holds a doctorate in political science from the University of Chicago.

DR. STEPHEN D. BRYEN, Minority Staff Director, Senate Foreign Relations Committee. Dr. Bryen is a former Executive Assistant to Senator Case and has had extensive experience in the analysis of security assistance programs, the role of arms transfer in US foreign policy, and in regional political issues. A former Assistant Professor of Political Science at Lehigh University, he holds master's and doctoral degrees in international politics from Tulane University and has done post-doctoral work at Virginia Polytechnic Institute.

DR. HERSCHELLE S. CHALLENGER, Staff Consultant, House International Relations Committee. Dr. Challenger is a consultant to the Subcommittee of International Resources, Food and Energy, and a specialist in African affairs. She is a former Program Officer with the Ford Foundation and as an American Political Science Association Congressional Fellow, she served as aide in African affairs to Representative Diggs. She is a former Assistant Professor at Brooklyn College and has traveled widely in Africa and published several articles on Africa and US Foreign policy. She studied at the Sorbonne and holds a master's from Johns Hopkins and a doctorate from Columbia.

MS. PRISCILLA CLAPP, Special Assistant to the Director of Politico-Military Affairs, Department of State. Ms. Clapp has had an intensive career in research and foreign policy studies. While her most recent publications have treated Pacific issues, she has been dealing professionally with global problems as Foreign Affairs Officer with the Arms Control and Disarmament Agency and in her current office. She is a former Research Associate at the Brookings Institution and with Bolt, Baranek and Newman, Inc. She is a frequent contributor to the professional press and is a graduate of Middlebury College in Russian studies.

MR. WILLIAM E. COLBY, JR. Mr. Colby served as Director of the Central Intelligence Agency from 1973 to 1976, culminating a long and distinguished career which began in the Office of Strategic Services under General Donovan during World War II. He served in embassies in Stockholm and Rome and as special assistant to the Ambassador in Saigon, where he helped initiate the strategic hamlet program. He resigned from the Agency in 1968, and served as Deputy to Ambassador Komer in Vietnam. In 1968 he succeeded Mr. Komer as Director of the Pacification

Program, with the rank of Ambassador. In 1971 he returned to the Agency as its Executive Director. He is retired in the Washington area.

DR. CHARLES A. COOPER, Manager, Energy Policy, Exxon Corporation. A former Executive Director of the World Bank, Dr. Cooper has also served as Assistant Secretary of the Treasury for International Affairs, Deputy Assistant to the President for International Economic Affairs and as Minister-Counsellor for Economic Affairs at the American Embassy in Saigon. He is a former Associate Director of AID, and holds a doctorate in economics from the Massachusetts Institute of Technology.

DR. LYNN E. DAVIS, Deputy Assistant Secretary of Defense (International Security Affairs). Dr. Davis has served on the professional staff of the US Senate Select Committee on Intelligence and was a member of the United Nations Association Conventional Arms Control Panel. A former consultant to the National Security Council staff on SALT and strategic issues, she is a member of the Council on Foreign Relations, the International Institute for Strategic Studies and the International Studies Association. Dr. Davis received a Ph.D. degree in international politics and political science from Columbia University.

DR. CURTIS FARRAR, Agency for International Development. Dr. Farrar is Assistant Administrator of the Agency's Technical Assistance Bureau. He has served in various positions with the Agency since 1963, and spent a year as an Executive Fellow with the Urban Institute in Washington, DC. Before joining AID, Dr. Farrar worked for the Asia Foundation, including seven years in Pakistan and Cambodia. He helped to found the National Student Association, worked as a volunteer with the United World Federalists, and served as faculty assistant to the Salzburg Seminar in American Studies. Dr. Farrar holds a doctorate in economics from the London School of Economics.

LIEUTENANT GENERAL HOWARD M. FISH, USAF. General Fish has been the Director of the Defense Security Assistance Agency and the Deputy Assistant Secretary of Defense, International Security Affairs (Security Assistance) since August 1974. His military career has included assignments on the Air Staff as Deputy Director of Doctrine, Concepts and Objectives, and as Director, Air Force Budget. General Fish holds master's degrees in business administration from the University of Chicago and in international affairs from George Washington University.

MR. RICHARD B. FOSTER, Director, Strategic Studies Center, Stanford Research Center. Mr. Foster is a writer, commentator and author of several books on strategy and international security issues. He is a member of the Advisory Board of Directors of the Association of the United States Army and is active in the field of international studies and analyses. He holds degrees in civil engineering and in philosophy from the University of California, Berkeley.

DR. RAYMOND L. GARTHOFF, US Ambassador-Designate to Bulgaria. Dr. Garthoff has been a research specialist on Soviet political and military affairs with the RAND Corporation; Foreign Affairs Advisor, Department of the Army; Counselor to the US Mission to NATO; Deputy Director of the Bureau of Political-Military Affairs and Executive Officer and Senior State Advisor on the US-SALT Delegation. He has written widely on national security affairs and holds the Department's highest award for excellence, the Distinguished Honor Award. He is a graduate of Princeton and holds master's and doctoral degrees from Yale University.

DR. LESLIE H. GELB, Director, Bureau of Politico-Military Affairs, Department of State. Dr. Gelb has a broad background in national security affairs, in government, journalism and academic life. He has served as Acting Deputy Assistant Secretary of Defense, Policy Planning and Arms Control; as Director of the Policy Planning Staff, International Security Affairs, Office of the Secretary of

Defense; and as Chairman, Secretary of Defense Vietnam Task Force. He has been a Senior Fellow at the Brookings Institution, a Visiting Professor at Georgetown University, and a faculty member at Harvard University and Wesleyan University. A former correspondent with *The New York Times*, he has also been a member of the International Institute for Strategic Studies and the Council on Foreign Relations. Dr. Gelb received a Ph.D. degree from Harvard University.

MS. GEORGIE ANNE GEYER, Chicago Daily News. Ms. Geyer is a distinguished journalist who has specialized in foreign affairs and is currently a roving foreign correspondent. She is the recipient of several major awards for her reporting on Latin America, among them from the American Newspaper Guild and the Overseas Press Club. She is a member of the Council on Foreign Relations and her work appears regularly in newspapers and periodicals throughout the country. She studied at Northwestern University and was a Fulbright scholar at the University of Vienna, Austria.

COLONEL HERMAN L. GILSTER, USAF, Director of International Economic Affairs, Office of the Assistant Secretary of Defense (International Security Affairs). Colonel Gilster has extensive experience in economic affairs and in operations analysis with the US Air Force. He has been a Federal Executive Fellow with the Brookings Institution, and taught economics at the Air Force Academy. He received a Ph.D. degree in economics from Harvard University.

DR. MARSHALL I. GOLDMAN, Associate Director, Russian Research Center, Harvard University. Dr. Goldman is a Professor of Economics at Wellesley College and a specialist on the Soviet economy as well as on the economics of pollution. He has served as a consultant to the Environmental Protection Agency, the Ford Foundation and the Department of State and is a member of the Council on Foreign Relations (New York) and the Committee on Foreign Relations (Boston). He is a noted author and a frequent contributor to journals and periodicals.

MR. ALLAN E. GOODMAN, Central Intelligence Agency. A former Chairman of the Department of Government and International Relations, Clark University, and a National Fellow at the Hoover Institution on War, Revolution and Peace at Stanford, Mr. Goodman is a specialist on the political and economic impact on international relations of developments in the Third World. He is a Professorial Lecturer on the Theory and Practice of International Negotiations at the Georgetown School of Foreign Service and a specialist on Southeast Asia.

DR. LINCOLN GORDON, Senior Fellow, Resources for the Future, Inc. Dr. Gordon, former US Ambassador to Brazil, is a distinguished scholar and public servant. He has been President of Johns Hopkins University, a Fellow at the Woodrow Wilson International Center for Scholars and a longtime member of the faculty at Harvard University. He has served as Minister of Economic Affairs in the American Embassy in London and was closely involved in the development and implementation of the Marshall Plan (1947-52). He is a Director of the Overseas Development Council and his current research is in the field of sustainable growth and world order. He is a graduate of Harvard and earned his doctorate at Oxford, which he attended as a Rhodes Scholar.

DR. COLIN S. GRAY, Political Scientist, Hudson Institute. A former Assistant Director of the International Institute for Strategic Studies, London; a Ford Fellow in the Department of War Studies, King's College, London; and Executive Secretary of the Strategic and International Studies Commission, Canadian Institute of International Affairs, Dr. Gray specializes in strategic studies, foreign policy and international relations theory. He has taught in Canada and Great Britain, written widely, and done significant research in national security affairs and foreign policy. He studied at Manchester University and earned his doctorate in international politics at Oxford.

DR. MAHBUB UL HAQ, Director, Policy Planning, the World Bank. Dr. Haq is an international authority on Third World issues. He was a longtime member of the Pakistani National Planning Commission and served as Chief Economic Advisor to the Pakistani Government from 1967 to 1970. He is a former Harvard University research associate and visiting lecturer at the Economic Development Institute, a founding member of the Third World Forum, Chairman of the RIO Foundation, and a widely-read author in the field of international economic development. A professional economist, he received his bachelor's degree from Government College, Lahore, Pakistan; his master's from King's College, Cambridge University, England; and his doctorate from Yale University.

DR. ROLAND F. HERBST, Director of Research, R&D Associates. Dr. Herbst is a theoretical physicist who has had a long association with nuclear research and weapons design, first with the Argonne National Laboratory and, later, with Lawrence Livermore Laboratories. He is a former Deputy Director for Space and Strategic Systems in the Office of the Director of Defense Research and Engineering and he has served as a member of the Scientific Advisory Group to the Joint Strategic Target Planning Staff. He acted as Scientific Advisor to the US delegations for the negotiation of the Test Ban Treaty and the Eighteen Nation Disarmament Conference in 1962. He received the Department of Defense Meritorious Civilian Service award in 1972.

REAR ADMIRAL M. STASER HOLCOMB, USN, Military Assistant to the Secretary of Defense. Admiral Holcomb's distinguished military career has included a broad mix of challenging assignments at sea and as a systems analyst ashore. A naval aviator, he commanded a carrier anti-submarine warfare squadron, and subsequently served as Executive Officer of USS SARATOGA and as Commanding Officer of USS GUAM, the first Interim Sea Control Ship. He served on the Systems Analysis Staff of the Secretary of Defense, in both the Office of Navy Program Appraisal and on the CNO Executive Panel, and, most recently, as the Director of Systems Analysis on the Navy Staff. He has a master's degree in physics and has been ordered to an operational afloat command this month.

MR. JAMES L. HOLT, Deputy Program Manager for Materials and Resources, Office of Technology Assessment, US Congress. Mr. Holt is responsible for overall program development and assessment in the area of foreign and domestic policies and issues related to materials and natural resources. He has been active in the policy analysis field in the private sector prior to his current government service and has also worked as a Senior Staff Analyst for the State of Maryland. He is currently completing his doctoral work in public policy administration at the University of Maryland.

DR. ROBERT HORMATS, Deputy for International Economic Affairs, National Security Council. Dr. Hormats is a former Senior Consultant on the Commission on Critical Choices for Americans, an International Affairs Fellow on the Council on Foreign Relations and a Guest Scholar at the Brookings Institution. He has held positions on the National Security Council staff since 1969, and is a former Research Associate at the University College, Dar-es-Salaam, Tanzania. He holds M.A., M.A.L.D. and Ph.D. degrees from the Fletcher School of Law and Diplomacy.

DR. RICHARD L. HOUGH, The National War College. Dr. Hough is a specialist in the area of foreign assistance, development and north-south issues. He is a former Program Officer in the US AID mission to Taiwan, a Policy Planning Officer in AID-Washington, and has held top management and supervisory positions with the Agency in Saigon and in Santo Domingo, Dominican Republic. He has taught at the Fletcher School of Law and Diplomacy and has been a faculty member at The National War College since 1975. He holds master's and doctoral degrees from the University of California.

DR. ARTHUR H. HOUSE, Legislative Assistant to Senator Abraham Ribicoff. Dr. House was Assistant Dean and subsequently a Research Associate in Political Development at the Fletcher School of Law and Diplomacy and a member of the Policy Planning Staff of the World Bank before being selected as a White House Fellow in 1975. At the White House, he was assigned to the staff of President Ford's Assistant for National Security Affairs. He received his Ph.D. degree from the Fletcher School of Law and Diplomacy.

MR. JAMES W. HOWE, Senior Fellow, Overseas Development Council. Mr. Howe has a distinguished background in US foreign assistance programs, having served as Director of US AID to the East African Community (Kenya, Uganda and Tanzania), as a member of the Policy Planning Council of the State Department concerned with the less developed nations, as Director of the Program Office of the Latin American Bureau of AID and as Director of the Program Office of the United States Operations Mission to Vietnam. He has taught at Princeton University and holds master's degrees from American and Harvard Universities.

DR. ROBERT E. HUNTER, National Security Council. Dr. Hunter has been a Fellow and Senior Fellow at the Overseas Development Council and Professorial Lecturer at Johns Hopkins University. He was a member of President Johnson's White House Staff and served as Foreign Policy Advisor to Senator Edward M. Kennedy. He is a former Fulbright scholar and a Research Associate at the Institute for Strategic Studies in London. He holds a Ph.D. degree from the London School of Economics.

MR. WILLIAM C. HYLAND, National Security Council. Mr. Hyland was Chief of Staff for Soviet and Far Eastern Affairs on the Board of National Estimates before joining the National Security Council staff at the White House as Staff Member for Soviet and European Affairs in 1969. In 1974 he was appointed Director of the Bureau of Intelligence and Research at the State Department. In 1976 he returned to the White House as Deputy Assistant to the President for National Security Affairs. Mr. Hyland, currently Director of European and Soviet Affairs on the NSC staff, is a respected analyst of strategic systems and has participated for many years in US-Soviet arms control negotiations. He has a master's degree from the University of Missouri and has done other post-graduate work at American University.

DR. FRED C. IKLE, Former Director, US Arms Control and Disarmament Agency. Dr. Ikle is the former head of the Social Science Department of the Rand Corporation and a former Professor of Political Science at Massachusetts Institute of Technology. He was a prominent figure in the SALT negotiations during his government service and has written extensively on the subject of arms control and international political issues. He was born in Switzerland and holds a Ph.D. degree from the University of Chicago.

MR. LES JANKA, Deputy Assistant Secretary of Defense for Near Eastern, African and South Asian Affairs. Mr. Janka served in a number of positions in the US Information Agency and is a former Assistant Dean of the School of Advanced International Studies, Johns Hopkins University. He served as Special Assistant to Dr. Kissinger on the National Security Council and as a senior staff member for Legislative and Public Affairs. He holds a master's degree in international affairs and Middle Eastern studies from Johns Hopkins University.

GENERAL HAROLD K. JOHNSON, USA (Ret.), President, Financial General Bankshares Corporation. General Johnson retired from the Army as Chief of Staff in 1968, following a distinguished military career which spanned thirty-five years. He served with the Philippine Scouts prior to World War II and is a survivor of the Bataan death march. He was a battalion and regimental commander during the Korean War and his subsequent assignments included duties as Chief of Staff of the 7th Army in Europe; Central Army Group (NATO) and Commandant of the

Army Command and General Staff College. He is active in business and civic affairs and makes his home in the Washington area.

DR. ROBERT R. JOHNSON, Vice President, Engineering, Burroughs Corporation. Dr. Johnson is a former research physicist with an extensive background in electronics, computers and industrial management. Prior to his association with the Burroughs Corporation, he was associated with Hughes Aircraft Company and General Electric in management and research positions. Dr. Johnson is President of the Board of Directors of the Engineering Society of Detroit and an Adjunct Professor at the University of Detroit. He holds a master's in electrical engineering from the University of Wisconsin and a doctorate from California Institute of Technology.

DR. AMOS A. JORDAN, Georgetown Center for Strategic and International Studies. Until recently Deputy Undersecretary of State for Security Assistance, Dr. Jordan has also served as Principal Deputy Assistant Secretary of Defense for International Security Affairs and in a series of senior politico-military positions. He is a former Professor of Social Sciences at West Point, Director of the Aspen Institute for Humanistic Studies and is a retired Brigadier General, US Army. Dr. Jordan holds bachelor's and master's degrees from Oxford, where he studied as a Rhodes scholar, and a doctorate in international relations from Columbia University.

DR. HERMAN KAHN, Director, The Hudson Institute. A pioneer and leader in the field of 'futurology,' Dr. Kahn is a specialist in public policy analyses. He has been a leader in the work of the Commission on the Year 2000 and is a noted author and lecturer, whose many books on strategic warfare, economic and social development and international business issues are widely read and quoted. He was formally trained in physics and mathematics and is a member of the Council on Foreign Relations, the Center for Inter-American Relations and the American Political Science Association.

MR. DAVID B. KASSING, President, Center for Naval Analyses. Mr. Kassing has broad experience as a systems analyst. In addition to his several years with the Center for Naval Analyses, he was head of the Naval Forces Division in the Office of the Assistant Secretary of Defense (Systems Analysis). He served as Director of Research for the President's Commission on an All-Volunteer Armed Force. He has an M.B.A. degree from Cornell University, and was an Assistant Professor of Business Administration at Clarkson College of Technology.

MR. CROSBY M. KELLY, Vice President (Communications), Rockwell International Corporation. Mr. Kelly has held senior management positions with Litton Industries in international relations, public affairs and corporate communications, and operated his own international management consulting corporation for several years. He has worldwide responsibility for Rockwell's public relations, advertising, employee communications and public affairs and has a wide background in industry and management. He has received international recognition for his participation in global councils and conferences and is a member of the corporate operations committee of Rockwell.

MR. DONALD M. KENDALL, Chairman of the Board and Chief Executive Officer, PEPSICO, Inc. Mr. Kendall was a naval aviator during World War II and joined the Pepsi-Cola Company following naval service. He became president in 1963, and chairman of the board in 1971. He is the Cochairman of the US-USSR Trade and Economic Council, a senior member of the Emergency Committee for American Trade, and served as Chairman of the Committee from 1969 to 1976. He is a member of the board of directors of several corporations, as well as the Chamber of Commerce of the United States, the National Alliance of Businessmen, and the National Center for Resource Recovery.

COMMISSIONER RICHARD T. KENNEDY, Nuclear Regulatory Commission. Deputy Assistant to the President and Director of National Security Planning when named to the NRC in 1975, Commissioner Kennedy had been a staff member of the National Security Council since 1969. He is a retired Army officer whose military career had been focused heavily on international affairs and strategic planning. He was graduated with a degree in economics from the University of Rochester and with a master's degree from the Harvard Graduate School of Business Administration. He is also a graduate of The National War College.

DR. ROBERT A. KILMARX, Director of Business Research, Georgetown Center for Strategic and International Studies. Dr. Kilmarx is a specialist in the fields of national security and raw materials and heads the Center's program on investment in the extractive industries in developing countries. He has served as an adviser in this field to the Presidential Commission on Procurement and to the United Nations. He is a former Special Adviser to the Assistant Chief of Staff for Intelligence, USAF, and has recently been Professorial Lecturer at the George Washington University School of Business and Public Administration.

DR. WILLIAM R. KINTNER, Director, Foreign Policy Research Institute. Ambassador Kintner has been associated with the Foreign Policy Research Institute at the University of Pennsylvania since 1961, and is a Professor of Political Science at the University's Wharton School. He retired from the US Army in 1961, after a distinguished career including service in Europe during World War II and in Korea. He has served in the Office of the Secretary of Defense as Planning Board Assistant to the National Security Council and as Chief of the Strategic Analysis Section, Office of the Chief of Staff, Department of the Army. In 1973, he was appointed US Ambassador to Thailand serving in that post until March 1975.

DR. WILLIAM S. KRASON, Industrial College of the Armed Forces. Dr. Krason is Professor of Political Economy and Foreign Affairs at the Industrial College of the Armed Forces, and is an FSO-2 in the Foreign Service. He has a Ph.D. degree in Business Administration and Financial Economics from the Hochschule fuer Welthandel, Vienna, Austria; and has published numerous articles on trade and international banking in professional journals.

MR. LEWIS J. LAMM, Vice President and Manager, Clark Equipment A. G. and Director, East-West Trade, Clark Equipment Company. Mr. Lamm has extensive experience in developing trade and technological exchange opportunities with the USSR and in negotiating trade agreements with the Eastern European states. He is a member of the District of Columbia and Michigan bars with a wide background in management, legal and engineering matters and is a specialist in East-West trade. He holds mechanical and electronic engineering degrees and a doctor of laws degree from George Washington University.

DR. HORACE N. LANDER, Senior Vice President, Climax Molybdenum Company. Dr. Lander directs all domestic and international market development activities for Climax, a division of AMAX Incorporated. He has been prominent in the field of metals and materials throughout his career and has been associated with worldwide industrial applications for a number of years. He is a member of both the British and Japanese Iron and Steel Institutes and has been engaged in commercial operations with the Soviet Union and Eastern Europe. He has authored numerous technical papers and holds a doctoral degree in metallurgy from the Massachusetts Institute of Technology.

MR. ERNEST S. LEE, Director, Department of International Affairs, AFL-CIO. Mr. Lee has broad experience in organized labor in international affairs. He established a Western Hemisphere Office of the International Federation of the Commercial, Clerical and Technical Employees organization and worked in organizing white collar unions in Latin America. He has served as International Affairs Director of the Retail Clerks International Association, AFL-CIO. He is a member of the

Board of Trustees of the American Institute for Free Labor Development, of the Bureau of Labor Statistics Advisory Committee, and is on the Executive Committee of the National Committee for Employer Support of the Guard and Reserve. He is also a member of the Advisory Board of the Center for Strategic and International Studies of Georgetown University and is a graduate of the University's School of Foreign Service.

DR. JOHN F. LEHMAN, JR., Former Deputy Director, Arms Control and Disarmament Agency. Dr. Lehman, President of the Abington Corporation, served on the National Security Council as Special Counsel and Senior Staff Member from 1969-74 and was a delegate to the Mutual and Balanced Force Reductions Talks (MBFR) in Vienna in 1974. He is the author of a recent study of Congress and foreign policy in the Nixon years and holds master's degrees in international law and diplomacy from Cambridge University and the University of Pennsylvania and a Ph.D. degree in international relations from the University of Pennsylvania.

MAJOR GENERAL HARRISON LOBDELL, JR., Commandant, The National War College. General Lobdell's extensive operational and professional background includes numerous command and staff assignments in tactical reconnaissance and aviation training. Most recently he was Director of the European Policy Section, Office of the Assistant Secretary of Defense for International Security Affairs. Prior to that time he had served as Inspector General of the Air Training Command and Deputy Chief of Staff for Plans at Air Force Headquarters in Europe. A graduate of the Military Academy, the Army Command and General Staff College and the Air War College, he holds a master's degree in international affairs from George Washington University.

MR. JAN M. LODAL, Executive Vice President, American Management Systems Inc. As the Director of Program Analysis on the National Security Council, Mr. Lodal was the primary White House staff officer under Dr. Kissinger on arms control matters from 1973-75. He has participated in arms control negotiations in Moscow, and at the Helsinki and Vladivostok summit conferences and has a wide civilian background in corporate financial management consulting. He is a member of the Council on Foreign Relations, the American Economics Association and has written extensively on systems analysis and on arms control issues. He has a degree in engineering from Rice University and two master's degrees from Princeton University.

MR. DONALD J. LOOFT, Deputy Director, Defense Advanced Research Projects Agency. A veteran of World War II, Mr. Looft has extensive experience in all phases of Department of Defense research and development and material acquisition programs and is a specialist in night vision, electric power generation, energy conversion and electro-optical systems and technology. He is the former Chief, Electro-Technology Laboratory and Director, US Army Night Vision Laboratory. An alumnus of George Washington University he holds a master's degree in engineering management from that institution.

DR. EDWARD N. LUTTWAK, Associate Director, Washington Center of Foreign Policy Research, Johns Hopkins University. Dr. Luttwak is a distinguished scholar and former Department of Defense consultant who is the author of several widely read books on the strategic balance, the political uses of sea power, the Israeli Army and other national security affairs issues.

MR. JOHN H. LYONS, President, Ironworkers International. Mr. Lyons has been prominent in the labor movement for the last quarter century, and has served in leadership roles in the International Association of Bridge, Structural and Ornamental Ironworkers since 1958. He has been a member of numerous national and Presidential advisory committees, councils and commissions and is currently a member of the National Commission for Manpower Policy and the Labor Policy Committee for Multilateral Trade Negotiations. He is a graduate of the Missouri School of Mines and served in the Army Air Corps during World War II.

MR. KENNETH G. MARK, Director of Strategic Planning, The Boeing Company. Since joining the Boeing Company in 1958, Mr. Mark has held successively broader charters within the organization and is now responsible for maintaining cognizance over all issues and trends which impact on the industry. He has been involved with market and environmental analyses and has done long-range studies on arms control, ballistic missile defense and strategic force analysis. He holds degrees in aeronautical engineering and political science and received his master's degree from the University of Chicago.

MR. ANDREW W. MARSHALL, Director of Net Assessment, Office of the Secretary of Defense. Mr. Marshall has been a member of the Gaither Committee, the McCloy Arms Control Panel, the US Delegation to NATO and a consultant to the Office of Management and Budget. He was also a consultant to the National Security Council and Director of the Net Assessment Group in the White House in 1972-73. He has published in the areas of systems analysis, strategic policy and intelligence and holds a master's degree in economics from the University of Chicago.

MR. EUGENE J. MILOSH, Vice President, US-USSR Trade and Economic Council. With offices in New York and Moscow, Mr. Milosh has a broad background in marketing in Eastern Europe, specifically involving patent licensing, advertising, public relations and market research. In his twelve years with Union Carbide Corporation, he managed large US trade exhibitions in Moscow in 1965 and in 1970. He now directs the operations of an association of over 200 US member firms dealing with the Soviet Union. He is a certified accountant with degrees in economics and chemistry and has a master's degree in international economics.

MR. JERROLD K. MILSTED, Staff Assistant to the Assistant Secretary of Defense (International Security Affairs). Prior to joining the Office of the Assistant Secretary of Defense (ISA), Mr. Milsted served with the Defense Advanced Research Projects Agency in Washington and Southeast Asia. He has worked as an operations analyst for the Stanford Research Institute and Litton System Division. Mr. Milsted received a master's degree in public administration from Harvard University, and is a graduate of the Senior Executive Education Program, Federal Executive Institute.

MR. RICHARD N. PERLE, Staff Member, Senate Committee on Governmental Affairs. Mr. Perle is a national security advisor to Senator Henry M. Jackson and for many years he has been a leading contributor to congressional and public debate on arms control, East-West trade, arms transfer policy and US-Soviet relations. He has a wide background as a researcher and consultant with industry and with the academic and analytic community, as well as with other governmental groups. He is the author of several publications on national security issues and is a frequent lecturer at colleges and universities. He holds a master's degree from Princeton, where he is a doctoral candidate, and studied at the London School of Economics.

DR. ANDREW J. PIERRE, Senior Research Fellow, Council on Foreign Relations. Dr. Pierre is an author whose works on nuclear proliferation and nuclear politics and whose frequent articles in national and international journals are widely read. He has been associated with the Brookings Institution and the Hudson Institute and is a former professor at Columbia University. His government service has included assignments with the Department of State in Washington and at the American Embassy in London.

DR. RICHARD E. PIPES, Professor of History, Harvard University. Dr. Pipes was a member of the "B" team that prepared the alternative National Intelligence Estimate of the US-Soviet strategic balance for the CIA in 1976. A native of Poland, he served with the US Army in World War II and has been on the Harvard faculty for 27 years, where he directed the Russian Research Center from 1968 to 1973. He is a noted authority on Russian history and political thought, a former Fellow of the American Academy of Arts and Sciences and is currently a consultant with the Stanford Research Institute.

DR. EARL C. RAVENAL, Professor of American Foreign Policy, Georgetown School of Foreign Service and the Johns Hopkins University. Dr. Ravenal was president of an industrial corporation when he was named Director of the Asian Division (Systems Analysis) in the Office of the Secretary of Defense in 1967. Since leaving government service, in addition to his teaching responsibilities, he has been a frequent speaker and panelist throughout the foreign affairs community and has given expert testimony before the Congress on national security affairs. He is a widely read author whose work appears frequently in the press and in professional publications here and abroad. He is an alumnus of Harvard, studied at the University of Cambridge, England, and received his master's and doctoral degrees from Johns Hopkins University.

LIEUTENANT GENERAL BRENT SCOWCROFT, USAF (Retired). General Scowcroft capped a distinguished military career of more than 25 years when he was appointed Deputy Assistant to the President for National Security Affairs in 1973. Following his retirement from the Air Force, he succeeded Dr. Kissinger as Assistant to the President for National Security Affairs and served in that capacity until January 1977. He is a former professor at the Military and Air Force Academies, Air Attache at the US Embassy in Belgrade and has had major policy responsibilities in the Defense Department and on the Joint Staff. He is a graduate of West Point, the Armed Forces Staff College, The National War College and holds master's and doctoral degrees from Columbia.

MS. JOYCE LASKY SHUB, Foreign Policy Advisor to Senator Joseph Biden. Formerly with the staff of the House International Relations Subcommittee on Future Foreign Policy, Ms. Shub began her career as Assistant Editor of the *New Leader*. She was a senior publishing professional before living abroad for twelve years, where she worked for NBC in Moscow and on other assignments in Bonn and Paris. She is a published novelist and was a member of the 1976 congressional delegation which visited China. She is a graduate of Barnard College.

MR. WALTER SLOCOMBE, Principal Deputy Assistant Secretary of Defense (International Security Affairs). In addition to his duties as Principal Deputy Assistant Secretary of Defense (ISA), Mr. Slocombe is Director, Department of Defense SALT Task Force. He has been a Research Associate at the International Institute for Strategic Studies in London, and was a member of the Program Analysis Office of the National Security Council staff. He is a graduate of Princeton University and the Harvard Law School, and was a Rhodes scholar at Balliol College, Oxford, where he pursued graduate studies in Soviet politics.

MR. LEON SLOSS, Assistant Director, Arms Control and Disarmament Agency. Mr. Sloss has had extensive and varied service in the State Department, with emphasis on strategic policy, NATO strategy, strategic arms control and defense planning. Between periods of government service, he has been a business consultant specializing in foreign trade and investment, and has also been associated with the Strategic Studies Center of the Stanford Research Institute. Mr. Sloss recently completed a year as a Senior Research Associate at the Georgetown Center for Strategic and International Studies and the International Institute of Strategic Studies, London. He was Acting Director of the Agency from January 20 to March 10 of this year.

LIEUTENANT GENERAL W. Y. SMITH, USAF, Assistant to the Chairman, Joint Chiefs of Staff. General Smith is a combat veteran of the Korean War and has served in a number of high-level positions during his distinguished career in the Air Force. He has served as Director of Policy Plans and National Security Council Affairs, Office of the Assistant Secretary of Defense for International Security Affairs; as Director of Doctrine, Concepts and Objectives, Office of the Deputy Chief of Staff, Plans and Operations, Headquarters, US Air Force; Commander of the Oklahoma City Air Logistics Center, and Military Assistant to the Secretary of the Air Force. General Smith holds a doctorate in political economy and government from Harvard University.

DR. RICHARD F. STAAR, Associate Director, The Hoover Institution on War, Revolution and Peace. Dr. Staar has directed the international studies program at the Hoover Institution since 1969. He has had major professorial assignments at Emory University, the Naval War College and The National War College, and as a reserve Marine colonel has been an Adjunct Professor at the Marine Corps Command and Staff College since 1971. The author of major works on European Communism, he is a graduate of Dickinson College with a master's degree from Yale and a doctorate from Michigan.

DR. TIMOTHY W. STANLEY, President, International Economic Policy Association. Dr. Stanley served for a number of years in the US Government, including the Office of the Assistant Secretary of Defense for International Security Affairs and the White House staff. He was Defense Advisor to the United States Diplomatic Mission to NATO, with the rank of Minister, and Special Representative of the Arms Control and Disarmament Agency in Vienna. He is a Director of the Atlantic Council of the United States, a member of the Council on Foreign Relations, the Institute for Strategic Studies, and heads the International Economic Studies Institute. He has taught at Harvard and George Washington Universities, and was Visiting Professor of International Relations at the Johns Hopkins School of Advanced International Studies. He holds L.L.B. and Ph.D. degrees from Harvard University.

DR. JEREMY STONE, Director, Federation of American Scientists. Dr. Stone directs a federation whose membership includes over 7,000 scientists and over half of the American Nobel laureates. He has been associated with Stanford Research Institute, the Hudson Institute, the Harvard Center for International Affairs and was a Fellow at the Council on Foreign Relations before accepting his present position. A mathematician by training, Dr. Stone is the author of two books on arms control and is a graduate of Swarthmore College.

DR. DALE R. TAHTINEN, Assistant Director of Foreign and Defense Policy Studies, American Enterprise Institute. Dr. Tahtinen has written widely on politico-military issues, with specific focus on the Middle East and the Indian Ocean. A former assistant for research and legislative analysis to Senator Robert P. Griffin, his career has included service with the Defense Intelligence Agency and as a professor at the University of Maryland. He is a frequent guest lecturer on problems of the Middle East in this country and abroad.

GENERAL MAXWELL D. TAYLOR, USA (RETIRED). General Taylor's distinguished career of public service includes more than 30 years as a soldier at the top of his profession, close advisor to two Presidents, diplomat, scholar and author, and since leaving government he has served as a director of several corporations. He commanded the 101st Airborne Division in its campaigns in Europe during World War II and was 8th Army Commander and later, Commander in Chief, Far East, during the Korean War. He is a former Chief of Staff of the Army, Chairman of the Joint Chiefs of Staff and Chairman of the President's Foreign Intelligence Advisory Board. He was the United States Ambassador to Vietnam from July 1964 to July 1965. General Taylor is retired and lives in Washington, DC.

BRIGADIER GENERAL JAMES M. THOMPSON, USA, Director, Policy Plans and National Security Council Affairs, ISA. General Thompson is an Army Engineer, with extensive command and staff experience. Prior to his assignment to the Office of the Assistant Secretary of Defense (ISA) he was Deputy Director for Estimates, Defense Intelligence Agency. He is a graduate of the Army War College and holds a master of arts degree from Oxford College, England.

PROFESSOR W. SCOTT THOMPSON, Fletcher School of Law and Diplomacy. Dr. Thompson is a former White House Fellow who is currently Associate Professor of International Politics at the Fletcher School. He was a Special Assistant to the Secretary of Defense prior to his association with Fletcher, and he has been a Visiting Research Fellow at Chulalongkorn University in Bangkok and at the University of the Philippines. He has published several works on the developing world and received his doctorate from Oxford University where he studied as a Rhodes scholar.

DR. RICHARD C. THORNTON, Professor of History and International Affairs, George Washington University. A specialist in Russian and Chinese history, culture and political thought, Dr. Thornton is a fluent linguist who has served in the Air Force as a Chinese (Mandarin) translator and was a Research Associate at the Far Eastern and Russian Institute, University of Washington, in 1966-67. He is a graduate of Colgate University with a doctoral degree in modern Russian and Chinese history from the University of Washington.

LIEUTENANT COMMANDER HARLAN K. ULLMAN, USN, Faculty, The National War College. Lieutenant Commander Ullman teaches national security affairs at The National War College. He has wide fleet experience in destroyers and in Vietnam, and has served as exchange officer with the Royal Navy in HMS BACCHANTE and the British Royal Naval College. He holds a Ph.D. degree from the Fletcher School of Law and Diplomacy, Tufts University, and spent a year as a Research Fellow with the International Institute for Strategic Studies in England.

DR. JAMES P. WADE, Deputy Assistant Secretary of Defense. Until recently the Director of the Defense Department's SALT Task Force, Dr. Wade has been deeply involved in strategic technology and the implications of technology on foreign policy. He has worked with the Advanced Research Projects Agency and on the staff of the Director, Defense Research and Engineering in strategic and space systems and holds the Department of Defense Medal for Distinguished Public Service for his work with SALT. He is a West Point graduate with master's and doctoral degrees in physics from the University of Virginia.

MAJOR GENERAL JASPER A. WELCH, JR., Assistant Chief of Staff (Studies and Analysis), United States Air Force. General Welch's distinguished career as a military scientist, analyst, planner and manager has included assignments in weapons design, space physics, strategic policy and program analysis. He has held posts of progressively increasing responsibility within the defense scientific and analytic community and has frequently been called upon to consult with private industry on the peaceful uses of nuclear technology. He is the author of numerous articles and papers and is a member of the American Physical Society, the American Geophysical Union and the Council on Foreign Relations. General Welch holds a doctoral degree in physics from the University of California at Berkeley.

DR. WILLIAM W. WHITSON, Congressional Research Service, Library of Congress. Dr. Whitson has an extensive background in government service which has included assignments in the Philippines, with the Korean Military Academy and as a political analyst attached to the American Embassy in Taipei. He has served with the Policy Planning staff (ISA) and the Systems Analysis staff of the Defense Department with primary focus on China. He was a senior social scientist with the Rand Corporation and has written and lectured in his specialty for a number of years. He is a West Point graduate with master's and doctoral degrees from the Fletcher School of Law and Diplomacy.

MR. JOSEPH W. WILLET, Economic Research Service, Department of Agriculture. A government economist since 1955, Mr. Willet specializes in world food production, distribution and the world agricultural trade. He is a former Research Associate at the University of Chicago and served on the faculty of The National War College 1975-1976. He is the author of several articles in his field and

has lectured widely in the United States and in Canada. Mr. Willet has degrees in chemistry and agriculture and holds a master's degree in agricultural economics from the University of Chicago.

DR. THOMAS W. WOLFE, Senior Staff Member, Rand Corporation. A retired Air Force colonel, Dr. Wolfe's military career included assignments at the American Embassy in Moscow, as a member of the Coolidge Committee for Disarmament Review and as a staff officer with the Joint Chiefs of Staff. He was Director of the Sino-Soviet Affairs Branch on the staff of the Assistant Secretary of Defense (ISA) and participated as an advisor at the McCloy-Zorin talks in Moscow in 1961. He is a Professorial Lecturer at George Washington University and has lectured and written widely on Sino-Soviet affairs and strategic issues. He has a master's degree from the Russian Institute at Columbia and a doctorate from Georgetown University.

DR. PAUL D. WOLFOWITZ, Deputy Assistant Secretary of Defense for Program Analysis and Evaluation. Prior to his recent appointment, Dr. Wolfowitz served for several years in the Arms Control and Disarmament Agency where he held senior positions as Special Assistant for SALT, Deputy Assistant Director for Verification and Analysis, and as Special Assistant to the Director. He is a former Assistant Professor at Yale University and has worked as a consultant with the Rand Corporation and on the program evaluation staff of the Bureau of the Budget. He holds master's and doctoral degrees in political science from the University of Chicago.

DR. ROBERT S. WOOD, Professor of Government and Foreign Affairs, University of Virginia. Professor Wood is a distinguished specialist in international relations theory, national security policy, international law and organization and Western European politics. He is a former Fulbright Professor and visiting professor at leading universities in the Netherlands, a visiting professor at the Naval War College and a consultant for the Netherlands Institute for International Affairs. He is a author of three books and numerous articles in his field and is a graduate of Stanford University. He holds master's and doctoral degrees from Harvard University.

PROFESSOR ADAM YARMOLINSKY, University of Massachusetts. A prominent lawyer-educator with a distinguished background in government service, he has served as a Special Assistant to the Secretary of Defense, as a Deputy Director of the President's Anti-Poverty Task Force, as Chief of the Emergency Relief Mission to the Dominican Republic and as Principal Deputy Assistant Secretary of Defense for International Security Affairs. He has taught at several institutions of higher learning and was educated at Harvard and at the Yale Law School.

Rapporteurs

LIEUTENANT COLONEL ALBERT S. BRITT, USA. A former professor at the United States Military Academy, Lieutenant Colonel Britt is a professional Armor officer who has lectured at the Foreign Service Institute and the Naval War College and has authored and contributed to standard texts on military history. He has served in Germany and in Vietnam and holds a master's degree from the University of California, where he studied under Sir Basil Liddel Hart.

LIEUTENANT COLONEL JOHN FRIEL, USAF. A recent graduate of The National War College, Lieutenant Colonel Friel served as a systems analyst in the Office of the Assistant Chief of Staff of the Air Force for five years where he dealt in depth with strategic planning and analysis. He served as an Assistant Professor in Operations Research at the Air Force Institute of Technology and has recently completed an analytic study of SALT issues. He holds degrees in engineering and management and a doctorate in operations research from Ohio State University.

COLONEL DANIEL K. MALONE, USA. Colonel Malone has had a wide military background in ordnance, research and development, operations research and intelligence. He served two years in

Moscow with the Defense Attache and was most recently Chief of the Soviet and Warsaw Pact Current Intelligence Branch of the Defense Intelligence Agency. He is a graduate of the United States Military Academy and holds a master's degree from Syracuse University.

LIEUTENANT COLONEL THOMAS PIANKA, USA. Lieutenant Colonel Pianka is beginning a year of individual advanced research at the National Defense University after serving on The National War College faculty. He has broad experience in politico-military affairs and has served as the US Army Attache in Tel Aviv and as Country Director for Egypt and Israel in the Office of the Assistant Secretary of Defense, International Security Affairs. He is a doctoral candidate at the American University where one of his areas of specialization is defense policy formulation.

COLONEL FRED E. WAGONER. Colonel Wagoner recently joined the Research Directorate of the University after serving two years as Defense Attache in the Ivory Coast. Previous overseas assignments include tours in Rhodesia, South Africa, Burundi and Rwanda, plus extensive travel in Africa, south of the Sahara. In his last Washington assignment, he was the Chief of the Political-Military Division on the Army Staff. He is a 1948 graduate of the US Military Academy and holds master's and doctoral degrees from American University.