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THE WHITE HOUSE
WASHINGTON

TR

March 3, 1987

FG 013
ND
FO
FG 032
FG 006-12

Dear Doug:

I have received and reviewed the proposals on out-of-area cooperation that you were so kind to send me. I applaud the efforts of the Wednesday Group to try to develop constructive ways to encourage effort by NATO nations for our common security objectives. I share the group's concern that we face the prospect of strident and punitive proposals in the Congress if we do not come up with more constructive alternatives.

You no doubt recall that the U.S. raised the problem of out-of-area responsibilities and their potential impact on NATO in 1981. After extensive work with Allies, we did achieve limited success in highlighting some efforts that Allied nations could undertake which would, as well as being sound projects in their own right, help alleviate the diversion of U.S. forces in the event we were engaged in efforts outside the NATO region that were nevertheless in defense of common security interests.

Because the Department of Defense was the lead executive agency in that earlier effort, as well as because there may be other potential projects that would serve our shared purpose of protecting our NATO commitment, I have taken the liberty of writing Secretary Weinberger about your efforts. I trust he will lend the assistance of appropriate elements of his staff.

Sincerely,

Frank C. Carlucci

X

The Honorable Doug Bereuter
House of Representatives
Washington, D.C. 20515

NSC # 8700700

THE WHITE HOUSE

WASHINGTON

March 3, 1987

MEMORANDUM FOR THE HONORABLE CASPAR W. WEINBERGER
The Secretary of Defense

SUBJECT: Reply to Congressman Bereuter -- NATO Out-of-Area
Proposal

Congressman Doug Bereuter has written me on behalf of the Wednesday Group (Republican Congressmen) asking for opinion and assistance in framing constructive alternatives to the "NATO-bashing" proposals they feel will be put forward this year in Congress. The proposal the Group is suggesting now is a standing NATO committee on out-of-area cooperation.

I have attached a copy of my reply to Congressman Bereuter, in which I refer him to Defense for assistance in determining what kinds of alternative proposals might be useful. As you recall, we raised the out-of-area issue several years ago in NATO, and I fear that area may already be exhausted.

The purpose of the Wednesday Group is admirable. I am sure your staff will be able to suggest some ways in which they can be useful this year.


Frank C. Carlucci

Attachment as Stated

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

0700

ACTION

February 20, 1987

MEMORANDUM FOR FRANK C. CARLUCCI

FROM: DONALD A. MAHLEY *DM*

SUBJECT: Reply to Congressman Bereuter -- NATO
Out-of-Area Proposal

At Tab III is an incoming letter from Congressman Bereuter, forwarding a copy of a "Wednesday Group" study and proposal for a standing NATO committee on out-of-area cooperation. The purpose of the proposal is to preempt some more serious "NATO-bashing" proposals the Wednesday Group fears will be submitted to Congress this year.

The goal of the group is commendable. The report indicates they have done extensive work and thinking in trying to come up with a workable proposition. However, the Administration put forward to NATO a very extensive out-of-area push in 1981-1982, that pretty well exhausted Allied patience on this subject. We did get out of the earlier effort a series of proposed projects by NATO Allies that are supposed to get special attention as a means of compensating in Europe for the possibility that US forces may be engaged elsewhere, such as Southwest Asia.

One of the traps in attempting to get NATO too heavily engaged in out-of-area considerations -- other than the obvious point that the NATO treaty specifically describes the geography that its provisions concern -- is that in return for effort to assist US goals, Allied nations expect to be consulted on what those goals (and actions) are. This is one of the things we discovered in our earlier efforts: if we were going to get Allies to "activate" resources of their own, they wanted prior consultation about the developing situation and, in effect, their agreement to proposed US actions.

All of this is background to explain the proposed reply to Congressman Bereuter (Tab I). It thanks him for the group's effort, reaffirms the Administration's commitment to NATO and the importance of keeping "NATO-bashing" under control, and asks him to contact Defense to work on possible proposals. The intent is to make sure that this Congressional group does not, with all good intention, end up suggesting something Defense would object to.

We have also prepared at Tab II a letter from you to Secretary Weinberger, forwarding a copy of the Wednesday Group paper and asking that he work directly with the group to devise constructive suggestions. This letter is referenced in your reply to Bereuter.

Bob ^{BD} Linhard, Mike ^{MD} Donley, Allison ^{ASF} Fortier, and Bill Cockell ^{WC}
concur.

Recommendations:

That you approve and sign the reply to Congressman Bereuter at Tab I.

Approve _____ Disapprove _____

That you approve and sign the letter to Secretary Weinberger at Tab II.

Approve _____ Disapprove _____

Attachments

- Tab I Proposed Letter to Congressman Bereuter
- Tab II Carlucci Memo to Secretary Weinberger
- Tab III Incoming Correspondence from Congressman Bereuter

70-01

DOUG BEREUTER

1ST DISTRICT, NEBRASKA

COMMITTEE ON BANKING, FINANCE
AND URBAN AFFAIRS

SUBCOMMITTEES:

FINANCIAL INSTITUTIONS
HOUSING AND COMMUNITY DEVELOPMENT
INTERNATIONAL DEVELOPMENT
INSTITUTIONS AND FINANCE
ECONOMIC STABILIZATION

COMMITTEE ON FOREIGN AFFAIRS

SUBCOMMITTEES:

INTERNATIONAL ECONOMIC POLICY AND TRADE
ASIAN AND PACIFIC AFFAIRS
SELECT COMMITTEE ON HUNGER



Congress of the United States
House of Representatives
Washington, DC 20515

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NATIONAL AGRICULTURAL TRADE AND
EXPORT POLICY COMMISSION

RURAL CAUCUS
AGRICULTURAL TASK FORCE
COCHAIRMAN
EXPORT TASK FORCE
VICE CHAIRMAN
ENVIRONMENTAL AND ENERGY
STUDY CONFERENCE

January 21, 1987

JAN 22 1987

Frank Carlucci
Director
The National Security Council
The White House
Washington, D.C. 20500

Dear Frank:

Over the course of the past several months I have been working with the staff of the House Wednesday Group (description enclosed) on a legislative project which would encourage the Executive to propose the formation of a standing Allied commission on so termed "out-of-area" issues. The proposal has its origins in a Wednesday Group report on defense and foreign policy released in August.

As you know, the question of out-of-area cooperation is one which is becoming increasingly important strategically, yet increasingly divisive politically. I believe that our proposal offers the potential for a timely and sound response to these concerns.

As you will see, the proposal is now in its latter stages. Nonetheless, I was hoping to get the informal thoughts of several senior Administration officials like yourself on the merits of the project prior to actual introduction.

I have enclosed for your attention a copy of the proposal and supporting materials, as well as a copy of the Wednesday Group report from which the proposal originates. I look forward to hearing from you.

Sincerely,

Doug Bereuter
Member of Congress

Enclosures (3)



THE HOUSE WEDNESDAY GROUP

386 HOB Annex #2, Washington, D.C. 20515 (202) 226-3236

ABOUT THE WEDNESDAY GROUP

The Wednesday Group is a by invitation Republican organization begun in 1963 in the House of Representatives. Composed of 36 members of the House, its purposes are to facilitate legislative information exchange, propose policy programs, and provide forums for the confidential consideration of legislative and public policy options.

Wednesday Group members, from a diverse geographical spectrum, meet on a weekly basis for discussion and exchange of information and ideas. The Group is supported by a small professional staff that conducts research, engages in outreach activities, and helps generate policy proposals by preparing reports on major issues.

A sampling of the issue areas in which the group has been particularly involved in the past several years includes: The Defense-Industrial Base, U.S. Economic Infrastructure, Human Capital and National Economic Development, and Women in American Society. The group is also engaged in a project called "An Agenda for Future Republican Policy," and has released three of four reports -- Social Policy, Energy and the Environment, and Defense and Foreign Policy. Part Four, Economic Policy is forthcoming.

Throughout its history, the Group has also affected major legislative initiatives in areas of specific concern to Congress and to Wednesday Group members. Present efforts include: Recodification of the Rules of the House, Equal Employment Opportunity, Federal Civil Rights Policy, Worker Retraining, Child Care, and Education Reform.

YSH101

HLC

[STAFF WORKING DRAFT]
January 21, 1987

100TH CONGRESS
1ST SESSION

H. R. _____

IN THE HOUSE OF REPRESENTATIVES

Mr. _____ introduced the following bill; which was referred to the Committee on _____

A BILL

To authorize the establishment of a commission on out-of-area issues.

1 *Be it enacted by the Senate and House of Representatives*
2 *of the United States of America in Congress assembled,*

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the ``Allied Commission on Out-
3 of-Area Issues Act``.

4 SEC. 2. FINDINGS.

5 The Congress finds that--

6 (1) there are issues which arise outside of the
7 prescribed boundaries of the principle Western security
8 alliances which affect the shared security interests of
9 member states and which are referred to as out-of area
10 issues;

11 (2) such out-of area issues include contingencies
12 related to the activities of terrorists and terrorist
13 organizations, the use of military force by the Soviet
14 Union or other anti-Western powers in areas of
15 geostrategic importance to the West, and the indigenous
16 instability and turmoil in strategic regions of the less
17 developed World;

18 (3) the allied nations have frequently been at odds
19 concerning the appropriate strategies to employ in
20 meeting such challenges and the extent to which alliance
21 partnership implies an obligation to address out-of-area
22 issues cooperatively;

23 (4) at present no allied organization exists which is
24 either sufficiently prominent or comprehensive in its
25 approach to out-of-area issues;

1 (5) if the existing framework for collective security
2 is to remain stable through the years ahead, it is
3 necessary that actions be taken which will allow the
4 Western allies to more cooperatively and effectively
5 confront out-of-area challenges; and

6 (6) unless properly managed these issues threaten to
7 weaken the political consensus underlying the Western
8 security system.

9 **SEC. 3. PURPOSE.**

10 It is the purpose of this Act to provide a framework for
11 the establishment of a Western alliance commission on out-of-
12 area issues (hereinafter referred to as the ``commission``)
13 and to encourage the President to seek the establishment of
14 such a commission. Such a commission would be regarded by the
15 United States as a principle institution for consideration of
16 allied perspectives and policy options with respect to out-of-
17 area issues, but not as a forum for formal intergovernmental
18 negotiations.

19 **SEC. 4. FUNCTIONS OF COMMISSION.**

20 It is the sense of the Congress that the Commission
21 should--

22 (1) promote a better understanding of how the Western
23 alliance might respond to out-of-area challenges, events,
24 and issues either individually or collectively, without
25 formally engaging NATO or other security alliances;

1 (2) specifically define potential out-of-area
2 contingencies which might threaten the West as a whole,
3 and to suggest and encourage the adoption of contingency
4 plans for responding collectively to such events;

5 (3) better relate, for planning purpose, the out-of-
6 area security concerns of Japan and America's other Asian
7 allies with those of NATO;

8 (4) explore the possibility of coordinating the
9 foreign and military aid programs of the Western allies
10 as a means of promoting growth and stability in less
11 developed countries;

12 (5) promote better coordination among commission
13 participants in the other multinational organizations to
14 which they belong.

15 **SEC. 5. INVITATIONS TO PARTICIPATE IN COMMISSION.**

16 (a) **INVITATION TO NATO COUNTRIES AND JAPAN.**--The
17 President may invite the member states of the North Atlantic
18 Treaty Organization and Japan to participate with the United
19 States in a commission on out-of-area issues.

20 (b) **INVITATION TO CERTAIN OTHER COUNTRIES.**--The President
21 may also invite member states of the Security Treaty between
22 Australia, New Zealand, and the United States of America
23 (ANZUS), the Southeast Asia Treaty Organization (SEATO), and
24 other appropriate countries to participate in the commission.

25 **SEC. 6. ORGANIZATION OF COMMISSION.**

1 (a) DELEGATE SELECTION.--It is the sense of the Congress
2 that the Commission should be composed of nationally
3 appointed delegates who by demonstrated ability, background,
4 training, and experience are qualified to contribute to the
5 work of the commission. Delegations of participating
6 countries would be of equal size and delegates would not be
7 individuals who serve in any other government capacity.

8 (b) OPERATIONS.--It is the sense of the Congress that the
9 Commission should convene at least twice yearly for the
10 purpose of assessing works in progress and establishing
11 future agendas. The office of chairperson of the commission
12 would rotate, at an interval to be determined by the
13 participants. Delegates would serve on the full commission as
14 well as specific task forces. The commission should be
15 encouraged to utilize the facilities of established
16 multinational institutions.

17 (c) REPORTS.--It is the sense of the Congress that the
18 commission should compile and disseminate task force reports,
19 findings, and policy memoranda as well as an annual report.
20 The annual report should include a comprehensive record of
21 the commission's activities and deliberations during the year
22 concluded; a detailed summation of the out-of-area issues and
23 events which touched upon alliance interests in the preceding
24 year and member states responses to these events; and any
25 proposals and recommendations which the commission considers

1 appropriate. The annual report should be submitted to the
2 foreign ministries and the highest political and military
3 councils of participating states. Member States should be
4 urged to respond to such annual report in writing.

5 **SEC. 7. REPORT TO CONGRESS.**

6 Not later than one year after the date of enactment of
7 this Act, the President shall submit a report to the
8 appropriate committees of the Congress on progress towards
9 implementation of this Act. Such report shall include
10 specific information concerning United States initiatives and
11 allied responses.

Commission on Out-of-Area Issues

A Background Paper

In the 40 years since the end of the second world war and the emergence of the major Western security alliances, the political and military threats the allies have had to contend with have grown in scope and complexity. In an era of increasing economic and strategic interdependence, the members of NATO, ASEAN, and Japan have been reminded repeatedly of the fact that fundamental security interests could be threatened by events taking place far beyond the parameters formally prescribed by alliance charters.

These challenges, commonly referred to as "out-of-area" contingencies, have involved threats emanating from the Soviet Union or its proxies, radical states, and terrorist organizations and their supporters. While the allies have frequently found themselves at odds over what strategy should be employed to meet these out-of-area challenges, they have thus far failed to establish a process through which they could collectively, explicitly, and systematically consider these issues. Toward this end we offer the following proposal.

* * *

Although NATO was established in response to a threat which was clearly defined both militarily and geographically, it became evident almost immediately to observers within the Alliance that the security interests of its members could not be insulated from the course of events beyond the treaty's formally prescribed boundaries. The following, for example, is from a report issued in 1956:

"NATO should not forget that the influence and interests of its members are not confined to the area covered by the treaty, and that common interests of the Atlantic Community can be severely affected by developments outside of the Treaty area."

A similar view was expressed in a report issued more than a decade later:

"The North Atlantic Treaty cannot be treated in isolation from the rest of the world. Crises and conflicts arising outside of the area may impair its security either directly or by affecting the global balance."

More recently, in 1984, the same general theme was sounded by the North Atlantic Council in the wake of attacks against tanker traffic in the Persian Gulf.

While the debate on out-of-area cooperation has been confined, for the most part, to NATO, it is almost certain that in the years ahead it will become an important factor in relations among the Asian allies as well. The U.S. has for some time, in fact, been attempting to persuade Japan of the need to adopt broader defense responsibilities. Although the Japanese, for historical and constitutional reasons, have been extremely cautious in their approach to matters related to an extra-territorial defense role, they have expressed a heightened awareness of their increased vulnerability in an evolving security environment. In 1980, for example, they began sending permanent representatives to meetings of the North Atlantic Assembly, NATO's parliamentary affiliate.

At issue, therefore, have not been differences as to the strategic linkage between Western defense and out-of-area contingencies, but rather differences as to what role, if any, the alliances should play in response to these contingencies. Debate on this score has been a particularly frequent source of political tension and public bitterness among the NATO allies.

* * *

When NATO was formed, it was the U.S. that insisted upon a clearly delimited treaty area. At the time we were particularly wary of being drawn into possible conflicts involving the European allies and the colonies over which they had jurisdiction. In fact, throughout the 1950s and into the early 1960s, the U.S. encouraged the West European governments to retract what remained of their extra-regional strategic commitments.

As the last vestiges of the colonial empire vanished and U.S. global security commitments grew to the limits of national power, both the United States and its European allies were led to reconsider their previous views. Specifically, during the past two decades it has been the allies, for the most part, who have insisted that NATO commitments be strictly limited to the national territories of the member states; while the U.S. has increasingly taken to advocating an expanded conception of collective defense.

Three factors, in particular, have accounted for the European change of heart.

- o There have been fears that out-of-area commitments would lead to increasing demands on military resources and thus to strategic over-extension at the expense of direct NATO defense.
- o The allies have been wary of being drawn by the U.S. into conflicts which, as they see it, might involve U.S. global interests but not their own.
- o In many instances, allied perspectives on the sources of and the remedies for instability in strategically important regions of the Third World have differed substantially from our own.

Thus, while a consensus has emerged on the relevance of out-of-area events to NATO security, the Alliance has proven unable to make significant progress toward the development of the institutional mechanisms and operational capabilities necessary to respond to these threats in a predictable and coordinated manner. It has remained official NATO policy that actions taken to deal with events outside of NATO's formally prescribed area of operations will be arranged independently by individual members states and not as a function of the Alliance as a whole. This has proven, time and again, to be a formula for confusion and acrimony, rather than convergent policy responses, in cases where the Alliance's extra-territorial security interests have been threatened.

Definition

The out-of-area contingences with which the allies have traditionally had to contend have been of three general types: those involving

- o overseas territories of individual alliance members, as in the Falklands for Britain;
- o overseas areas in which a particular state, or states, have perceived national security interests to be at risk, as in the Suez for Britain and France in 1956, or more recently in Chad for France and in Grenada for the U.S.;
- o overseas areas where fundamental security interests shared by all Alliance members in common are perceived as being at stake, as in the Persian Gulf region.

Alliance differences have been most pronounced, and the tensions arising from them most severe, in those cases where out-of-area threats have raised expectations within the Alliance of coordination or cooperation of a military nature. The NATO allies have committed forces to a combined effort outside of NATO only once since the Korean War (Lebanon), and it is generally recognized that any expectations for direct military cooperation of this nature are unrealistic. Moreover, even where expectations have been modest, and requests limited to the areas of logistical and/or reconnaissance support, cooperation has rarely been forthcoming.

In 1973 and again in 1986, for example, Alliance relations were strained owing to the refusal of European allies to grant the U.S. the right to overfly their national territory as part of our effort to resupply Israel in its war with Egypt and retaliate against Libya for its role as sponsor of terrorist attacks against American targets in Europe. The outcome of the latter episode, moreover, has called into question whether or not even our most supportive ally, Great Britain, will in the future allow the U.S. to use bases or materials committed to NATO and deployed on their territory for the conduct of out-of-area operations. It is already clear that other NATO members, such as Turkey and

Greece, would be unlikely to grant the U.S. permission to use facilities located within their territory for out-of-area operations.

Differences have not been limited to issues of military cooperation alone, as Alliance members have found themselves frequently at odds over the use of coordinated economic and political sanctions in response either to Soviet or third party out-of-area activities which threaten shared security interests. The inability of the allies to coordinate sanctions policy in the aftermath of the Soviet invasion of Afghanistan in 1978, or in response to Libyan complicity in terrorist acts directed against the West, provide two cases in point.

While the political consensus in support of NATO remains strong, it is for numerous reasons under greater pressure today than at any time in the post-war era. The alliance appears, to many observers, to have fallen into a constant state of uncertainty. In the years ahead, it is likely that out-of-area issues will intrude with increasing frequency upon NATO's policy agenda. In addition, it is likely that pressures for out-of-area security cooperation will increasingly become an issue between the United States and its allies in the Pacific. If the West fails to properly manage these issues, it is likely that they will add significantly to the tensions which are already weakening NATO, and increasingly strain our relations with Japan and other friendly nations in East Asia.

Proposal

In the WG report on defense and foreign policy, released in August of 1986, it was proposed that the United States move to establish a commission, to include representatives from the NATO countries and Japan, for the purpose of considering and shaping, on an ongoing basis, Alliance perspectives and policy options with respect to so called "out-of-area" issues. The commission was envisioned as a source of new ideas and as a forum for discussion, rather than for formal inter-governmental negotiations.

* * *

If the existing framework for collective security is to remain stable through the remainder of this century and into the next, it will become increasingly necessary that we take steps which will allow the Western allies to more cooperatively and effectively confront out-of-area challenges. Three related factors, in particular, account for this.

The first is the West's continuing dependence on the strategic resources of the Third World. Access to Persian Gulf and Middle East petroleum, to the strategic minerals of Africa, and to the sea-lines linking the West to these regions, in particular, is critical both to the future prosperity and the defense of the West. The second reason is related to the emergence of the Soviet Union as a truly global military power. While Moscow may long have

realized that NATO's greatest vulnerability lies far from the central front, its ability to directly challenge the Alliance in these areas has traditionally been limited. This is no longer the case.

The third factor which is likely to push out-of-area challenges to the forefront of Allied considerations in the years ahead is the emergence of terrorism as a full blown threat to Western security. Terrorism threatens the very fibre of Western democracies, as it turns the liberties and civil codes of conduct upon which they are built against them. Efforts to respond to the threat individually will only encourage terrorists and those who support them to play members of the Alliance off against each other, thereby creating internal divisions and disarray.

* * *

Our proposal would encourage the Executive, as a first step, to discuss the formation of such a commission with our allies in Europe and Japan. In addition, the European neutrals, along with the members of ANZUS and SEATO would be encouraged to participate. Membership of the core group of Western powers, however, will be essential, as it will establish the legitimacy of the commission and serve as an inducement for the smaller nations to participate. It would thus be necessary that initial emphasis be given to enlisting the support of the major Western powers.

Each nation would be represented on the commission by a delegation of individuals who, by demonstrated ability, background, training, and experience are qualified to contribute to the work of the commission. In the United States, commission delegates would be appointed by the Executive. These would not include individuals already serving in a government post. The commission's appointed delegates would convene twice yearly or as necessary, while the staff, delegated from member countries, would be permanently organized.

* * *

The focus of the commission's efforts would not be limited either with respect to geographic region, threat sources, or potential avenues of cooperative recourse. Out-of-area challenges to the strategic interests of the West, broadly defined, are likely to emanate in the future from any number of geographically disperse regions of the world. The Middle East, the Horn of Africa, Southern Africa, and the Caribbean Basin are among them. Moreover, these challenges may have different catalysts. At their root we may find the Soviets or their proxies, terrorist organizations, or purely intra-regional rivalries and conflicts. Cooperative allied responses to these challenges, in addition, might take a number of different forms. Avenues of potential military, economic, and diplomatic cooperation could all be explored. The commission, in sum, would be a forum in which the potential for developing cooperative and multi-dimensional regional security strategies could be considered, and future courses of allied action suggested.

A decision would of course ultimately have to be made regarding the institutional framework in which the proposed commission would be established. There would be some advantage, particularly in terms of cost and administrative efficiency, in establishing the commission within an already existing multi-national framework. Although we are considering some alternatives in this regard, we leave this as an issue for future resolution by the Executive.

Goals and Limitations

We do not look upon the commission which we are proposing as a panacea for solving all of the Western Alliance's problems with respect to this set of issues. There are clearly limitations on what we might realistically expect to achieve through such a forum, particularly as regards the issue of allied military coordination outside of formally prescribed operational areas. Nonetheless, the commission could provide a useful forum wherein a variety of out-of-area issues might be addressed, and positive precedents built upon.

Beyond providing important and explicit acknowledgement of the relevance of out-of-area events to the security of the Western allies, a commission such as that which we propose could pursue a number of more specific and equally important objectives. The following might be among these:

- o To promote a better understanding of how the allies might respond to out-of-area challenges, either individually or collectively, without engaging the major western alliances.

With respect to military cooperation, the commission's efforts would thus seek to build upon those types of efforts for which precedent already exists, rather than on engineering a formal change in the Alliance's area of operations, or in organizing a separate, combined forces for the purpose of responding to out-of-area threats. While it might be ideal, for example, to expand the scope of our alliances with Western Europe and Japan into commitments to protect vital Western interests beyond national borders, almost all informed observers agree that this is unrealistic.

- o To specifically define potential out-of-area contingencies which might threaten the West as a whole, and to suggest and encourage the adoption of contingency plans for responding collectively to such events.

With the sole exception of the South-West Asia Impact Study, the result of consultations which took place within NATO in the early 1980s in response to the Iran-Iraq war, the allies have to date failed to define specific out-of-area threats and make plans for meeting them.

- o To better relate, for planning purposes, the out-of-area security concerns of Japan and America's other Asian allies with those of NATO.

The out-of-area security interests of the Western allies are being tied ever closer. To an increasing extent, the extra-territorial security concerns of Japan and the members of ASEAN are indivisible from those of the Alliance's Atlantic partners. Open sea lines of communication, access to reserves of strategic resources -- Middle Eastern petroleum in particular -- and effective responses to the terrorist threat are critical from the perspective of all the allies.

- o To explore the possibility of coordinating the foreign and military aid programs of the Western allies as a means of promoting growth and stability in the Third World.

Poverty, corruption, and political repression are often at the heart of the domestic turmoil and the regional conflict from which follow actual or potential threats to the extra-territorial security interests of the Western allies. Efforts to promote economic growth and political democratization in the Third World will almost certainly prove, over the long-term, the most cost effective means of building bulwarks against the expansion of Soviet influence and/or the emergence of radical anti-western regimes. A coordinated effort to promote political and economic development in the Third World could provide an enormous long-term security payoff.

- o To promote better coordination among commission participants in the other multi-national organizations to which they individually belong.

Almost all of the nations mentioned for potential membership in the commission also belong to numerous other international organizations. The U.N. is, of course, the most obvious example. Most of the allies also participate in the International Aviation Administration and Interpol, two organizations which have played an important role in formulating international responses to terrorism. Out-of-area interests could be more effectively promoted if allied positions were better coordinated within these organizations.

* * *

In support of these objectives, the Commission would be instructed to produce and publish an annual report. In it, the commission would set forth, generally, a record of its activities and deliberations, as well as the proposals and recommendations it might wish to offer. This report would be addressed to the highest military and political councils within the Western Alliance system, as well as to the foreign ministries of participating states. While such councils and ministries would not be bound by the findings or proposals of the commission, they would be obliged to respond to the report and express their views as to its content.

COMMISSION ON OUT-OF-AREA ISSUES

Issues for Discussion

DEFINITION

What do we mean by "out-of-area" threats?

Out-of-area threats can be defined as those which, though they occur beyond the prescribed boundaries of our major security alliances, nonetheless threaten our fundamental and shared security interests. The specific nature and source of the threats, which we define as out-of-area, vary widely.

Threatening out-of-area contingencies may, for example, involve the use of military force by the Soviet Union (Afghanistan) or Soviet proxies (Angola) in areas of geostrategic importance to the West. More frequently, out-of-area contingencies effecting allied interests have been the result of indigenous sources of instability and turmoil in the Third World. Members of the Western alliance have repeatedly seen their interests jeopardized, for example, by the seemingly endless variety of internally generated coups, revolutions, insurgencies, and low intensity conflicts which have been characteristic throughout the developing world.

In addition to contingencies of the type described above, the terrorist threat to which the European allies, in particular, have proven so tragically vulnerable must also be addressed as an out-of-area issue. Although terrorist acts have in many cases occurred within NATO parameters, it will oftentimes be necessary, given the nebulous character of the threat, that the allied response be directed at their source. It may frequently be the case, as with Syria and Libya for example, that the source will lay outside of NATO's operational sectors.

PURPOSE AND GOALS

Why is an additional forum for the discussion of out-of-area issues necessary? Don't we discuss these issues within NATO as well as numerous other multinational organizations?

While there presently exists a number of forums in which out-of-area challenges and Allied response options are discussed, no forum exists which is either sufficiently prominent or comprehensive in its approach to the issue.

Issues related to Allied out-of-area cooperation are now discussed in numerous and, in many cases, only loosely associated forums. The potential military, economic, and/or political impact on the Alliance of events occur-

ring beyond NATO's formally prescribed boundaries, and possible response options, are discussed, for example, in the North Atlantic Council and the Defense Planning Commission within NATO, as well as in the North Atlantic Assembly's subcommittee on Out-Of-Area Security Challenges. In addition, Alliance members participate individually in a number of more broadly based multinational organizations, such as Interpol and the International Aviation Administration.

Although there is, as we would expect, a degree of overlap in the scope of these discussions, different aspects of the out-of-area challenge are given special or exclusive emphasis and attention in the different forums. The discussion on out-of-area issues, as a result, is at present fractuous and poorly coordinated. A commission such as that which we propose would lend a much needed measure of cohesion and focus to what is now a bureaucratically fragmented and, to many minds, a politically incoherent process. By doing so it would allow for a more integrated, coordinated, and effective approach to what will surely remain politically sensitive yet critical issues.

Given the history of Alliance differences with respect to out-of-area cooperation, and the depth of the factors which have accounted for these differences, is it realistic to expect that such a commission will be effective?

While there is no question that substantial differences exist within the alliance regarding its proper role as a mechanism for responding to out-of-area challenges, a great deal can nonetheless be done which would allow the allies to confront these challenges more effectively than they have in the past.

The potential for progress is closely related to how realistically we establish our objectives at the outset. As noted earlier, a realistic approach to these problems will have to be one which accepts that there are significant limitations on what can be achieved over the short or even intermediate term. This is particularly true with issues involving the use of military force. If our objective were to expand the geographic scope of allied military integration and coordination, the commission would unquestionably do little except aggravate allied differences. The makings of a consensus on such a course, quite simply, are absent.

An enhanced ability to respond to out-of-area challenges could result if the commission sought instead to expand upon the more modest framework of formal and informal cooperative arrangements which already exist. There have been a number of instances, for example, in which European allies have arranged to augment or shift forces in Europe in order to compensate for the diversion of other allied forces out of the region. This was the case when forces were redeployed within NATO to fill the temporary vacuum created when Britain sent North Sea naval units to the Falklands. To date, however, actual planning for compensatory actions such as this has occurred for only one potential contingency, that involving the diversion of European-based U.S. forces to the Persian Gulf.

In addition, there have been a number of instances in which individual European partners and the United States have informally arranged to cooperate bilaterally in out-of-area operations. Such cooperation has for the most part been arranged ad-hoc in response to particular crisis, such as those involving the French in Chad or the British in the Falklands. Working within this tradition of informality, the commission might promote better and more routine planning and training for potential contingencies such as these.

The commission also might contribute substantially to more coordinated non-military approaches to out-of-area threats. A focused discussion on the coordinated use of foreign aid, economic and diplomatic sanctions and incentives, as well as on the possibilities for better coordinating western positions in the more broadly based international organizations, though much in need, is presently lacking.

Would a commission such as that proposed threaten to narrow the range of options open to the U.S. in dealing with threats beyond the boundaries of the alliance system?

As stated in the recent WG Report on Defense and Foreign Policy, occasions will arise where it will be both necessary and proper that the United States act unilaterally in response to events outside of allied operational areas. The United States cannot allow itself to be handicapped in responding to persistent acts of terrorism, or to Soviet efforts to supplant Western influence in strategically important regions of the Third World, or in other cases where we perceive our vital interests to be at stake.

While we cannot allow any nation, no matter how close and deeply rooted our friendship, to exercise veto power over critical U.S. policy choices, it is essential to recognize at the same time that unilateralism, if adopted as policy or if practiced routinely, will assuredly undermine both the political and military integrity of the Western Alliance over the long-term. For this reason it is clearly to our benefit that potential avenues of multilateral and bilateral cooperation in defense of shared interests be fully explored and exploited.

It is with these considerations in mind that we have stated clearly our intention that the commission provide no more than a forum for informed discussion and for a fuller and more coordinated exploration of possible avenues of out-of-area cooperation. The commission would not provide a forum for intergovernmental negotiations, nor would it advocate the adoption of formally binding agreements on out-of-area policy.

ALLIED PARTICIPATION

What incentive would our alliance partners have for wanting to participate on this commission?

Even though out-of-area security challenges pose a greater direct threat to our allies, in general, than they do to the U.S., the U.S. continues to shoulder a disproportionate share of the burden which the response to these challenges entails. Europe and Japan, for example, are much more vulnerable than we to an interruption of the oil flow from the Middle East. Nonetheless, the burden of providing the resources necessary to insure that such an interruption does not occur has fallen largely upon our shoulders. Under the circumstances, one might ask, what incentive would the allies have for wanting to support a proposal which might require that they assume an expanded role in meeting out-of-area challenges? There are, in fact, two such incentives.

First, if the U.S. fails in the future to receive greater support in planning for out-of-area contingencies, calls for a reduction in the amount of resources we allocate to the direct defense of the allies are likely to increase. The allies are aware of this. Second, to the extent that the U.S. acts unilaterally in defense of allied out-of-area interests, the ability of the allies to influence U.S. actions and to affect the course of events will wane. This understanding seems to be taking root among the allies. As one European observer remarked: "although the U.S. will remain the main power that is able to act effectively (beyond the formally prescribed boundaries of the alliance), Europe will have to play a greater role if it wants to shape the events that directly affect its interests."

OPERATING PROCEDURES

How would the commission function?

As stated in the proposal's background paper, the commission would be composed of teams of nationally appointed delegates and staff. Participating nations would be free to choose delegates to the commission according to their own preference. Delegates may not be individuals who are already serving in an official government capacity.

The delegates to the commission would meet twice yearly, or as necessary, with the chairmanship rotating on a bi-annual basis. The commission's professional staff would remain permanently organized, with its members assigned to task forces with different functional areas of responsibility.

At the bi-annual delegate meetings, works in progress would be assessed and the commission's future agenda established. In addition to the task force reports, findings, or policy memorandum the commission might see fit to disseminate, it would be required to publish an annual report containing: a comprehensive record of its activities and deliberations; a detailed summation of the out-of-area issues and events which touched upon alliance interests in the preceding year and allied responses to these events; and the proposals and suggestions it might wish to offer.



THE HOUSE WEDNESDAY GROUP

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An Agenda for Public Policy

Part III

DEFENSE AND FOREIGN POLICY

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Under the Direction of
the WG Task Force on
Defense and Foreign Policy
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The final report, prepared under the direction of a task force composed of WG members and noted public policy analysts, will cover Economic Policy.

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Members of the House Wednesday Group sponsoring this report wish to thank the members of the Defense and Foreign Policy Task Force for their time and efforts in producing this policy paper.

Of course, the views in this paper represent those of Wednesday Group sponsors and not the non-Congressional Task Force members or the organizations listed above.

With the possible exception of the years immediately following the withdrawal of U.S. combat troops from Vietnam, the American people have for almost five decades looked upon a prominent U.S. role in world political, economic, and social affairs as proper and in our national interest.

Two factors, above all, have accounted for this preference and have shaped the American polity's views as to the principal objectives of U.S. foreign and defense policy. The first has been the political and military threat which the Soviet Union and its allies and proxies pose to the security and peaceful evolution of the United States and of all free and open societies. The American people have generally supported a U.S. leadership role in efforts to contain the spread of Soviet influence and totalitarian rule.

The second factor accounting for the American people's support of an active foreign policy rests with a deeply rooted belief that, as the world's most powerful and prosperous democratic nation, the U.S. has an obligation to promote democracy, a respect for human rights, and economic freedom and development where they are either threatened or absent. These have been looked upon as pursuits worthy in their own right and essential to America's long-term interest in promoting international political and economic stability.

At the same time, while the ability of the United States to influence decisions and events in the international arena may be great in relative terms, it is far from absolute. Because we are one of many actors in the international arena, our ability to achieve our objectives depends in part on our ability to retain the support and cooperation of our allies. This has meant that the task of policy development and coordination, even under the most favorable circumstances, is complex and difficult, and that some desirable goals will be unattainable at an acceptable price. To be effective overall, it is therefore essential that U.S. foreign and defense policies proceed from clear and well-understood goals, and also from a realistic appraisal of what is in fact possible, in the short and long term, for the United States to accomplish beyond its own borders.

* * *

Summary of Recommendations

ALLIANCE RELATIONS

- o U.S. efforts to control trade with the East bloc should focus selectively on commercial exports of direct and specific military significance to the Soviet Union.
- o The U.S. should move to establish a high-level commission, to include representatives from NATO and Japan, for the purpose of considering on an on-going basis Alliance perspectives and policy options for so-called "out of area" issues.

MILITARY STRATEGY AND FORCE STRUCTURE

- o Congress should require that the President submit an annual report providing a comprehensive statement of U.S. national security objectives.
- o Congress should not commit funds to the production of new-generation nuclear weapons systems unless the survivability of those systems during the planned period of deployment can be assured with a high degree of confidence.
- o While we should continue to encourage our allies to increase their levels of defense spending, greater emphasis should be placed on efforts to maximize the defense value of the resources already being allocated by NATO members.
- o Congress should not provide funding for the full-scale production of major new weapons systems unless the technologies upon which those systems will be based can be demonstrated to be reliable in realistic operating environments and serviceable under battlefield conditions.

NORTH-SOUTH RELATIONS

- o Congress should give greater emphasis in American foreign aid to developmental and food aid programs.

EAST-WEST RELATIONS

- o The U.S. should seek an agreement calling for bi-annual meetings between our own Secretary of State and the Soviet Foreign Minister, and between key members of their staffs.

- o The U.S. should give increased priority to negotiations with the Soviet Union which would aim to reduce the risks of unintended war.
- o Congress should direct the OTA, in cooperation with appropriate Executive agencies, to initiate a study of potential areas in the fields of science, medicine, and environmental conservation, where there is both need and potential for U.S.-Soviet cooperation.

* * *

Goals of U.S. Foreign and Defense Policy

A clear statement of the goals of U.S. defense and foreign policy is an essential requisite to efficient military planning and to effective overall policy-making. Well-understood goals provide the framework in which to evaluate foreign and defense policy options, choose among those options, and build sustainable political consenses in favor of those choices. Without such guidance, policies and programs are likely to lose coherence and direction as well as popular support.

- o Deter military aggression against the United States and its allies or attempts to coerce our national policy choices.

The most fundamental objective of U.S. foreign policy, and the top priority for U.S. defense planners, must be to guarantee the physical security of the nation and political independence of its governing institutions.

The military power of the United States, its resource base, and its geographic location place limits on the range of direct military threats against which we must defend. For the past quarter century we have faced the risk of a direct nuclear strike against our homeland by the strategic forces of the Soviet Union or of attempts, through the threat of such an attack, to coerce our policy choices. Thus, although technological breakthroughs have raised the possibility of strategic defense, a credible and stabilizing offensive deterrent will likely remain the cornerstone of our near-term national security policy.

Next to our interest in assuring the physical security and political independence of the United States, contributing to that of our allies ranks highest among U.S. foreign and defense policy goals. Foremost among our considerations in this regard must be our commitments to NATO and Japan. Should policymakers in these democratic centers of industrial and technological innovation become subject to the influence of authoritarian powers, as the result of military aggression, political subversion, or threats to their economies, the United States would find itself threatened with political and economic isolation. Over time, this could portend a significant unfavorable shift in the overall strategic balance of power. In order to counter such threats, it is crucial that we work with our allies to maintain and strengthen the political and military integrity of the Western Alliance and to ensure continued access to the strategic resources of the non-communist Third World.

The United States must also honor commitments to allies whose security and political sovereignty is less central to our own strategic interests. To a great extent, our success in deterring aggression aimed at the heart of our alliance system, and ultimately at ourselves, will depend upon our willingness to stand firmly behind these friends. A failure to confront aggression at the periphery of our alliance system will only invite challenges closer to its core.

- o In the event of conflict, minimize NATO's need or the Soviet Union's incentive to employ nuclear weapons.

For better than two decades a declared willingness to initiate the use of nuclear weapons in the event of non-nuclear aggression has been a central element in U.S. and NATO strategy. NATO's flexible response doctrine, because it has emphasized the risk of nuclear escalation, contributes to the deterrence of non-nuclear as well as nuclear aggression. Yet, this should not cause us to lose sight of the fact that nuclear escalation would be a two-edged sword. If deterrence failed, it would clearly be preferable that the United States and its allies bring hostilities to a close, on acceptable terms, before nuclear weapons were introduced into combat.

In order to assure the best chance of doing so, we must proceed with two objectives in mind. First, it is essential that we and our major allies take the steps necessary to enhance our conventional military capability, with an emphasis on the firepower, mobility, and sustainability of our troops in combat. Improved conventional capabilities will reduce pressures on the U.S. and its NATO allies to respond to a major conventional challenge, either in Europe or in more remote yet strategically vital regions such as the Persian Gulf, with early use of nuclear weapons. Second, the U.S. must improve the survivability of the battlefield nuclear weapons assigned to its troops in Europe. This would both reduce pressures on NATO commanders to either "use or lose" tactical arsenals and remove vulnerable targets which might invite a preemptive Soviet nuclear strike.

- o Explore and exploit opportunities to reduce the overall levels of tension, mistrust, and instability which at any given time characterize U.S.-Soviet and East-West relations.

For the foreseeable future, at least, we must assume that the competitive character of U.S.-Soviet relations will persist. The ideological principles which the Soviets espouse, and their demonstrated determination to expand their influence in non-Communist regions of the world -- by use of force where necessary -- pose a threat which the community of Western democracies must confront.

Because the ideological and strategic differences which separate the U.S. and the U.S.S.R. are too great to allow for immediate or comprehensive political solutions, there exists no present alternative to military deterrence as a basis for maintaining strategic equilibrium. From a historical perspective, however, it would represent a triumph of hope over experience if we allowed ourselves to believe that deterrence alone could serve as a permanent guarantor of peace. If we wish to assure with greater confidence that nuclear catastrophe befalls neither our own nor future generations, it is imperative that we use the time which deterrence can provide to place U.S.-Soviet and East-West relations on a more stable political foundation.

Toward this end it is essential that we seek to identify, open, and as far as possible institutionalize channels of communication between East and West,

at both the governmental and non-governmental levels, for the purpose of considering the broadest possible range of political and economic issues. U.S. efforts in this direction would also demonstrate, particularly to those among our allies who have mistaken our renewed emphasis on the need to maintain strong defenses as evidence of a waning commitment to peace, that the preservation of peace indeed remains our highest priority.

- o Promote both political and economic development in the Third World as a means of building stable and cooperative relationships with developing nations.

Our success in promoting recovery in Western Europe and Japan in the aftermath of World War II has provided the general model for our efforts to assist development in the Third World. As in those cases, mutually reinforcing economic and security assistance, in numerous forms and in varying proportion, has been the principal instrument of U.S. Third World policy.

In formulating our approaches to the developing world we must keep in mind, however, that economic growth and security from external threat alone have not accounted for the magnitude or the durability of the postwar recovery in Western Europe and Japan. In these cases, the dedication of the United States to political reform was critical to the overall success of our policy. Political reorganization in Germany and Japan was the greatest achievement of World War II and has provided, in the words of one scholar, "the most potent reinforcement of the economic and military power of the Western alliance vis-a-vis the Soviet bloc."

With respect to the Third World, the United States has obvious political, economic, and security interests in promoting economic growth and in maintaining cooperative trade and security relationships. Third World nations offer the United States, and the West generally, needed markets for our goods and services. They also provide the strategic raw materials and energy resources upon which we are in large measure dependent. If we are to safeguard and promote these interests, it is essential that we formulate a policy toward the developing nations which reflects a commitment not only to their economic development and security, but also to the evolution of stable, just, and democratic societies.

A policy which fails to confront the political dimension of problems endemic to the Third World is bound to be ineffective for two reasons. First, economic growth and security from external threats cannot alone compensate for the psychological and physical burdens of political oppression and systematic disregard of human rights and recognized standards of justice. Such policies must inevitably be a source of indigenous discontent, opposition, and instability. Second, to the extent that U.S. policy reflects a commitment to the fundamental humanitarian and legal principles inherent in our own governing institutions, it can be recognized as morally purposive at home. As we have seen time and again, this is an essential requisite for sustained public support for U.S. policy abroad.

At the same time, we must also recognize that the desire to develop and express distinctive national and cultural identities is a critical factor in Third World politics. While we should aim to encourage the evolution of democratic institutions, it would be unrealistic and counterproductive to expect our friends

in the developing world to abandon totally their own traditions and institutions in favor of Western models of government and society. Efforts to promote political reform, if they are to succeed over the long term, must account for and seek to build upon cultural and institutional traditions which the peoples in developing nations can recognize as their own.

In addition to our interest in building and maintaining the foundations for cooperative relationships in traditionally friendly regions of the Third World, it is also essential that the U.S. take advantage of opportunities to build more constructive relationships with developing nations within the Communist group. In terms of both the long term economic and geo-strategic interests of the United States, opportunities for improved relations with China must of course be given highest consideration. The patterns of economic and social change which have been characteristic of the post-Mao era provide cause for cautious optimism with respect to the future of U.S.-Chinese relations. The United States, as it has over the past several years, should continue with efforts to expand economic contacts gradually and improve political relations.

* * *

Mismatches Between Goals and Current Policies.

The following discussion focuses on examples of policies and programs which have been inconsistent with the goals of foreign and defense policy described earlier. The intent is not to cover all areas of interest or concern, but to highlight some particularly important issues meriting the attention of Congress and the Executive.*

ALLIANCE RELATIONS

- o The U.S. has stressed that evidence of political cohesion is essential to the credibility of the West's military deterrent, but our own approaches to intra-alliance issues have often exacerbated rather than reconciled policy differences.

Essential agreement exists among the members of the Western Alliance on the need to confront collectively the threat posed by Soviet military power. But politically divisive differences have emerged during the past decade over what constitutes an appropriate balance between defense and detente policies in relations with the East, and over the question of whether our security alliances with Western Europe and Japan imply an obligation to cooperate politically and militarily outside of these areas. These differences have been at the heart of politically damaging disputes over military burden-sharing and East-West trade, as well as over what the U.S. has perceived as a lack of allied support for American efforts to counter Soviet advances in the Third World and the growing threat of international terrorism.

Though disillusioned and concerned by the part which the Soviets played in events in Africa, Poland, and Afghanistan in the late 1970s, and by the steady buildup and rapid modernization of Soviet military forces throughout the decade, our allies have maintained a large measure of faith in the viability of detente as a framework for the management of East-West relations. Not so the U.S., which concluded from these events that the Soviets had exploited detente for strategic advantage and called for a renewed commitment within the alliance to dealing with the Soviets from a position of military strength.

The continuing preference which our allies have shown for detente has been evidenced in their reluctant response to U.S. calls for increased defense spending, tighter controls on the export of goods and technologies with potential strategic relevance, and greater use of trade denial as a tool of foreign policy. Their position can be explained by several factors. Among these are geographic proximity to Soviet power, the direct experience of modern warfare earlier in this century, and an analysis of the motives behind the buildup of Soviet armed forces which differs from our own. Detente has also offered some of our European allies far more in tangible benefits than it has the U.S., in the form of increased trade opportunities and improved human contacts.

* Several international economic issues, such as Third World debt, will be addressed in the forthcoming report on Economic Policy.

The failure of our allies to act in support of U.S. policy in areas outside those formally prescribed by our security treaties -- a source of increasing bitterness in the United States -- can be explained by related factors. For example, the U.S. has traditionally sought to link U.S.-Soviet detente to Soviet actions outside Europe. The Europeans have generally held that the positive aspects of detente are not worth sacrificing over so-called "out of area" issues which do not directly threaten their security. In addition, our allies, owing in part to their own experience during the period of decolonization, believe that Third World nationalism is just as likely to thwart Soviet expansion as are Western responses.

In a similar vein, allied dependence on foreign energy supplies, as well as geographic proximity, has had a significant impact on how they see their interests in the Middle East, and on what options they see open to them in dealing with the threats which emanate from that region. They believe that the costs of confrontation with the nations in this region, whether over issues related to the Arab-Israeli conflict or over the issue of terrorism, are potentially much higher for them than for the United States. As a result, they insist upon a cautious approach to issues which involve the region. The immediate negative response within the Alliance to U.S. military retaliation against Libya for its role in terrorist attacks against U.S. citizens provides recent and dramatic evidence of this.

With respect to the future of the Alliance, what is most significant is the fact that these differences are deeply rooted and unlikely to allow for solutions which either we or our allies will find completely satisfactory. Differences over how best to manage the Soviet military threat in Europe and the Third World, and over how best to respond to state-sponsored terrorism, will persist, creating a constant potential for political conflict and policy divergence within the Alliance. The true measure of the success of our Alliance policy will lie in the extent to which we can promote our own objectives while simultaneously maintaining a broad base of political support for the Alliance among its members. Toward this end it is essential that we work within the Alliance's consultative framework as we pursue policy goals.

The objectives which the U.S. has sought to promote within the Alliance in recent years are not at issue. We believe that efforts to encourage the allies to increase their contribution to the common defense, adopt broader strategic perspectives on East-West trade, and lend more and better-coordinated support to the United States outside the areas prescribed by our security treaties are justified and should be continued. While our objectives have been sound, however, some of the methods which we have employed to achieve these have proven counter-productive.

Particularly counterproductive have been Congressional proposals and acts of the Executive branch which have sought to force Allied compliance with U.S. policy preferences. Efforts in which the U.S. has attempted to circumvent the Alliance's consultative mechanisms for the purpose of determining Alliance policy along the lines of its own preference have often had a negative net effect.

Most notable in this regard have been legislative proposals, such as the Nunn-Roth amendment, which sought to spur European defense spending by threatening the reduction of U.S. forces in Europe, and Executive actions, such as the extra-

territorial extension of U.S. export controls in 1982, which attempted to force Allied compliance with U.S.-supported restrictions on exports to the East bloc. Force reduction legislation, for example, rather than building support in favor of a stronger NATO defense posture, has instead fostered resentment and confusion. It is perceived as belittling to the already sizable contributions which the allies make to Western security, and it has heightened chronic and politically critical concerns within the Alliance as to the reliability of America's military commitment -- the most concrete manifestation of which is the presence of U.S. troops on European soil.

In contrast, what success the U.S. has had in nurturing and maintaining a favorable consensus on these issues among the allies has been achieved through efforts taken within the consultative framework. U.S. efforts within the Japan-U.S. Security Consultative Committee, for example, though they have not produced dramatic results, have culminated in Japanese commitments to increase defense spending and broaden their defense responsibilities as well as to stem the tide of Japanese pacifism. In Europe, efforts directed through NATO councils have had success in building consenses on the need to improve the capabilities of the Alliance's conventional forces. Decisions have been taken in recent years, for example, to increase ammunition stocks, improve NATO infrastructure in European countries, and improve cooperation in large-scale arms production programs.

Regarding trade policy, the Coordinating Committee (CoCom) -- an Allied forum whose efforts have focused on controlling the export of civilian goods and technologies with military utility -- has provided the basis for a coordinated export control policy. The U.S. has not always been comfortable with the narrow definition which the Committee has adopted for the purpose of determining which exports to restrict. But the best hope for developing a consensus in support of tighter controls based on broader criteria lies in efforts that utilize mechanisms within the Committee for review and expansion of the export control lists. Since 1980, in fact, U.S. initiatives within CoCom have resulted in a significant expansion of controls to include items such as computer software, robotics, microcomputers, and computerized telecommunications equipment, which had previously been subject to little or no restriction.

What success we have had in persuading our allies to contribute more to their own defense, and to limit the flow of strategically relevant goods and technologies to the East bloc, suggests that we might also achieve greater cooperation in efforts to cope with security threats in the Third World by working within the consultative framework. There will be times when it is both necessary and proper that the United States act unilaterally in the Third World. We cannot allow ourselves to be handicapped in responding to persistent acts of terrorism or to Soviet expansionism in cases where we perceive our vital interests to be at stake. Nonetheless, if adopted as a policy, unilateralism can only jeopardize Alliance relationships over the long term. More consistent and better-coordinated allied support for U.S. responses to Third World problems involving Soviet or terrorist threats, particularly in cases where military contributions may be required, can best be assured if we attempt to provide our allies a role in the formulation of those responses.

MILITARY STRATEGY AND FORCE STRUCTURE

- o The continuing vulnerability of a large portion of U.S. and Allied strategic, intermediate, and tactical nuclear weapons conflicts with our interest in maintaining a strong nuclear deterrent and a stable nuclear balance.

Given the theoretical counterforce capability of Allied and Soviet nuclear arsenals, the primary technical requirement for stable nuclear deterrence -- a condition in which neither side, under any circumstances, would have an incentive to use nuclear weapons first -- is that these forces themselves remain capable of surviving attack.

Nonetheless, although the United States and NATO have invested heavily in recent years in modernizing their nuclear arsenals, many of the new weapons systems which have been deployed, such as our own new ICBM, the MX, and NATO's new intermediate range nuclear missile--the Pershing II--are no less vulnerable to attack than their predecessors. The greatest threat which these systems face emanates from highly accurate Soviet land-based intercontinental and intermediate range ballistic missiles, such as the SS-18 and SS-20.

The dangers associated with vulnerable yet counterforce-capable nuclear weapons would be particularly acute under conditions of extreme military-political tension or crisis. This arises from the effect that vulnerable striking forces have on decisionmakers' perceptions regarding the probability of a nuclear exchange, or, if an exchange were believed likely, of relative advantages of striking first. To the extent that vulnerable nuclear forces create mutual pressures for preemptive attacks in crisis situations, they might actually provoke war or nuclear escalation rather than deter it.

U.S. and NATO tactical nuclear weapons, assigned to front line general purpose forces and designed for use on or near the battlefield, also remain vulnerable. Because one of the most likely paths to general nuclear war is through escalation of a conventional conflict involving the armed forces of the United States and the Soviet Union -- be it in Europe, northeast Asia, or strategically vital regions of the Third World -- the vulnerability of these weapons is especially worrisome. It creates extreme pressures either for their early first use by the U.S. or its NATO allies, or for Soviet preemption. These weapons might thus precipitate a breaching of the nuclear threshold in a conflict situation while options for a conventional defense or a negotiated end to hostilities still remained.

- o Although the United States and its Western allies have agreed that an improved conventional capability is essential if we are to maintain a credible deterrent against non-nuclear aggression in regions of vital interest, we remain overly dependent on the threatened early first use of nuclear weapons.

Under circumstances in which U.S. nuclear forces were clearly superior to those of the Soviet Union, threats to use these weapons in response to conventional aggression in regions of vital interest to the West provided a high quality deterrent and served effectively to offset imbalances in conventional force strength which favored the Soviets.

By the early 1970s, however, the Soviet Union had acquired strategic, intermediate, and tactical nuclear capabilities comparable to those of the United States. Because this made the United States itself a more likely victim of nuclear escalation, and because it largely neutralized the military advantages which the introduction of nuclear weapons into conventional combat might have afforded, Soviet parity seriously undermined the credibility of our deterrent and brought the dangers of conventional force imbalances into sharp focus.

This does not mean that the Soviets can now ignore the possibility of nuclear escalation in the planning of a conventional offensive, or that the U.S. and its allies should renounce the threat of nuclear first use. But because the Soviets probably believe that they can minimize the risk of escalation by effecting a rapid collapse of U.S. or Allied conventional defenses, the importance of the conventional element in our overall deterrent has significantly increased. Because the possibility of a conventional conflict getting out of hand increases with its intensity and duration, improved Western conventional defense capabilities would enhance peacetime deterrence by reinforcing the credibility of our threat to escalate. Moreover, stronger conventional forces might enable us to defend our interests, in the event that deterrence failed, without resort to nuclear weapons.

Although the United States and its allies have taken steps to redress this worrisome imbalance, the problem remains serious and in need of remedy. Effective deterrence of Soviet conventional aggression in Europe, the Persian Gulf region, or elsewhere will require continuing and effective efforts to bolster the strength of our conventional forces.

- o The extreme emphasis which we have placed on the acquisition of technologically super sophisticated and complex new weapons systems has retarded efforts to improve U.S. conventional force capabilities.

Largely owing to concern over the growing disparities between U.S. and Soviet weapons inventories and rates of production, as well as our ability to deploy and sustain combat forces overseas, a broad bipartisan consensus emerged toward the end of the last decade in support of increased defense expenditures. Since that time defense spending in the United States has increased in constant dollar terms by 51%. This has reflected nearly \$330 billion in cumulative real growth, almost half of which has gone to procurement accounts.

Despite this substantial increase in annual budgets, quantitative force ratios have remained much the same. This has lead many defense analysts to suggest that U.S. conventional forces are only marginally better prepared than they were five years ago to cope with challenges overseas, and has lent support to the notion that conventional capabilities comparable to those of the Soviet bloc may not be affordable.

Efforts to explain this failure to significantly narrow conventional force imbalances have focused on shortcomings in the procurement process itself, where

numerous and well-publicized cases of waste, fraud, and mismanagement have in fact been uncovered. The need for reform in the military procurement process is evident and deserves the attention it has received. Yet, a more fundamental explanation exists for our failure to have received a more significant return on so great an investment in our nation's defenses.

Compared with its Soviet counterparts, who prefer the principle of war known as "Mass," the U.S. military has traditionally emphasized quality, rather than quantity, as the essential factor in military operations. We do not dispute the idea that U.S. technological superiority should be exploited in our force posture. Efforts to maintain a technological advantage over our rivals are indeed essential. Nonetheless, because there is a point beyond which mass accounts for more than excellence on the field of battle, and because the qualitative gap between U.S. and Soviet forces has steadily narrowed, we suggest that quantitative imbalances have taken on increasing significance and must be reduced.

A primary reason for our failure to do so lies in the extent to which the performance capability of individual weapons systems, rather than overall force expansion, has been the focus of military procurement programs. The extreme emphasis which the services have placed on maximizing the performance capability of new weapons systems through the incorporation of advanced state of the art technologies has complicated production, delayed the fielding of new weapons systems, and caused unit prices to skyrocket. As a result, actual procurement rates have remained essentially constant despite dramatic increases in procurement funding. The M-1 tank, costing an average \$2.6 million per copy, is three times as expensive as the M-60 tank which it is replacing. The F-15 tactical fighter, at \$49 million per copy, is also three times as expensive as its direct predecessor, the F-4. Unit procurement costs for the F-15, moreover, have been increasing by an average of 15% per year.

As a result, while Army procurement funding has doubled in constant dollar terms since 1980, the Soviets are still out-producing and out-deploying us by substantial margins in critical land weapons systems such as tanks (4:1) and armored fighting vehicles and personnel carriers (5:1). Moreover, they have been modernizing their ground forces more rapidly. For example, our Army received 2,104 new Abrams M-1 tanks between 1980 and the beginning of 1985. In contrast, the Soviets deployed 10,800 new T-80s, T-72s, and T-64s. With respect to land-oriented tactical air power the trends have been equally discouraging. In 1980, the number of U.S. fighter/attack aircraft was 57% as large as the Soviet number. Today, it is approximately 45% as large. In addition, budgetary constraints and the skyrocketing cost of new aircraft make it appear unlikely at this time that the Air Force will achieve its objective of expanding the tactical force from 36 to 40 wings by 1991.

The emphasis in naval procurement has been similar. Large, technologically complex, and extremely expensive new surface combatants have been at the top of the Navy's shopping list. As a result, the Navy has found it necessary to mothball older ships, many of which have been overhauled, and cut fleet sailing time in

order to reduce operating and maintenance costs. Doubts remain, meanwhile, regarding our ability to carry out critical naval missions, such as sealift and control of shipping lanes in war, which would require the purchase of greater numbers of relatively inexpensive ships. For example, while a fleet of 20 modern fast sealift vessels -- each costing a tenth of the price which the Navy pays for a new cruiser -- would significantly enhance our ability to sustain conventional forces in overseas combat, the Navy has failed to order a single such vessel since 1980.

The excessive emphasis on technological sophistication and on the performance capability of individual weapons systems, which has characterized U.S. procurement strategy, has not only retarded efforts to improve our quantitative position compared to the Soviet Union's, it has also complicated efforts to enhance the combat readiness of existing U.S. military forces.

Generally speaking, an inverse relationship exists between the complexity of weapons systems and their reliability. More complex systems, not surprisingly, tend to break down more frequently and require more depot-level maintenance. An increased need is thus being created within the military for large numbers of technically skilled support personnel. Yet, the services have traditionally found it difficult to recruit and retain such personnel. Owing both to demographic trends which will result in a shrinking pool of 18-26 year olds available to enter the military in the years ahead, and to an expected increase in demand for their services from the private sector, this problem is likely to be compounded in the future.

In addition, the trend in U.S. procurement programs suggests that in the future the effectiveness of U.S. armed forces will depend to an increasing extent upon the skill and tactical acumen of our operating personnel (i.e., our artillery, tank, and air crews). Training will thus become an increasingly critical factor with respect to readiness and overall capability. Yet, because of the cost of complex new systems and the effort required to keep them working, it is far from certain that training opportunities for U.S. ground and air crews can be significantly increased in the years ahead.

NORTH-SOUTH RELATIONS

- o Because we have at times failed to recognize and respond to the indigenous sources of instability in strategically important regions of the Third World, we have often fallen short in our efforts to promote economic and political development, maintain cooperative relationships, and block Soviet or other incursions into these regions.

Policymakers in the United States have too often tended to regard events in the Third World through the prism of East-West strategic competition. As a result, we have been prone to look upon and respond to political instability in non-communist regions of the Third World as being Soviet inspired, or at least likely to redound to the strategic advantage of the Soviet Union. In fact,

however, the expansion of Soviet influence has most frequently been the result, rather than the cause, of political instability in developing regions of the world.

Our general tendency to view conflict in East-West terms has blunted our awareness of the extent to which the accumulation of internally rooted economic, social, and political frustrations has accounted for the turbulence which has been endemic in developing regions. In more cases than not, the failure of Third World governments to satisfy the basic needs of their people for work, homes, health care, and schools, rather than the hand of the Soviets or their proxies, has been the source of political instability and civil conflict. Because we have often failed to correctly identify the sources of instability in the Third World, our efforts to promote political reform and economic development, both critical from the perspective of our own long term economic and security interests, have been compromised.

In terms of our interest in promoting political reform and leadership dedicated to democratic objectives, this failure has been counterproductive in the sense that it has caused us to adopt overly cautious attitudes toward the prospect of change in non-communist regions of the Third World. Although recent policy decisions taken in response to events in the Philippines and Haiti suggest an evolution in thinking on these matters, we have all too often in the past found ourselves supporting the political status quo, most commonly through the extension of military and economic assistance, in cases where our interests would have been better served had we used our leverage to encourage friendly regimes to address the grievances of their domestic opponents. This has contributed to intransigence on the part of the regimes which we have supported, strengthened radicalism and anti-Americanism among opposition groups, and, paradoxically, increased the probability of regimes hostile to the United States coming to power. Moreover, because such assistance has often been perceived in our own country as contributing to repression, corruption, and the enrichment of the already privileged, it has undermined domestic support for our foreign aid program.

Our tendency to attribute instability in the Third World to external sources has also lead to an increased emphasis on security, as opposed to developmental assistance in our Foreign Aid program. This has impaired our efforts to promote self-sustaining economic growth in underdeveloped regions of the world. In FY 1981 the United States provided \$3.2 billion to foreign governments through major military aid programs. In FY 1986 we will provide approximately twice that amount. In contrast, funding for development and food assistance programs (AID developmental aid, Peace Corps, and Titles I and II food aid), which concentrate on programs and projects aimed at directly improving the lives of the poor and countering the social and economic problems that inhibit development, has declined. Our foreign aid program, in sum, has focused increasingly on the political and military symptoms of underdevelopment in the Third World, as opposed to the economic and social causes.

EAST-WEST RELATIONS

- o Although it is generally agreed that communication is an essential key to improved East-West relations, U.S.-Soviet dialogue has remained both intermittent and narrowly focused.

At perhaps no other time in the past twenty years have the atmospherics in U.S.-Soviet relations been more strained than they have been in the past several years. Ideological contrasts have sharpened, disputes over regional and human rights issues continue to simmer, and the arms control process continues to generate more propaganda than weapons reductions. Suspicion and mistrust pervade the political environment, and seldom has the need for greater contact and dialogue been more apparent. Nonetheless, contact between political and military leaders has been sporadic, and the range of issues under discussion narrowly defined.

There are, of course, limits to what we can hope to achieve through an expanded and more productive dialogue with the Soviets. Agreements on arms control or efforts to expand the range of U.S.-Soviet functional cooperation, for example, are no substitute for strong U.S. and Allied defenses as the central element in a policy for managing the Soviet threat. Our experience with detente, as that policy was practiced in the 1970s, makes this clear. Efforts to reduce the size of nuclear arsenals and broaden the range of U.S.-Soviet contact and cooperation are, however, a necessary complement to a policy which accepts and responds to the realities of Soviet military power.

Never before have the destinies of two nations been so closely tied as are those of the United States and the Soviet Union today. Each maintains at its disposal an arsenal of nuclear weapons capable of completely destroying the other. It is thus only natural that efforts to reduce the size and direct the development of nuclear arsenals have been the central element in the U.S.-Soviet dialogue. These efforts are critical, and the United States must maintain its commitment to a dramatic reduction of the number of nuclear weapons in the arsenals of East and West. At the same time, however, we must also seek to broaden our negotiating agenda with the Soviets as regards issues both related and unrelated to arms control.

Within the arms control framework we have focused too narrowly on agreements to impose quantitative and qualitative limits on U.S. and Soviet arsenals. This has been the traditional and no doubt worthy aim of arms control negotiators. The risks of inadvertent nuclear war, however, as the result of either an accidental launching or unintended escalation, create a need for agreements designed to reduce these risks or to allow for effective management of the kinds of crises they might precipitate. Agreements calling for constraints on potentially threatening military activities, or for improved communications in crisis environments, for example, may be no less critical in the present environment than agreements which impose quantitative or qualitative constraints. They have, nevertheless, received far less attention.

In addition, while the issues which relate directly to arms control and the prevention of war offer the most compelling case for dialogue, there exists a wide range of other areas where the potential for U.S.-Soviet cooperation exists. These areas, unfortunately, have been left relatively unexplored. Cooperative efforts in the exploration of space, in the fields of science and medicine, and

in the area of global conservation offer abundant opportunity for joint ventures. By focusing too narrowly on arms-related issues, the superpowers have sacrificed the practical benefits which might attend cooperative efforts in these areas.

* * *

Reforms

The reforms below are not intended to be exhaustive and do not proceed from any single view regarding the sources of current policy mismatches. Instead, they are examples of policy that might in the future provide a basis for more coordinated, cooperative, and effective actions by the Executive and/or Legislative branches.

ALLIANCE RELATIONS

- o U.S. efforts to control trade with the East bloc should focus selectively on commercial exports of direct and specific military significance to the Soviet Union.

With the spread of advanced technology, the power of the United States to control its flow to the Soviet Union has been greatly diminished. With the exception of an ever-smaller number of technologies over which we have a monopoly, we can hope to make restrictions on trade effective only if we can gain the cooperation of our allies. Attempts by the U.S. to cut the Soviets off from technologies readily available outside the West, or efforts to impose trade sanctions whose principal impact would be economic rather than military, will strain Alliance relations, hinder the efforts of U.S. business to compete in the international marketplace, and ultimately prove counterproductive in terms of the overall effectiveness of the multinational control system. Moreover, they make it easier for our allies to justify non-compliance.

Export controls are likely to be effective only if we pare to a strategically critical minimum that which we must deny the Soviets. Controls should be focused selectively on those technologies and processes which could make a timely and direct contribution to Soviet military strength and which are not readily available to the Soviets from sources outside the Alliance. Obvious examples would include submarine sound detection technologies and advanced state-of-the-art electronic components such as very high speed integrated circuitry. When the U.S. has sought to broaden the scope of export controls to include items which have not met these criteria, allied disharmony has invariably resulted. The longer the control list, and the less obvious the military significance, the less diligent will be allied enforcement. Weaker enforcement will result in a freer flow of not only militarily non-critical items, but critical items as well.

- o The U.S. should move to establish a high-level commission, to include representatives from NATO and Japan, for the purpose of considering on an on-going basis Alliance perspectives and policy options for so-called "out of area" issues.

The United States and its Western allies must act to avoid situations in which we find ourselves publicly at loggerheads over responses either to the Soviets, their proxies, or the perpetrators of terrorist acts in areas outside of those prescribed by our security treaties. The creation of such a commission, the meetings of which would be for discussion rather than for formal intergovernmental negotiations, could contribute to this end.

A standing commission would also provide a mechanism through which we could regularly consult with our allies on matters of mutual concern in the Third World. Debate on approaches to take toward Third World issues, as well as on the extent of Alliance coordination in specific instances, could take place before rather than after many national policy decisions had been made. Besides serving as an early warning system to flag potential policy differences, a standing commission could also serve as a conduit for the exchange of information between the U.S. and its allies on terrorists and the organizations and governments which support them. The European Community, for example, has found information-sharing of this type very effective in its efforts to neutralize domestic terrorist groups.

MILITARY STRATEGY AND FORCE STRUCTURE

- o Congress should require that the President submit an annual report providing a comprehensive statement of U.S. national security objectives.

Close to 20 years ago former Secretary of Defense Robert McNamara remarked that there no longer appeared to be any such thing as U.S. strategy, and that the conduct of U.S. defense and foreign policy had become a perpetual exercise in crisis management. To an extent, this remains the case today. American foreign and defense policies often lack consistency and a sense of long-term direction and purpose: and because of this fail to provide the necessary underpinnings for U.S. military strategy and force structure.

A clear and realistic annual statement of U.S. national security objectives, as requested in legislation recently proposed in Congress by Sen. John Warner and Reps. Dick Cheney and Bob McEwen, for example, could provide the basis for more coordinated, coherent, and effective national security policies. Such a statement would foster consensus within the Executive branch, as well as between the Executive and Legislative branches, on the objectives of U.S. foreign policy and on the military strategies and force structures necessary to meet those objectives. A more efficient and effective expenditure of defense appropriations would likely result.

- o Congress should not commit funds to the production of new-generation nuclear weapons systems unless the survivability of those systems during the planned period of deployment can be assured with a high degree of confidence.

The single most important step that the United States can take in order to ensure the credibility of its nuclear deterrent, and the stability of the nuclear balance, is to ensure the ability of its nuclear forces to survive potential attack. Toward this end, the Congress should require that in cases where funding requests involve nuclear systems, a comprehensive evaluation of survivability characteristics accompany the standard Operational Test and Evaluation reports submitted by the Department of Defense. Survivability characteristics should be weighed no less heavily than performance and reliability characteristics in the decision to fund the production of nuclear weapons systems.

Had such a requirement been in effect when development and deployment decisions regarding the MX missile were being made, early agreement might have been reached on a suitable basing mode for the MX, or on the need to find an alternative to the MX and our aging and increasingly-vulnerable force of Minuteman III ICBMs. In fact, our failure to have resolved the question of the MX's vulnerability prior to making the decision to produce and deploy the missile has hindered an otherwise successful program to modernize our strategic nuclear forces.

- o While we should continue to encourage our allies to increase their levels of defense spending, greater emphasis should be placed on efforts to maximize the defense value of the resources already being allocated by NATO members.

U.S. efforts to strengthen the conventional force posture of NATO have traditionally stressed the need for increased defense expenditures by the European allies. This approach has met with only limited success and has been a source of chronic political tension within the Alliance.

While our NATO allies have officially committed themselves to targeted increases in defense spending, they have consistently failed to meet these targets. During the five years in which the so-called "three percent commitment" was in effect (1980-1985), our NATO allies failed in successive years to increase defense spending by 3% in real terms. Moreover, the trend in European defense spending has moved steadily away from this target, with current estimates suggesting that, for the remainder of the decade, annual increases may fall as low as 1%. In addition, budgetary constraints in the United States make it appear likely that we will be unable to maintain our own current rates of increase in defense expenditures.

Given what appear to be the likely trends in defense spending, it is essential that the U.S. explore and exploit alternative paths to a stronger allied conventional defense posture. Toward this end, two avenues appear open. First, significant military and economic benefits are available to the Alliance through increases in weapons standardization and interoperability. This would promote greater military effectiveness and greater economic efficiency. Because standardization based on the purchase of U.S. weapons systems would be politically unacceptable in Europe, a commitment to increased standardization will require that we work with our allies to establish a more balanced "two-way street" in trans-Atlantic arms trade.

Second, development and deployment of new-generation conventional weapons systems offer the potential for a highly-upgraded conventional capability. Technologies are now available, and have been proven reliable, which have made possible the production of highly-effective precision guided conventional weapons systems. In fact, their effectiveness approaches that of low-yield nuclear weapons. Advanced conventional systems would enhance deterrence by improving NATO's ability to strike at targets deep in Warsaw Pact territory, while at the same time significantly increasing NATO's ability to conduct a conventional defense in the event that deterrence failed. A transition to greater reliance on these weapons could allow a reversal of U.S. and NATO practice of integrating battlefield nuclear weapons with forward-deployed general purpose forces.

- o Congress should not provide funding for the full-scale production of major new weapons systems unless the technologies upon which they are to be based can be demonstrated to be reliable in realistic operating environments and servicable under battlefield conditions.

The tendency to begin full-scale production of major new weapons systems before having fully developed or adequately tested them has often resulted in unexpected cost overruns, dramatic unit price increases during production, reduced purchases, and in some cases the delivery of severely flawed weapons to our armed forces. The Army's infamous Sergeant York air defense gun, better known as DIVAD, provides perhaps the most dramatic example of a weapons system which was a failure on all counts.

Congressional efforts to assure with greater certainty that weapons systems will meet performance and cost guidelines prior to the appropriation of funds for full-scale production would make procurement debacles such as DIVAD less likely. In order to assist itself in making these determinations, Congress should monitor the operational test and evaluation (OT&E) phase of procurement programs more closely. In particular, Congress should require more accurate and more complete reporting from the Defense Department's Office of the Director of Operational Test and Evaluation.

If design and production risks could be identified and addressed before rather than after the start of full-scale production, the likelihood of unexpected cost overruns resulting from expensive design modifications and retrofits during the production process would be greatly reduced. Of perhaps more fundamental and long-term significance, a clear demonstration of Congress's determination to tie the appropriation of full-scale production funds to successful completion of operational test and evaluation would have positive effects on how weapons planners conceive and carry out new projects. For one, it would provide a general incentive to reduce their present emphasis on high risk weapons designs. Second, it would encourage them to begin operational testing earlier in the development process -- using proto-type hardware -- than they generally do at present. As a result, the resources which we invest to strengthen our conventional forces might provide a greater overall return in the future than they have in the recent past.

NORTH-SOUTH RELATIONS

- o Congress should give greater emphasis in American foreign aid to developmental and food aid programs.

Toward this end, developmental assistance programs, in particular, should receive an increased proportion of our overall foreign aid appropriation. These programs focus on countering the economic and social problems which have inhibited development.

In recent years U.S. developmental aid has placed an increased emphasis on programs designed to expand industrial and agricultural productivity and strengthen the private sector in Third World economies. This should be continued and expanded. Specifically, a primary objective of our programs has been to provide a better way of life in these countries by promoting expanded output and increased exports, thereby allowing Third World nations to generate the foreign exchange necessary to finance past debt, obtain new capital, and purchase needed imports. These objectives are consistent and compatible with those being pursued by both of the major multilateral lending institutions -- the IMF and the World Bank -- and should continue to provide the focus of U.S. economic assistance.

In addition, Congress should seek to preserve and if possible expand funding for both the Food for Peace and Peace Corps programs. Each has proven to be a non-political and cost-effective means of promoting economic growth as well as positive attitudes toward the United States abroad. The Food for Peace program, P.L. 480, is an effective and highly-visible effort which clearly demonstrates America's concern with the problems of poverty and world hunger. The Peace Corps has initiated several programs which would also further U.S. objectives in the Third World. It proposes, for example, to recruit 1000 additional volunteers over the next three years for work in Central America. The program would emphasize educational, health, housing, and small business projects. It has also developed an African food system program which, if fully implemented, would aid up to 12 African countries in their struggle to increase per-capita food production.

EAST-WEST RELATIONS

- o The U.S. should seek an agreement calling for bi-annual meetings between our own Secretary of State and the Soviet Foreign Minister, and between key members of their staffs.

This should not be seen as an end in itself, but rather as a first step in a longer-term effort to promote regular contact and discussion between high-level political and military leaders from the United States and the Soviet Union. As a second step we should work as toward an agreement, modeled after that which exists between the French and the West Germans, calling for bi-annual meetings between all U.S. Cabinet-level officials and their Soviet counterparts.

The benefit of regularly-scheduled meetings between U.S. and Soviet officials would be two-fold. First, they could contribute to better understanding between the superpowers. Clearer and more positive perceptions might emerge on each side as to the concerns and intentions of the other. In addition, if meetings were held at scheduled intervals, they might in a short time become routine. They would become much less politicized, and pressures to achieve largely public relations-type results at each meeting would be greatly reduced. U.S. negotiators in particular would feel themselves under much less pressure to conclude "agreements for agreements sake."

- o The U.S. should give increased priority to negotiations with the Soviet Union which would aim to reduce the risks of unintended war.

Improved communications and constraints on military activities cannot prevent the deliberate initiation of war. It is widely suggested, however, that U.S.-Soviet military conflict is at least as likely to occur as the result of miscommunication or accident. Agreements designed to improve communications and constrain threatening military activities can reduce these dangers by contributing to the prevention of military crises and by providing mechanisms for their early and peaceful resolution when they occur.

Specifically, while continuing to pursue the traditional objectives of arms control, (e.g., quantitative and qualitative weapons limitations), the U.S. should give greater emphasis to agreements, such as the 1972 Agreement on the Prevention

of Incidents at Sea, which seek to regulate dangerous military maneuvers, minimize harassment, and improve mechanisms for timely communications in crisis environments. The U.S. should, for example, propose to the Soviets that we establish a jointly-staffed crisis monitoring center along the lines of that proposed by Senators Warner and Nunn. In addition, the guidelines and procedures established in the 1972 agreement might provide the basis for other similar agreements. These might, for example, deal with aerial incidents involving military or civilian airliners, or with incidents in outer space, where the strategically critical yet vulnerable satellite systems of the U.S. and U.S.S.R. operate in increasingly close proximity.

- o Congress should direct the OTA, in cooperation with appropriate Executive agencies, to initiate a study of potential areas in the fields of science, medicine, and environmental conservation, where there is both need and potential for U.S.-Soviet cooperation.

Issues involving the geo-strategic interests of the U.S. and the U.S.S.R. must, of course, continue to take precedence in their relations. Nonetheless, there is also a role which the superpowers can play in seeking solutions to problems which are not specific to their own relations but, rather, global in nature. The superpowers have vast resources at their disposal which might be effectively brought to bear in dealing with these problems.

We should consider, for example, the possibility of cooperative research efforts aimed at discovering the causes of life-threatening diseases and developing their cures. In addition, the United States and the Soviet Union share with all other nations of the world a vital long-term interest in better managing our global resource base and in preventing the pollution of our oceans and atmosphere. The recent events following the nuclear accident at Chernobyl are just one example of what occurs when the Soviets wall themselves off from Western assistance and expertise.

* * *

Conclusion

In the forty years since the end of the second world war the international system has been characterized by both continuity and change. In a structural sense, the system has remained stable. Although the relative power of the United States and the Soviet Union has to some extent waned, U.S.-Soviet strategic competition remains the central and critical factor in international relations. As a result, the fundamental objectives and priorities of U.S. foreign and defense policy have remained much the same.

At the same time, many changes of consequence have taken place, and the face, if not the structure of international politics has been altered greatly. The nations of Western Europe and Japan have recovered from the devastation of war and reassumed a place in the front rank of global economic and political powers. Out of what was the colonial empire of the old European order, moreover, many new and independent nations has emerged and embarked upon the path of economic and political development. While some have made great strides, others remain mired poverty, political repression, and chronic instability. Whether they will develop into economically viable and politically just societies, or into totalitarian states hostile to the interests their peoples and the West, remains in question. In addition, the military power of the Soviet Union has increased dramatically, the nuclear arsenals of both superpowers have grown and evolved, and the calculus of military deterrence has become increasingly complex.

From the stand-point of U.S. defense and foreign policy, this has meant that while our fundamental objectives have remained constant, the policies employed to achieve them have had to be frequently reevaluated and reformulated. Managing our alliance relationships has become an increasingly complex and challenging task. Maintaining politically and economically cooperative relationships in the Third World has required an increasingly coordinated and balanced policy of economic and security assistance. Finally, providing a credible deterrent to Soviet military power has necessitated a reappraisal of the balance between the nuclear and conventional elements in our military forces.

In a number of instances, changes in the direction or in the emphasis of American foreign and defense policies will be needed if we are to continue to successfully pursue traditional policy objectives in a dynamic and changing political environment. The challenge before Congress and the Executive is to produce policies which both respond to global change and are consistent with the values and beliefs of the American people.

* * *

THE WHITE HOUSE
WASHINGTON

0700

Doug

Dear Congressman Bereuter:

I have received and reviewed the proposals on out-of-area cooperation that you were so kind to send me. I applaud the efforts of the Wednesday Group to try to develop constructive ways to encourage effort by NATO nations for our common security objectives. I share the group's concern that we face the prospect of strident and punitive proposals in the Congress if we do not come up with more constructive alternatives.

You no doubt recall that the US raised the problem of out-of-area responsibilities and their potential impact on NATO in 1981. After extensive work with Allies, we did achieve limited success in highlighting some efforts that Allied nations could undertake which would, as well as being sound projects in their own right, help alleviate the diversion of US forces in the event we were engaged in efforts outside the NATO region which were nevertheless in defense of common security interests.

Because the Department of Defense was the lead executive agency in that earlier effort, as well as because there may be other potential projects that would serve our shared purpose of protecting our NATO commitment, I have taken the liberty of writing Secretary Weinberger about your efforts. I trust he will lend the assistance of appropriate elements of his staff.

Sincerely,

The Honorable Doug Bereuter
House of Representatives
Washington, D.C. 20515

87 FEB 20 10
 National Security Council
 The White House

System # _____

Package # 0700

DOCLOG DM A/O _____

	SEQUENCE TO	HAS SEEN	DISPOSITION
Bob Pearson	<u>1</u>		<u>N</u>
Grant Green	<u>2</u>	<u>G</u>	
Colin Powell	<u>3</u>	<u>CP</u>	
Paul Thompson		<u>△</u>	
Frank Carlucci	<u>4</u>	<u>[Signature]</u>	<u>A</u>
Grant Green			
Situation Room			
NSC Secretariat	<u>5</u>		<u>D</u>

I = Information A = Action R = Retain D = Dispatch N = No further Action

cc: VP Regan Buchanan Other _____

COMMENTS

Should be seen by: _____
 (Date/Time)

87 MAR 4 P 4: 17

WASHFAX RECEIPT

THE WHITE HOUSE

C

UNCLASSIFIED

MESSAGE NO. _____ CLASSIFICATION _____ PAGES TWO
 FROM GRANT S. GREEN, JR. HSW 456-2224 EXECUTIVE SECRETARY
 (NAME) (EXTENSION) (ROOM NUMBER)

MESSAGE DESCRIPTION REPLY TO CONGRESSMAN BEREUTER
 LOG: 0700

<u>TO (AGENCY)</u>	<u>DELIVER TO:</u>	<u>DEPT/ROOM NO.</u>	<u>EXTENSION</u>
<u>DEFENSE</u>	<u>COL. JAMES F. LEMON</u>	<u>EXECUTIVE SECRETARY</u>	
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REMARKS ATTN: RICK MOSQUEDA (PER YOUR REQUEST)

THE WHITE HOUSE

WASHINGTON

March 3, 1987

MEMORANDUM FOR THE HONORABLE CASPAR W. WEINBERGER
The Secretary of Defense

SUBJECT: Reply to Congressman Bereuter -- NATO Out-of-Area
Proposal

Congressman Doug Bereuter has written me on behalf of the Wednesday Group (Republican Congressmen) asking for opinion and assistance in framing constructive alternatives to the "NATO-bashing" proposals they feel will be put forward this year in Congress. The proposal the Group is suggesting now is a standing NATO committee on out-of-area cooperation.

I have attached a copy of my reply to Congressman Bereuter, in which I refer him to Defense for assistance in determining what kinds of alternative proposals might be useful. As you recall, we raised the out-of-area issue several years ago in NATO, and I fear that area may already be exhausted.

The purpose of the Wednesday Group is admirable. I am sure your staff will be able to suggest some ways in which they can be useful this year.

Frank C. Carlucci
Frank C. Carlucci

Attachment as Stated

THE WHITE HOUSE

WASHINGTON

March 3, 1987

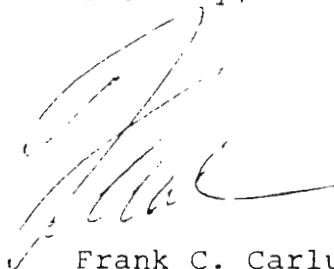
Dear Doug:

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Because the Department of Defense was the lead executive agency in that earlier effort, as well as because there may be other potential projects that would serve our shared purpose of protecting our NATO commitment, I have taken the liberty of writing Secretary Weinberger about your efforts. I trust he will lend the assistance of appropriate elements of his staff.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Frank C. Carlucci', written in a cursive style.

Frank C. Carlucci

The Honorable Doug Bereuter
House of Representatives
Washington, D.C. 20515

RECEIVED 03 FEB 87 11

TO CARLUCCI

FROM BEREUTER, DOUG

DOCDATE 21 JAN 87

KEYWORDS: DEFENSE POLICY

MX

CCO

SUBJECT: LTR TO CARLUCCI FM REP BEREUTER FWDING CY HOUSE WEDNESDAY GP

ACTION: PREPARE MEMO FOR CARLUCCI

DUE: 10 FEB 87 STATUS S

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FOR ACTION

FOR CONCURRENCE

FOR INFO

~~DONLEY~~

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FORTIER

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COCKELL

LINHARD

COMMENTS I AM NOT SURE OF THIS, PLS RETURN FOR TRANSFER IF APPROPRIATE. TXS

REF#

LOG

NSCIFID

(LB)

ACTION OFFICER (S) ASSIGNED ACTION REQUIRED DUE COPIES TO

Carlucci X 2/20 For Decision

- 3/3 Carlucci Sgd LTR

C 3/3 Carlucci Sgd Memo

DAM, Kel, MBo, ABI, Wae

[Handwritten signature]

DISPATCH

W/ATTCH

FILE

(C)