

Special Report

How Should America Respond to Gorbachev's Challenge?

A REPORT OF THE TASK FORCE ON SOVIET NEW THINKING

October 10, 1987

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Convened under
the auspices of the
Institute for East-West
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The Report represents a consensus of the Task Force. The group believes it to be an important contribution to the debate on Soviet policy and East-West relations. Specific policy recommendations should not, however, be attributed to individual members of the Task Force. The signatories of the Report participated in their personal capacity. Affiliations are for identification only.

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Table of Contents

Foreword	5
Preface	7
<hr/>	
Executive Summary	9
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Report of the Task Force	15
I. Introduction: Gorbachev's Policy is Different	15
II. Foreign Policy Trends Under Gorbachev	16
III. Domestic Policy Under Gorbachev	20
IV. Western Interests and Policy Responses	25
V. Conclusion	33
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About the Institute for East-West Security Studies	35

Foreword

Recent signs of important changes in Soviet thinking about its domestic and foreign affairs pose important new challenges and opportunities. Taken together with major reforms being undertaken in most other European socialist countries, these changes call for a process of policy reexamination in the West and a new dialogue between East and West on ways to create a more stable and cooperative relationship.

These changes in the East have not yet been fully responded to by the West. It is increasingly clear that they represent more than a change in style or rhetoric. What then are the implications of these changes for Western policy? How should America and its allies respond to Gorbachev's challenge?

With this in mind, the New York-based Institute for East-West Security Studies, an independent European-American public policy research center, convened a bipartisan 38-member Task Force of prominent Americans to examine the content and policy implications of the new thinking and propose policy recommendations. The Task Force members met six times over an eight-month period in Washington and New York. European officials and specialists, together with members of the U.S. Congress, participated in specific Task Force meetings.

This bipartisan American Task Force represents the first stage of a multi-year process by which the Institute for East-West Security Studies intends to engage Americans, Europeans, and Soviets in a systematic discussion of the changing relationship between East and West. The Institute regards this Task Force study as a necessary first step towards establishing a new East-West dialogue and looks forward to contributing to and broadening that dialogue. Following the work of this American Task Force, the Institute plans to initiate a second Task Force with broad European participation designed to carry the discussions further.

The Board of Directors of the Institute expresses its

appreciation to the members of the Task Force, both for their dedication during the eight-month process which led to this report, as well as for their important substantive contributions. The successful conclusion of a written report with which all members of the Task Force concurred is due in great measure to the exceptional chairmanship of Joseph Nye and Whitney MacMillan, and to the skills of Institute staff members Allen Lynch and Keith Wind. Special appreciation is also paid to Robert Legvold, John Hardt, Marshall Goldman, and Richard Ullman, members of the Task Force who contributed working papers to the six sessions.

The Institute is deeply grateful to the Carnegie Corporation of New York, The Ford Foundation, George Soros, and Harold Newman for their financial support of this Task Force project. Individual members of the Task Force—Dan Rose, Steve Swid, Mike Forrestal, Guenther van Well, and Harold Newman—graciously opened up their homes for the meetings of the Task Force. Their hospitality is deeply appreciated.

Several members of the Institute staff deserve particular recognition for the success of this report, including Task Force coordinator Keith Wind, principal drafting rapporteur Dr. Allen Lynch, Director of Studies F. Stephen Larrabee, Claire Gordon, Peter B. Kaufman, and Ian Richardson. Special thanks are paid to Amy Lew, who typed the manuscript through seemingly endless revisions. Finally, I'd like to express my personal appreciation to my colleagues on the Institute Board of Directors for their foresight and commitment to making this project possible.

The members of the Task Force believe that this report is an important contribution to the East-West dialogue and are working to make its contents widely known among the policy communities in East and West. The Institute for East-West Security Studies is proud to have sponsored this study and looks forward to continuing the process which this Task Force has begun.

John Edwin Mroz
President
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New York
October 10, 1987

Preface

The changes that Soviet leader Mikhail Gorbachev has recently launched in both domestic and foreign policy have captured world attention. On a range of key issues—from domestic economic reform to nuclear arms control to emigration—Gorbachev's leadership has revised long-standing Soviet positions and in the process challenged the United States and its allies to reexamine many of the assumptions behind their own policies toward the Soviet Union.

The following report on Soviet policies under Gorbachev and their impact on Western interests and responses represents the first concerted effort in the United States to analyze and evaluate the significance of Gorbachev's domestic and foreign policies and their implications for East-West relations. More specifically, the report proposes a series of policy recommendations and goals which respond to the new opportunities presented by the changes in the Soviet Union.

The report appears at a critical juncture in U.S.-Soviet relations, as the two superpowers are about to convene a summit and sign a treaty eliminating intermediate-range nuclear missiles. This event provides an appropriate occasion to examine the broader spectrum of U.S.-Soviet and East-West relations, and the next steps the two sides could take to enhance international stability and put their relations on a stable footing over the long term. The broad scope of the report responds to the need to address all of the sources of instability in the East-West relationship—military, political, economic, ideological—in order to construct a sounder long-term foundation for peace.

The bipartisan character of the report underlines the strong consensus reached on the need to reexamine America's Soviet policy and engage the Soviet leadership in a process aimed at a long-term and stable relaxation of tensions. We feel that the report is a noteworthy contribution to the debate now emerging in the United States over the future direction of U.S.-Soviet and

East-West relations and that the analysis and conclusions it puts forth deserve to be taken as a point of departure in that debate.

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Executive Summary

Key Findings

In the face of domestic economic stagnation, widespread social apathy, and a widening technological gap vis-à-vis the West, Soviet General Secretary Mikhail Gorbachev has undertaken the most far-reaching revamping of the Soviet system in over half a century. While the Soviet Union remains a closed communist society, Gorbachev has challenged a whole series of ingrained practices and attitudes, from strictly centralized economic management to an often militarized foreign policy, which has been the basis for Soviet policy since Stalin's time. In foreign affairs, he has introduced new concepts and new flexibility into Soviet diplomacy. Yet the West has not come to terms with these changes.

Balancing Soviet power and maintaining a strong Western alliance remain central to U.S. national interests. By the same token, the U.S. and its allies have a long-term interest in encouraging the moderation of Soviet power. Because the Soviet Union is a global power, Gorbachev's initiatives demand an active response by the United States and its Western allies. In many areas, from arms control to emigration, the Soviet Union has begun to make changes in directions long advocated by the West. While far from complete, these changes present new opportunities, and challenges, which the West should not ignore. The Task Force strongly recommends that the United States and its Western allies welcome the reformist tendencies that Gorbachev has set in motion and encourage those which promote a moderation of Soviet power. Toward that end, the U.S. and its allies should engage the Soviet Union in an effort to explore possibilities for agreement and resolve key points of tension.

A purely reactive Western approach in the face of the new Soviet policy is not an acceptable option, the Task Force believes. Western policies as well as Gorbachev's domestic policy priority are bound to affect Soviet foreign policy. There is considerable

uncertainty about the long-term success of Gorbachev's reforms. Nevertheless, over time, the new course chosen by Gorbachev will affect the ways in which the Soviet Union carries out its role as a superpower. A more subtle and flexible Soviet diplomacy requires the West to develop a broader and more active policy toward the Soviet Union, including standards to define and meet common security requirements in a rapidly changing international environment. Failure to do so would sacrifice the diplomatic initiative to the Soviet Union as well as abdicate our responsibility to future generations to pursue prospects for substantially improving relations between East and West.

What is Changing in Soviet Foreign and Domestic Policy?

The West needs to think anew about specific changes the Soviet Union has made in its own policies. Many of these changes are only beginnings and ultimate Soviet intentions remain unclear, but it is important to note that some of them move toward long-standing Western preferences:

- *Arms Control* — The USSR adopted the Western proposal of a zero option on the INF issue. In addition, the USSR has moved toward the Western positions on verification, including on-site inspection. It has also raised the prospect of asymmetrical conventional force reductions in central Europe. It has accepted the principle of deep reductions in offensive strategic weapons and proposed a concept of "sufficiency" in military forces.
- *Role of the Military* — There has been a reduction in the Soviet military's role and influence in the highest policy-making councils, and Gorbachev has made clear to the military that they have to accept spending restraints and greater openness in the dissemination of military information.
- *The International Economy* — Gorbachev has placed special emphasis on reducing Soviet autarky by increasing trade, joint ventures, and expressing an interest in cooperating with such major international organizations as GATT.

- *The Domestic Economy* — Gorbachev has initiated a major decentralization of operational responsibility for the economy, and he clearly intends to move toward a more flexible, modern, and efficient economic planning and management. He has admitted the inadequacy of Soviet statistics and called for more accurate economic information.
- *Human Rights* — In the fields of culture and dissent, Gorbachev has displayed a degree of openness and toleration unthinkable just three years ago. In the area of emigration, the change has been less dramatic but Gorbachev has increased the emigration of Soviet Jews, Germans and other groups. While *glasnost'* has a long way to go, it has clearly led to progress on human rights, which has been a major concern of the West.
- *Regional Issues* — While Gorbachev has as yet made no significant effort to scale back existing Soviet global commitments, he has given a lower priority to the military expansion of Soviet interests in the Third World than his predecessors.
- *Eastern Europe* — While urging closer and more "efficient" economic integration, Gorbachev has permitted a somewhat more flexible expression of specific national interests in Eastern Europe than his predecessors.

Agenda for Action

These changes in Soviet policies and the prospect of a Soviet-American INF treaty and summit by the end of this year highlight the need to tackle a wide range of problems in East-West relations. The Task Force recommends that as first steps Western policy choices focus on five key areas:

- *Security Issues* — The U.S. and its NATO allies should intensify talks with the Warsaw Pact aimed at reducing conventional forces and eliminating offensive strike potentials, particularly those designed for surprise attack. Given the geographical differences and existing force imbalances, new approaches must include asymmetrical reductions of forward-based armored units, which present the greatest threat of surprise attack.

Both sides need to move rapidly to conclude an agreement on deep cuts in strategic offensive nuclear forces. These reductions should be designed to enhance strategic stability and eliminate the capacity to launch a crippling first strike. At the same time, both sides need to find ways to strengthen the ABM Treaty and to ensure that any research on strategic defensive systems is consistent with preservation of the Treaty.

The West should push for a rapid conclusion of the global Geneva chemical weapons negotiations, including the establishment of an international verification regime. Such an agreement would help increase confidence in Europe at a time when some are concerned over the implications of the elimination of medium- and shorter-range nuclear missiles from the continent.

- *International Economic Issues* — Except in a precisely defined area of strategic technologies, which entails tighter, more efficient COCOM regulations, expanded East-West trade is in our interest. The West should welcome Soviet efforts to develop the legal foundation for a system of equitable joint ventures. While Western governments should not subsidize credits, neither should they oppose the extension of private credit through normal commercial rates and practices to the Soviet Union. The prospect of observer status in the GATT and IMF should be used to encourage greater openness and information about the Soviet economy.

If the Soviet Union demonstrates heightened respect for human rights, the U.S. government and Congress should consider bringing their policy in congruence with U.S. allies by reevaluating the Jackson-Vanik and Stevenson amendments restricting trade with and credit to the USSR. The West should aim to normalize the framework for trade with all Warsaw Treaty countries, on the basis of mutual and reciprocal interests.

In addition, the U.S.-Soviet umbrella agreements on scientific and technological cooperation should be revived and expanded, on the basis of full reciprocity.

- *Human Rights* — The West should welcome increased *glasnost* while continuing to make clear to the Soviet government that its observance of internationally recognized human

rights is the mark of a civilized power and a condition for truly collaborative relations between the Soviet Union and the West. The West should insist that the Soviet Union fully live up to the commitments it undertook under the Helsinki Final Act to encourage the free movement of people, ideas, and information across international boundaries.

- *Regional Issues* — In Afghanistan, the West must continue to make clear that Soviet occupation of that country poses strict limits to genuine collaboration between the USSR and the West. Conversely, a rapid Soviet withdrawal, with sufficient international guarantees, would be a forceful demonstration that the "new political thinking" has specific policy implications.


In other areas of conflict which could lead to possible superpower confrontation—such as Central America, southern Africa, and the Persian Gulf—the West should intensify discussions aimed at clarifying interests and creating conditions for greater stability. Within this framework, U.S.-Soviet meetings on regional issues should be upgraded as part of a regularized summit process. The purpose would be to seek solutions to these problems in conjunction with other concerned parties.

In the Arab-Israeli dispute, the U.S. and USSR should work together to advance a peace process which guarantees the territorial integrity and interests of all states and parties.

- *Political Dialogue* — U.S.-Soviet summit meetings, as well as meetings at other governmental and non-governmental levels, should be held on a regular basis.

Conclusion

The West must have no illusions about the need to balance Soviet power, but neither should it overlook opportunities to encourage the Soviet Union to be a more responsible and integrated member of the international community. Although the long-term success of Gorbachev's policy remains uncertain, the process he has launched holds out a promise of a further moderation of Soviet power and an opportunity to develop and institutionalize areas of cooperation in the East-West relationship.



Some in the West worry about giving the Soviet Union a "breathing spell." They fear that Gorbachev's economic reforms will simply strengthen the USSR in the long run. But Soviet economic and social problems will not be quickly solved. In the meantime, greater openness and pluralization should be welcomed for their own sake as well as for the effect they can have in moderating the way Soviet power is used.

In order to seize the opportunities offered by new Soviet policies, the U.S. and its allies need to respond creatively to Gorbachev's initiatives. In order to do that, the West must be clear about its own policy objectives and priorities. New political thinking in the East requires new policy thinking in the West.