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AS PREPARED FOR DELIVERY

MANAGING THE U.S.-SOVIET RELATIONSHIP OVER THE LONG TERM

ADDRESS BY
THE HONORABLE GEORGE P. SHULTZ
SECRETARY OF STATE
BEFORE THE
RAND/UCLA CENTER FOR THE
STUDY OF SOVIET INTERNATIONAL BEHAVIOR
LOS ANGELES, CALIFORNIA
October 18, 1984

For further information contact:

This distinguished audience knows well that the Soviet Union presents us with a conceptual as well as a strategic challenge. Let me take advantage of this occasion, therefore, to raise what I see as some of these larger conceptual issues that face us in managing US-Soviet relations over the long term.

Differences Between the Systems

The differences between our two countries are profound. You and I know that, yet we need to reiterate it, remind ourselves of it, and reflect upon it. The United States and the Soviet Union have different histories, cultures, economies, governmental systems, force structures, geographical circumstances, and visions of the future. We cannot analyze the Soviet Union as if it were a mirror of ourselves.

We Americans stand by our values and defend our interests, but we also put great store by pragmatism, compromise, and flexibility in international life. Marxist-Leninist ideology subordinates all of these qualities to the so-called objective, scientific, and inevitable laws of history. We can debate how fully Soviet leaders follow this ideology. No doubt, however, it helps shape a political culture that does not accommodate well to compromise or truly positive relations with opponents.

Their doctrine of history teaches them that their opponents are doomed to crisis and decline -- and that the struggle between the two systems is a mortal struggle.

Most notable, perhaps, is the very different relationship between the government and the people in the Soviet Union and in the United States. Our national policies are the product of open debate, deliberation, and political competition guided by constitutional processes. In the Soviet Union, policy is the exclusive domain of a self-perpetuating ruling elite. Soviet leaders do not ignore public opinion; on the contrary, they vigorously seek to control it. Theirs is a system marked by repression and hostility to free political, intellectual, or religious expression. A nation whose system is the legacy of Marx, Lenin, and Stalin obviously bears scant resemblance to one that draws its inspiration from Washington, Jefferson, and Lincoln.

When we in America conduct foreign policy, we must meet certain requirements that Soviet rulers can disregard. An American President must win and sustain support from the Congress and the American people if he is to lead the nation on any path, if our policy is to follow a steady course and a coherent strategy. Through this process, we gain the sustenance and commitment that come from democratic participation.

And in the complex world of the 1980s and '90s, the effectiveness of our dealings with the Soviets will benefit from a level of national understanding of the Soviet Union beyond what we have required, or had, in the past. That is why what the Rand/UCLA Center seeks to accomplish is so important, and why I look forward to the contribution that you can make.

The Complexity of Managing the Relationship

Today, despite these profound differences, it is obviously in our interest to maintain as constructive a relationship as possible with the Soviet Union. The Soviet Union is powerful; it occupies a very large part of a shrinking world -- and its military strength, including its vast nuclear arsenal, is a reality that we cannot ignore. Its people are a great and talented people, and we can benefit from interchange with them. And we owe it to our own people, and to the future of the planet, to strive for a more constructive pattern of relations between our countries.

A brief review of the postwar period reminds us of how complex a task this is. For the past two decades, Soviet defense spending has grown at a rate of 3-5 percent a year, even when the United States was cutting back its own defense expenditures.

And the Soviets kept up this military expansion even in the face of mounting economic difficulties.

In the postwar period, the United States never sought to expand its territory nor used force to impose its will upon weaker nations, even when we were the world's pre-eminent power. The Soviets, however, have used force frequently -- in East Berlin, Hungary, Czechoslovakia, and Afghanistan. And it was their threat of force that imposed martial law on Poland.

It has been argued that Soviet behavior is partly motivated by an historical insecurity, that they suffer from an endemic paranoia stemming from centuries of war and foreign invasions. But this analysis is clearly inadequate. The problem is that the Soviets seek absolute security in a way that guarantees insecurity for everyone else. Their policies have created antagonism when opportunities existed for better relations; their vast military power -- and their demonstrated willingness to use it -- go far beyond legitimate self-defense and pose objective problems for the world community. The Soviets' interventionist policies in the Third World, for example, seem the result of ideology combined with new capability, not the product of "insecurity". In the past two decades they have expanded their influence in Asia, Africa, the Middle East, and Central America by purveying arms and backing those who subvert neighbors or block peace.

The record shows that when the Soviets have perceived weakness, when they have seen a vacuum, they have seized the opportunity to gain an advantage. Their code of behavior has not included categories for voluntary restraint or self-denial.

And they have not hesitated to persecute those of their own people -- whether intellectuals, religious figures, or average citizens -- who dared to speak or write freely, or who sought to emigrate. After signing the Helsinki Final Act, which confirmed that human rights were a vital part of the diplomatic dialogue on peace and security in Europe, the Soviets and their East European allies even suppressed the very citizens' groups that were formed to monitor compliance with the Helsinki accord.

We are left with two inescapable truths: In the nuclear age we need to maintain a relationship with the Soviet Union. Yet we know that they have acted in ways that violate our standards of human conduct and rule by law and that are repugnant to us -- and they will likely continue to do so in the future. What kind of relationship can we reasonably expect to have, in these circumstances? How can we manage U.S.-Soviet relations in a way that can endure over a long period?

The Question of linkage

The U.S.-Soviet relationship, of course, is a global one.

We impinge on each other's interests in many regions of the world and in many fields of endeavor. A sustained and sound relationship, therefore, will confront the fact that the Soviets can be expected periodically to do something abhorrent to us or threaten our interests.

This raises the question of linkage. Should we refuse to conclude agreements with the Soviets in one area when they do something outrageous in some other area? Would such an approach give us greater leverage over Moscow's conduct? Or would it place us on the defensive? Would it confirm our dedication to fundamental principles of international relations? Or would it make our diplomacy seem inconsistent? Clearly, linkage is not merely "a fact of life" but a complex question of policy.

There will be times when we must make progress in one dimension of the relationship contingent on progress in others. We can never let ourselves become so wedded to improving our relations with the Soviets that we turn a blind eye to actions that undermine the very foundation of stable relations. At the same time, linkage as an instrument of policy has limitations; if applied rigidly, it could yield the initiative to the Soviets, letting them set the pace and the character of the relationship.

We do not seek negotiations for their own sake; we negotiate when it is in our interest to do so. Therefore, when the Soviet Union acts in a way we find objectionable, it may not always make sense for us to break off negotiations or suspend agreements. If those negotiations or agreements were undertaken with a realistic view of their benefits for us, then they should be worth maintaining under all but exceptional circumstances. We should not sacrifice long-term interests in order to express immediate outrage. We must not ignore Soviet actions that trouble us. On the contrary, we need to respond forcefully. But in doing so, we are more likely to be successful by direct measures that counter the specific challenge.

When the Soviets invaded Afghanistan, President Carter said his opinion of the Soviet Union and its goals had changed more in one week than throughout his entire term of office. He cancelled the grain agreement, withdrew his own arms limitation treaty from Senate consideration, refused participation in the Olympics, and stopped the annual meetings with Foreign Minister Gromyko. But did his actions serve our economic interests? Did they further progress toward a better arms agreement? Did they get Soviet troops out of Afghanistan?

When the Soviets shot down the Korean airliner, in contrast, President Reagan was not derailed from his steady, firm, and realistic course.

He never had illusions about the Soviet Union. After the KAL shootdown, he focused attention on the menace to civil aviation posed by such conduct. He made sure the world knew the truth about the incident. But he also sent our arms control negotiators back to Geneva, because he believed that reducing nuclear weapons was a critical priority.

In the final analysis, linkage is a tactical question; the strategic reality of leverage comes from creating facts in support of our overall design. Over the longer term, we must structure the bargaining environment to our advantage by modernizing our defenses, assisting our friends, and showing we are willing to defend our interests. In this way we give the Soviets more of a stake, in their own interest, in better relations with us across the board.

The Need for a Long-Term Strategy

Sudden shifts in policy, stemming from emotional and perfectly understandable reactions to Soviet behavior, are not the way to pursue our interests. It seems to me that the West, if it is to compete effectively and advance its goals, must develop the capacity for consistency and discipline, and must fashion -- and stick to -- a long-term strategy.

But consistency is difficult for a democracy. Historically, American policy has swung from one extreme to the other. We have gone through periods of implacable opposition -- forgoing negotiations, building up our defenses, and confronting Soviet aggression. Then, concerned about confrontation, we have entered periods of seeming detente, during which some were tempted to neglect our defenses and ignore Soviet threats to our interests around the world -- only once again to be disillusioned by some Soviet action that sent us swinging back to a more implacable posture.

We have tended all too often to focus either on increasing our strength or on pursuing a course of negotiations. We have found it difficult to pursue both simultaneously. In the long run, the absence of a consistent, coherent American strategy can only play to the advantage of the Soviet Union.

Therefore, we must come to grips with the more complex reality of our situation. A sustainable strategy must include all the elements essential to a more advantageous U.S.-Soviet relationship. We need to be strong, we must be ready to confront Soviet challenges, and we should negotiate when there are realistic prospects for success.

The Purposes of Negotiation

Winston Churchill understood both the limits and the necessity of negotiating with the Soviet Union. In May 1953, he said: "It would, I think, be a mistake to assume that nothing can be settled with the Soviet Union unless or until everything is settled." In the 1980s, as then, the process of U.S.-Soviet negotiation has as its purposes both to avert dangerous confrontations and to reach agreements that are in our mutual interest.

If we are to be effective in negotiations, we need a clear sense of what we want to achieve.

The United States seeks an international environment that enhances the freedom, security, and prosperity of our own people, our allies and friends, and of all mankind. We know that such a promising future depends, above all, on stability and global security. It cannot be achieved in a world where aggression goes unchecked and where adventurous foreign policies succeed. Nor can it be achieved in a world where the two largest powers refuse to engage in constructive relations.

To pursue our goals successfully we must persuade the Soviets of two things:

-- First, that there will be no rewards for aggression. We are strong enough and determined enough to resist attempts by the Soviet Union to expand its control by force.

-- And second, that we have no aggressive intentions. We mean no threat to the security of the Soviet Union. We are ready and willing, at all times, to discuss and negotiate our differences.

The conditions for successful negotiation exist when both sides stand to gain from an agreement or stand to lose from the absence of an agreement. We have to accept the fact that on many issues, our respective goals may be incompatible, making agreements impossible to reach. When this occurs, we should not despair or panic about the state of our relations. Certainly, we should never accept disadvantageous agreements for the sake of making negotiations seem successful. Occasional disappointments are part of the long-term process, and we should move on to seek negotiations when and where the conditions are ripe for progress.

Some argue that if you cannot trust the Soviets, you should not negotiate with them. But the truth is, successful negotiations are not based on trust.

We do not need to trust the Soviets; we need to make agreements that are trustworthy because both sides have incentives to keep them. Such incentives operate best when there are clear and working means to verify that obligations undertaken are in fact carried out.

Each side will watch the other carefully to ensure that neither can gain a one-sided advantage by violating an agreement. If we spot Soviet violations, we must do what is necessary to protect ourselves and to raise the cost to the Soviets of further violations. We cannot allow them to use negotiations or agreements as a cover for actions that threaten our interests.

Sometimes it is said that plain statements by us about Soviet violations of agreements, whether on arms or human rights, harm our relationship. In our system, it is our obligation to speak out and tell the truth -- to the Soviets, to the world, and to the American people. Our own values have claims on us, both to speak out honestly and to use our leverage when we can, and often quietly, for humanitarian goals. Those goals are not a burden on the U.S.-Soviet relationship; they are, for us, a key part of that relationship.

If we can help a Shcharansky or Sakharov, or prevent the jailing of a priest in Lithuania, or ease the plight of Soviet Jewry, we have gained something worth negotiating for and worth using our influence to obtain -- not to score points against the Soviets but because we are a moral people.

The experience of negotiations shows that the Soviets recognize reality, and that tough, sober bargaining, when backed by American strength, can lead to mutually advantageous results. Negotiation without strength cannot bring benefits. Strength alone will never achieve a durable peace.

A Policy of Strength and Negotiation

Throughout this Administration, President Reagan has adhered to this approach. He has based his policies toward the Soviet Union on a solid foundation of realism, strength, and negotiation. This approach has created the objective conditions for a safer, more constructive relationship in the years ahead.

In light of Moscow's history of taking advantage of any weakness, it is not surprising that we suffered setbacks in the 1970s.

In light of the recent clear improvement in our relative position, it is not surprising that Moscow is complaining about our policy. The 1970s were a time when our economy was deeply troubled, when our military capabilities were eroding, and when our self-confidence and sense of purpose both at home and overseas were at a low ebb. The Soviets had grounds for believing that what they call "the global correlation of forces" had shifted in their favor. And we, in turn, had grounds for fearing that they might overreach themselves and present us with a challenge that we could neither ignore nor effectively counter.

Since then, the United States in particular, and the West in general, have made an impressive turn-around. We have begun to recover lost ground and to move ahead:

-- Our own economic recovery is well underway. Sustained growth without inflation is within reach. The American economy has bounced back, and is giving welcome impetus to global recovery.

-- The much-needed modernization of Western defense capabilities is on track. The gaps in the East-West military balance that were expanding in the 1970s are being narrowed and closed.

The Soviets' temptation to preempt or intimidate at any point on the spectrum of deterrence must be diminishing.

-- We have restored the relations of confidence and harmony with our key allies in Europe and Asia, which have been the bedrock of American security throughout the postwar era. We have provided leadership in the community of nations joined to us by common values and common interest. Disagreements have at times been sharp, and debate vigorous, just as they are in our own country. The result, however, just as here, has been increasing consensus on the challenges to the common security, and widening agreement on what is required to meet those challenges.

-- Most important, we have restored our own confidence in ourselves. We know that we are capable of dealing with our problems and promoting our interests and ideals in a complex and dangerous world. We have renewed our commitment to democratic values and human rights, a commitment that joins us not only to our allies but to other millions across the globe.

These achievements put our relationship with Moscow on a substantially safer, sounder, and more durable basis.

Our credibility as a strong and resolute nation has been enhanced. In contrast to the 1970s, Moscow has not only failed to add any new territory to its extended empire in the 1980s, but it has been unable to prevent adverse trends in Central America, and the Caribbean, Asia, and Southern Africa. Some in Moscow must wonder if the "correlation of forces" is not shifting against them.

We hold to the principle that America should not negotiate from a position of weakness, and this Administration has ensured that we need not face such a prospect.

But we reject the view that we should become strong so that we need not negotiate. Our premise is that we should become strong so that we are able to negotiate. Nor do we agree with the view that negotiated outcomes can only sap our strength or lead to an outcome in which we will be the loser. We will stay strong to enforce the peace; we will bargain hard to ensure that any agreement we sign is reliable and verifiable; and we will negotiate seriously to find solutions that endure.

In bargaining with the Soviets, we are prepared for modest advances as well as major breakthroughs. We have made limited proposals designed to stabilize the current state of relations.

And we have made ambitious proposals that, if accepted, could put the Soviet-American relationship on a fundamentally new and safer footing.

In conducting negotiations and discussions in the major areas of U.S.-Soviet relations -- arms control, regional issues, human rights, and bilateral cooperation -- we have been guided by four basic principles:

-- First, we must have a strong defense. The United States does not seek military superiority over the Soviet Union. But the Soviets must know that in the absence of equitable and verifiable agreements, we will proceed with defense programs that will deny them superiority. The test of arms control is whether it reduces the danger of war. An arms control agreement that controls the United States but does not control the Soviet Union would only increase the danger of war. We know we will adhere to agreements; based on their conduct, we cannot be sure they will. Therefore, agreements must be reliable and verifiable.

-- Second, we must be united both at home and with our friends and allies.

We must continue to strengthen our alliances and friendships, and, above all, reaffirm and reinvigorate our own bipartisan consensus about the need for a foreign policy based on realism, strength, and negotiation.

-- Third, we must be patient. We cannot abandon negotiations or change our whole strategy each time the Soviets misbehave. We must not allow ourselves to panic or overreact to every fresh demonstration of incivility or intransigence. Nor can we abandon our defenses or forget the importance of our friends and allies each time there is a period of negotiating success.

-- And fourth, we must be purposeful, flexible, and credible. We must negotiate with the Soviet Union on the basis of equality and reciprocity, in ways that demonstrate to the Soviets and to our friends our commitment to reaching agreements that are in the interests of both sides. We stand ready to join the Soviets in equal and verifiable arms reduction agreements, and we are prepared to move rapidly to discuss both offensive and defensive systems, including those that operate in or through space.

Future Prospects

This was the spirit in which President Reagan and I conducted our recent discussions with Deputy Prime Minister Gromyko. We set out for him our agenda for the years ahead. We presented some new ideas for getting nuclear arms control negotiations on track and for achieving some worthwhile results. We offered a dialogue on regional issues, to avoid crises and aid the search for peaceful solutions. We urged the Soviets to take steps in the human rights area. And we outlined constructive measures to improve bilateral cooperation in a variety of fields.

Our discussions with Mr. Gromyko lead me to conclude that the Soviets are interested in continuing our dialogue and in exploring ways to enrich that dialogue and turn it into concrete results.

What can we expect? The Soviets may now realize that it is in their interest to engage with us on the larger issues in a constructive way. Their intransigence in walking away from negotiations has brought them nothing.

A patriotic Russian looking back over the history of our relations would find it difficult to construe how the policy of

rejection that Moscow has been following has served his country well. And he would surely realize that such a policy will prove even more costly in the future. In weighing his present choices, he would have to ask some very pointed questions.

If the Soviet Union will not accept equitable arms agreements, then the United States and its allies will continue their modernization programs. Is there any Soviet gain in this result?

If the Soviet Union pursues aggressive policies in the Third World, and not least in our own hemisphere, that threaten us and our friends, then we will respond equally strongly. Isn't the level of armed conflict in the Third World too high already?

If improvement in Soviet human rights performance continues as in the past to be nothing more than the cynical manipulation of human lives for political purposes, then the Soviets cannot expect that international -- and internal -- pressures for better performance will stop growing. Doesn't the Soviet Union pay a price for this censure, and for the isolation that goes with it? The price is large and steadily increasing.

We pose these questions knowing full well that a state founded on the theory that the global correlation of forces must move in its direction does not easily alter its course to suit new and changed circumstances. The temptation, if not the compulsion, is always present to create new facts to confirm an old theory. Therefore, we should not count on, or even expect, immediate and exciting breakthroughs.

But the way is wide open to more sustained progress in U.S.-Soviet relations than we have known in the past. In recent months, there have been at least a few signs of Soviet willingness to meet us halfway on some secondary but contentious issues. We have been able to agree to upgrade the Hot Line, to extend our ten-year economic cooperation agreement, and to open negotiations to expand cultural exchanges. And, of course, Moscow has made it possible for us to resume high-level contacts. These are welcome steps: they just may herald more substantial and productive moves to come.

We cannot confidently fathom, much less predict, the direction of Soviet policy. We recognize that much of Soviet behavior stems from problems and pressures within their own system. Our statements and our actions are often far less relevant to their decisions than some might think.

During this administration, President Reagan has had to deal not with one Soviet leader but three, which has not made the negotiating process any easier.

What we have begun to do over the past four years, and can continue to do in the future, is to persuade Soviet leaders that continued adventurism and intransigence offer no rewards. We have provided persuasive reasons for the Soviets to choose instead a policy of greater restraint and reciprocity. We must be comfortable with the requirements of such a strategy, including its price, its risks, and its predictable periodic setbacks. We must be able to deter Soviet expansionism at the same time as we seek to negotiate areas of cooperation and lower levels of armaments.

These are the essential elements of our long-term policy. If we pursue such a strategy with wisdom and dedication, we have a much better prospect for achieving our goals: countering the Soviet challenge, directing the competition into less dangerous channels, and eventually forging a more constructive relationship.

PRESS
DEPARTMENT OF STATE

October 22, 1984
NO. 229A

Q&A SESSION FOLLOWING SPEECH BY
THE HONORABLE GEORGE P. SHULTZ
SECRETARY OF STATE
BEFORE THE
RAND/UCLA CENTER FOR THE
STUDY OF SOVIET INTERNATIONAL BEHAVIOR
BEVERLY WILSHIRE HOTEL
LOS ANGELES, CALIFORNIA
THURSDAY, OCTOBER 18, 1984

SECRETARY SHULTZ: Don (Dr. Don Rice) has persuaded me to do a rash thing, and that is to try to answer questions from this distinguished group.

QUESTION: Do you think that Chernenko's (inaudible) was aimed at the election?

QUESTION: Louder.

SECRETARY SHULTZ: The question was, do I think that Chairman Chernenko's statements yesterday were aimed at the election coming up.

I don't know. (Laughter) What I do know is that we are ready to respond to constructive moves. We are ready today; we'll be ready tomorrow; we'll be ready in the middle of November; we'll be ready in December; and, if the President is re-elected, we'll be ready in February.

QUESTION: Was your discussion of linkage earlier meant to say that we should have a reduced emphasis on linkage, or is it that the emphasis on linkage itself has been exaggerated?

SECRETARY SHULTZ: I think it's the heart of the problem of managing a long-term relationship. And, certainly, it's true that just as a fact of life when something happens in one area that we consider out of bounds totally, it will have an effect.

But what I'm saying is that if we link things too tightly together, we won't be able to manage a long-term relationship in the light of the fact that they are so different from us.

So we have to have the view that if we're doing something that in and of itself seems to be in our interest to do -- and presumably everything we do, we do in our interests -- then the case is very strong for keeping on and not pulling out of negotiations, not cancelling agreements.

That doesn't mean when they do something that we think is wrong that we should just ignore it or not be willing to do something about it or say something about it. I cited the example of the Korean airliner because I think it does demonstrate in a sense, in a very practical way, what I'm driving at here and what the President's driving at.

Shooting down that airliner and then taking the attitude they did about it was certainly a shocking thing, and it stunned the world. And the President told it like it is, and we worked to rally world opinion, which wasn't very difficult.

But he didn't take that occasion to withdraw from all negotiations. On the contrary, he called Paul Nitze in and Ed Rowny and rather ostentatiously met with them and took them out in the Rose Garden and had their picture taken, sending them back to negotiations. Not because he wasn't upset and outraged by the Korean airliner shoot-down and the aftermath, but because he is so concerned that we do everything we can to bring about a reduction in nuclear arsenals. So this is an example, I think, of the way we believe this subject should be handled.

QUESTION: Mr. Secretary, tonight you said that the United States should be prepared to move forward rapidly to discuss arms control negotiations concerning offensive and defensive weapons, including those in space.

In light of that statement, in light of Mr. Chernenko's statement this week, can you be specific as to whether or not we should anticipate space arms control negotiations soon?

SECRETARY SHULTZ: I can't say. I don't know what they will do. They proposed that we meet in the middle of September -- I think it was September 18th -- in Vienna to discuss the subject -- I think their phrase was "militarization of space." We said yes, we'll be there. We said we'll be there without preconditions. It's an important subject.

We said, "By the way, offensive ballistic missiles go through space, and that's militarization of space, so we think we're going to bring that up." And they said, well, they didn't intend to talk about that subject, and then they started laying on conditions that amounted to us having to agree to something before negotiations started, not through the negotiating process, and so the negotiations never took place.

As Geoffrey Howe put it, the British Foreign Secretary, they found it difficult to take yes for an answer. (Laughter) But, nevertheless, we're prepared to sit down at any time, anywhere, without preconditions, and discuss the subject of militarization of space.

I can't tell you whether it will come about some time soon, but we're ready, and I think it might very well. I hope so.

(Pause) Well, I used to teach at the University of Chicago, and at the University there are no bells, buzzers, whistles or chimes that say that the appointed hour is over. And so even going back to those days, I have developed a sixth sense, looking out on people -- (laughter) -- because, you know, the bells didn't tell you it was over, but the people looking at you tell you. (Laughter) They give you the message.

It reminds me of Warren Spahn. You remember the old pitcher who went on and on and on, and people kept asking him when he would retire and how he would know when to retire. He said, "The hitters will let me know." (Laughter)

(Standing applause)

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October 18, 1984
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TAPED INTERVIEW OF
THE HONORABLE GEORGE P. SHULTZ
SECRETARY OF STATE
BY CARL GRANT
FOR BIZNET
U.S. CHAMBER OF COMMERCE
1615 H Street, N.W., Washington, D.C.
WEDNESDAY, OCTOBER 17, 1984

MR. CARL GRANT: Good morning, Mr. Secretary, and thank you for joining us this morning.

SECRETARY SHULTZ: Good morning.

MR. GRANT: Now that President Duarte of El Salvador has opened up talks with rebel leaders there, do you expect a quick end to the Salvadoran civil war?

SECRETARY SHULTZ: I don't know that you can expect a quick end, but it's a definite movement in the direction of peace, just as is the increasing strength of the Salvadoran military forces. They're able to keep the peace, and the wide support that President Duarte has for what he's doing in his own country.

MR. GRANT: Is there reason to fear that President Duarte may lose his support of the military and the right wing because he has sat down with the rebel leaders?

SECRETARY SHULTZ: Well, he consulted with the military. And the Minister of Defense, Vides Cassanova, was part of his party at La Palma, so he's keeping them well informed and well advised.

MR. GRANT: Let's look ahead for a moment to Sunday night's debate between the President and Walter Mondale. They'll be debating foreign policy issues. Mr. Mondale has made it clear that he will raise the issue of security of U.S. personnel in Lebanon.

After the latest bombing, is the American Embassy now as secure as we can possibly make it?

SECRETARY SHULTZ: Most of our operations are being conducted out of the Ambassador's residence. The Embassy building that we were using has a big hole blown in it, and it's being surveyed to see whether or not the building can be reused and rebuilt, and so on. But more to the point is the fact that we need to concentrate on the notion of terrorism.

Terrorism is what is responsible for this bombing. Terrorism is what is responsible for what happened to Mrs. Thatcher in Brighton. And it's a major threat around the world, and we been working on it hard for quite a while.

MR. GRANT: We were all shocked when we heard those reports of what just about happened to Prime Minister Thatcher; and some of her close associates actually were, in fact, killed.

SECRETARY SHULTZ: Yes.

MR. GRANT: So you do see that as a sign of increasing, almost uncontrolled terrorism in the world at this point?

SECRETARY SHULTZ: I don't know that it's "uncontrolled terrorism," but it's a definite tactic. I think one of the aspects that we have to watch out for is that the more we call attention to it and the more it gets debated and used as a tool of some kind, the more we encourage the terrorists. So what we should do is work hard to see that we're as secure as possible and to go after the problem of terrorism, and not give them the satisfaction of being in the center of the spotlight.

MR. GRANT: Several weeks ago, there were a series of very important meetings between Soviet Foreign Minister Andrey Gromyko, the President, and yourself. When might we expect the next development in this apparent thaw in Soviet relations, and what might it be?

SECRETARY SHULTZ: Well, of course, what we did was review comprehensively pratically all the issues that we have between the U.S. and the Soviet Union with Mr. Gromyko. And at the end, we agreed that we would -- as the President put it -- "stay in touch."

In terms of the discussion between Mr. Gromyko and I, what we agreed on was to do it quietly, systematically and carefully through diplomatic channels, and we're doing that.

MR. GRANT: Mr. Secretary, in this period of somewhat strained relations with the Soviet Union, what role do you see for the private sector in dealing with the Soviet Union itself and with other Eastern-bloc countries?

SECRETARY SHULTZ: Of course, the private sector -- principally, the commercial and business sector -- deals with the Soviet Union in terms of trade, and that has been kept alive throughout the period of cool relations. Of course, right now, there are very large grain sales being made and people are in contact with each other in that manner. I think basically that's a good thing.

I suppose I'm a little biased, having been a businessman myself in a business that took me all around the world, but I think businessmen are among the best ambassadors our country has. So I encourage businessmen to get around and trade with others around the world.

MR. GRANT: Mr. Secretary, thank you so much for being with us this morning.

We'll be back with more BIZNET news in just a moment.

(Aired on Thursday, October 18, 1984)

PRESS
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October 18, 1984
NO. 231

A FORWARD LOOK AT FOREIGN POLICY

ADDRESS BY
THE HONORABLE GEORGE P. SHULTZ
SECRETARY OF STATE
BEFORE THE
LOS ANGELES WORLD AFFAIRS COUNCIL
LOS ANGELES, CALIFORNIA
October 19, 1984

For further information contact:

My message today is simple and straightforward: The next four years have the potential to be an era of unparalleled opportunity, creativity, and achievement in American foreign policy.

There are two fundamental reasons why: First, I see a new national consensus emerging here at home; and second, the agenda before us holds great promise for positive accomplishments abroad.

A New National Consensus

For much of the last fifteen years, American society has been deeply divided over foreign policy. This period of bitter division, I believe, is coming to an end.

We all know that Vietnam took its toll on what used to be called the postwar consensus on foreign policy. Our two political parties still express very divergent views on international issues. But the American people no longer are as divided as that suggests -- or as they once were.

Just as President Reagan has reshaped the national discussion of government's role in our economic life, so too in foreign policy, there is a growing majority behind some basic truths: realism about the Soviet Union, appreciation of the need for a strong defense, solidarity with allies and friends, and willingness to engage our adversaries in serious efforts to solve political problems, reduce arms, and lessen the risk of war. Most important, there is a new patriotism, a new pride in our country, a new faith in its capacity to do good.

Restoring the people's confidence in American leadership has been perhaps the President's most important goal in foreign policy. Yes, we have rebuilt our military strength; yes, we have put our economy back on the path of sustained growth without inflation; yes, we have conducted a vigorous diplomacy to help solve international problems. But these achievements reflect and reinforce something even more fundamental: our people's renewed self-confidence about their country's role and future in the world. The United States is a very different country than it was five or ten years ago -- and our allies and our adversaries both know it.

And we are engaged for the long term. Foreign policy is not just a day-to-day enterprise.

The headlines provide a daily drama, but effective policy requires a vision of the future, a sense of strategy, consistency, and perseverance, and the results can only be judged over time. Our well-being as a country depends not on this or that episode or meeting or agreement. It depends rather on the structural conditions of the international system that help determine whether we are fundamentally secure, whether the world economy is sound, and whether the forces of freedom and democracy are gaining ground.

In the last four years, this country has been rebuilding and restoring its strategic position in the world for the long term. And we have launched a patient and realistic diplomacy that promises long-term results. That is why I believe the foreign policy agenda for the coming years is filled with opportunities. It is an agenda on which the American people can unite, because it accords with our highest ideals. It is an agenda that can reinforce the national unity that is itself my most important reason for optimism about the future.

It is an agenda that starts in our own neighborhood. Some say good fences make good neighbors. I say: To have good friends, one must be a good friend. That accounts for the unprecedented attention we have devoted to our relations with Canada and Mexico.

I spent the first two days of this week in Toronto meeting with Canadian External Affairs Minister Joe Clark, in accord with our agreement with Canada to hold at least four such meetings each year. With Mexican Foreign Minister Sepulveda I have met twelve times in the past eighteen months, most recently in Mexico just last week. Mexico and Canada were the first countries on our agenda when we came into office and we will continue these regular encounters with firm friends. They have strengthened our relations.

Let me now review our global agenda for the coming years: the great issues of global security; the need to resolve regional conflicts; the task of reinvigorating the international economy; and a new range of critical challenges that the headlines rarely mention.

East-West Relations and Arms Control

I will start with East-West relations because of their obvious importance. There can be little satisfaction or comfort in foreign policy progress on other issues unless the U.S.-Soviet relationship is soundly managed. The meetings with First Deputy Prime Minister Gromyko last month indicated a Soviet willingness to consider a renewed dialogue aimed at easing tensions.

For our part, the United States is ready for a major effort in the coming months and years. And the last four years have put the building blocks in place for a promising and productive second Reagan term.

The Reagan Administration, with Congressional support, has launched a major effort to rebuild our military defenses. For too long, there had been the perception -- and the reality -- of a global military balance shifting in favor of the Soviet Union. This trend weakened our foreign policy. Our modernization programs still have a long way to go, but today we face the future stronger and more secure. We are better able to deter challenges, or to meet them. Future Presidents, facing a potential crisis anywhere in the world, will thank their lucky stars that Ronald Reagan has given them the tools to defend American interests.

Clearly the Soviet leaders were more comfortable with the earlier trend, confident that the "correlation of forces" was shifting in their favor. A more vigorous and self-confident American posture in the world poses problems for them. The democracies are politically united and recovering economically, and the Soviets have suffered a number of setbacks: Their political warfare against NATO deployment of intermediate-range nuclear forces in Europe was a failure.

Their attack on the Korean airliner brought universal condemnation. Their Afghanistan invasion has met with tough, unyielding resistance. Poland has raised ominous questions about the viability of their Eastern European empire. Their attempt to repair relations with China has gone flat. In Southern Africa and in the Caribbean basin, their clients are on the defensive. At home, they face deep economic difficulties and leadership uncertainties.

The Soviets' recent reluctance to engage with us is perhaps a symptom of these frustrations. But inevitably there will be an adjustment to the new reality. President Reagan made clear to Mr. Gromyko that we are ready and willing to work seriously toward a more constructive relationship with the Soviet Union. We are patient, and we are prepared.

Arms reduction is a top priority on our agenda. As the President put it, we are "determined to achieve real arms control -- reliable agreements that will stand the test of time, not cosmetic agreements that raise expectations only to have hopes cruelly dashed." Therefore, we do not seek merely to freeze the present level of military competition with all its imbalances and instabilities. We are determined to achieve real, substantial, verifiable reductions in the most destabilizing strategic systems as well as in intermediate-range nuclear forces.

Because the strategic forces of the two sides are differently structured, we are prepared to be flexible and to negotiate tradeoffs between areas of differing interest and advantage.

When the Soviets last June invited us to begin talks on limiting what they call the "militarization of space," we quickly accepted. We were ready, without preconditions, to talk about what they wanted to talk about. Unfortunately, they then sought to extract concessions from us before the talks began. These issues are important and they deserve a US-Soviet dialogue. Both offensive and defensive weapons can go through space; and our priority has been to get the competition in offensive strategic weapons under control. There is no shortage of important new issues to address. We stand ready to go to Vienna or elsewhere anytime the Soviets are ready, and to do so without any preconditions about the substance of the agenda.

Beyond the issue of space, our agenda includes a range of other vital arms control initiatives: a ban on chemical weapons; negotiations on mutual and balanced reduction of conventional forces in Europe; nuclear non-proliferation; and the measures of confidence-building and non-use of force being discussed at the Stockholm Conference on Disarmament in Europe.

We prefer the path of negotiation and we are capable of defending our interests. All across the agenda, the Soviets will find us a serious interlocutor. If the Soviets are ready to reciprocate, the coming years could be a most productive period in US-Soviet relations and see a positive contribution to security and stability for everyone.

Strengthening Our Alliances and Friendships

We are well positioned for a new phase of East-West diplomacy because our strength is buttressed by a new sense of vitality and common purpose among the industrial democracies.

The failure of the Soviet campaign against NATO missile deployments was a tribute to Alliance solidarity. So too was the unprecedented joint statement on security issued last year at the Williamsburg Economic Summit, which saw Japan, for the first time, join as a partner in the security deliberations of the democratic world. This past June, the harmony of views among the London Summit partners extended beyond economic and financial issues to East-West relations, terrorism, and other global security concerns.

The agenda for the future is to address, in the same spirit, the problems that remain in Alliance relations.

We can look forward to a new and creative period in NATO under the guidance of Lord Carrington, the new Secretary-General. It is time for our Alliance to look again at the task of modernizing conventional defenses, for this can raise the nuclear threshold and reduce reliance on nuclear weapons. As sovereign nations, we allies have our differences on economic issues, East-West trade, levels of defense spending, and some problems outside the NATO area. But we are bound together by our overriding common interest in resolving these differences and strengthening our cooperation.

There is one striking success of the past couple of years that gets little publicity and therefore may be virtually unknown to the American people. We have begun to build a network of new ties with our friends in Asia -- relationships that could well prove to be one of the most important building blocks of global prosperity and progress in the next century. Only a decade after Vietnam, the United States has more than restored its position in Asia. Our alliances in East Asia are strong, and our friendships there are remarkably promising. This is a major, lasting accomplishment.

In the past four years, our total trade with Asia and the Pacific region has been greater than with any other region and is expanding at an accelerating rate.

With Japan, we have made progress in resolving tough economic issues, largely because both countries recognize the overriding political importance of our partnership. ASEAN -- the Association of Southeast Asian Nations -- has become one of the world's most impressive examples of economic development and regional cooperation. Chinese Premier Zhao's visit to Washington and the President's trip to Beijing have put our relationship with China on a smoother, more pragmatic track. Our China policy shows that the United States can maintain mutually beneficial relations with a society that is ideologically very different from ours. It is an attitude we would be happy to apply to the Soviet Union if Soviet attitudes and policy permit it.

Our ties to Asia are not at the expense of our ties to Europe or the Americas, but they do offer, in my view, a unique and attractive vision of the future. The free economies of East and Southeast Asia are a model of economic progress from which other developing nations can learn.

Today a sense of Pacific community is emerging, with the potential for greater collaboration among many nations with an extraordinary diversity of cultures, races, and political systems.

Certainly this is not as institutionalized as our ties with Europe, but there is an expanding practice of consultation, a developing sense of common interest, and an exciting vision of the future. We may well be at the threshold of a new era in international relations in the Pacific Basin.

Promoting Peaceful Settlement of Regional Conflicts

If the past is any guide, world peace in future years is likely to be challenged by local and regional conflicts in the Third World -- conflicts that take innocent lives, sap economic development, and retard human progress. The democracies have a strategic interest in not allowing such conflicts to be exploited by our adversaries. We have the same interest in helping resolve or contain these conflicts and in helping build a durable foundation for regional peace and economic advance.

The nuclear equilibrium has successfully deterred World War III, but it also tends to free our adversaries to take risks in local challenges to our interests around the globe. In the wake of Vietnam, as America looked mostly inward, the Soviet Union and its surrogates exploited many local conflicts to expand their influence. Today, Soviet adventurism no longer goes unchallenged. There have been no new Afghanistans, Angolas, or Nicaraguas on this Administration's watch.

It is up to us to be vigilant and strong to ensure that this remains the case.

Freedom is still in the balance in much of the world. But today the prospects for long-term political independence and regional stability in the developing world may be better than at any time since the end of the colonial era.

Central America is a critical testing ground. Following generations of oligarchic rule, the future will belong either to the advocates of peaceful democratic change or to the forces of revolutionary violence. The outcome will directly affect our own national security and the peace and progress of the hemisphere.

Those people today who claim that the United States is relying on a policy of military pressure while refusing to negotiate do not know -- or do not want to know -- what is really going on in Central America. Our policy has been to promote democracy, reform, and freedom; to support economic development; to help provide a security shield against those who seek to spread tyranny by force; and to support dialogue and negotiation both within and among the countries of the region.

The United States has played and is playing a key role in all these most significant efforts. We have provided critical military and economic help to the forces of democracy in El Salvador. We admire the democratic elements in Nicaragua who cannot accept the Sandinistas' betrayal of their revolution and export of violence. By giving heart to those who want freedom and justice, we have helped build the stable foundation from which negotiations have become possible.

Our policy is beginning to work. It will succeed if we stick with it.

I have just returned from Central America and I can tell you that some far-reaching developments are underway. President Duarte of El Salvador took a bold step toward national reconciliation with his dramatic journey, unarmed, to talk with guerrilla leaders about peace. The Joint Communique agreed to at La Palma on Monday inaugurated a process that gives the Salvadoran people their first hope in years that peace could prove possible in a democratic framework. President Duarte's drive for peace and his election last spring set standards that Nicaragua's Sandinistas, who are refusing to allow open and competitive elections, would do well to follow.

Some progress is also being made in the wider regional negotiations. The latest Contadora draft treaty represents a step forward; the Central American countries most directly affected are working intensively to perfect it, to ensure that it fulfills its promise as a framework for regional peace. My trip to Nicaragua last June was followed by Ambassador Harry Shlaudeman's continuing negotiations with the Nicaraguans to advance the Contadora process. And most recently we have intensified our diplomacy with our friends in Mexico, Central America and Europe.

We have no illusions about Communist aims or methods, and we must show staying power if these diplomatic efforts are to succeed. If we succeed -- and today there is fresh hope -- Central America will enjoy a future of peace, security, economic advance, reconciliation, and spreading democracy. Today, Central America presents one of the most promising areas for signficant progress in the period ahead.

In Southern Africa, justice and stability require that apartheid -- which, as President Reagan said, is "repugnant" to us and our values -- must be replaced by an equitable political and economic system that truly represents all the people of South Africa.

The key to peace in southern Africa more generally is a settlement that will bring independence to Africa's last colony, Namibia, and remove Cuban troops from Angola.

Working with our key allies, with the key neighboring states in the region, and with South Africa, our patient diplomacy has helped resolve most of the contentious issues that stand in the way of a Namibia solution under United Nations auspices. Such an achievement will end an ugly colonial war, reduce opportunities for Soviet penetration, and enhance African and international security. Here again, a long-festering conflict now shows a glimmer of hope, thanks in considerable part to our diplomatic efforts.

In Southeast Asia, we have supported the proposal put forward by ASEAN for a negotiated solution to the Cambodian problem. That proposal is based on the restoration of Cambodia's sovereignty and the right of its people to choose their own government, free of Vietnamese occupation. It is the only sound and realistic framework for a solution, and we will continue to support it. On the Korean peninsula, we strongly back the confidence-building measures proposed by the Republic of Korea and the United Nations Command. We also endorse and encourage the active diplomacy led by the UN Secretary-General to find a diplomatic solution in Afghanistan and Cyprus.

The area of regional tension to which the United States has devoted the most attention over the years is the Arab-Israeli conflict. Our commitment to Israel's security and well-being is ironclad. So is our commitment to the pursuit of peace. The history of the past decade shows that negotiations work. The parties in the area must realize there are no short-cuts: Ill-prepared international conferences, empty UN resolutions, "litmus tests," military solutions -- these will never substitute for direct negotiation between the parties, which is the only way that lasting progress will ever be achieved. Nor is the status quo consistent with peace. The positions President Reagan set forth in his initiative of September 1, 1982, remain the most practical and workable approach. It is a lasting contribution to the settlement of this tragic conflict and to the effort to gain true peace and security for Israel.

The Iran-Iraq war shows that the Arab-Israeli problem is not the only source of tension in the Middle East. Far from it. While avoiding direct American involvement in the Gulf war, we have worked successfully with other countries to prevent that war from escalating to threaten the overall stability of the region and to harm the free world's oil lifeline.

In Lebanon, we negotiated the removal of 11,000 Palestinian terrorists from Beirut in 1982, and in 1983 we negotiated an agreement that would have ensured the security of Israel's northern border, Israeli withdrawal from Lebanon, and a restoration of Lebanon's sovereignty. We are proud of that achievement, and whatever setbacks may come, we will not let up our efforts.

And we will not be driven out of the vital region of the Middle East by acts of terrorism. The United States will continue to prove itself a reliable security partner to all our friends in the area -- including our many friends in the Arab world -- against the forces of extremism and state-supported terrorism.

Today, many cry that terrorist attacks against us are our fault; that America must change its ways and change its policies. I can tell you that we will never waver in our support for Israel. We will never cease to defend our values. And we will never abandon the cause that terrorists seek to destroy: America's commitment to peace, freedom, and security around the world.

As President Reagan told the UN General Assembly, "in every part of the world, the United States is similarly engaged in peace diplomacy as an active player or a strong supporter."

Reinvigorating the International Economic System

The issues of war and peace, of global security and of regional conflict, represent the traditional agenda of foreign policy. But there are important additional tasks -- none more important than seeing to the health of the world economy.

There is no force in the world today doing more to invigorate the global economic system than the powerful economic recovery we see now in the United States. The impact of our expansion is both direct and indirect.

Directly, we are importing large amounts from other countries, both the developed and the developing countries. Those purchases are spreading our expansion throughout the world by pumping tremendous new resources into the international economy. U.S. merchandise imports will grow by about 30 percent this year.

Indirectly, we may be contributing even more to the world economy by the example we have set in shaping up our own economic policies. We have revised our tax system to create real incentives to work, to save, to invest, to take risks, to be efficient. We have reduced government regulation, intervention, and control.

We have opened opportunities for freer competition in transportation, finance, communication, manufacturing, and distribution. Most important, we have spread the benefits of our recovery to the working population by creating new and better job opportunities, reducing inflation to one-third of its level four years ago, and reducing unemployment by one-third in less than two years.

This is a dramatic change from the state of the American economy four years ago. It has captured the attention of the world, and the policies that have brought it about are becoming understood. It is widely noted that similar policies are pursued in those parts of the world that have been enjoying the best economic growth -- most strikingly in the Pacific Basin, but in other countries as well.

Success inspires emulation. We now find, almost everywhere in the world, movements to decentralize, to deregulate, to denationalize, to reduce rigidity, and to enlarge the scope for individual producers and consumers to cooperate through markets rather than only through government dictates. The indirect benefits that may come to the world's economies by following this example are likely in the long run to surpass by far the direct benefits they gain in the short run from our own expansion.

Two central issues which have been the focus of our attention, and which loom prominently among the opportunities for further progress, are: managing the international debt problem and reinvigorating the global economy through a more open trading system.

Much progress has been made in managing the debt problem. A lasting solution lies in three areas: restoring growth in the world economy, maintaining open trade and investment markets in both developed and developing countries, and pursuing sound economic policies in the developing countries so they are in a competitive position to benefit from the global recovery.

The United States is doing its part. We import about one-third of all the manufactured exports of the developing countries, and about half of all their manufactured exports to the industrialized world. In 1982, we provided more than 35 percent of the nearly $84 billion in financial resources, public and private, that flowed to developing countries. With new resources available to the International Monetary Fund, its role as a catalyst for change and new private debt financing has been strengthened.

The current account deficits of non-OPEC developing countries in 1984 should be about $28 billion, less than half the 1982 high -- largely reflecting the $26 billion improvement in their trade balance with the United States.

But there are no short-cuts. Stable long-term expansion in the developing world will require sound economic policies, freeing up the market and encouraging private investment. If a country does not pursue sound economic policies, no amount of outside assistance, and no reform of the international trading and financial systems, can assure its prosperity. But if a country manages its own policies wisely, the benefits of those policies can be increased by well-designed outside assistance and by effective systems of international trade and finance.

It will be absolutely essential, at the same time, that we maintain and enhance the openness of the world trading system. Trade is the transmission belt of prosperity, and attempts to choke off trade by protectionism can only retard the general recovery and exacerbate the debt problem.

The United States has the most open market in the world, and we have a President who is philosophically committed to an open trading system.

His recent decision on copper imports was an important step in this regard; in the steel case he chose a course designed to focus on the removal of unfair trade practices rather than protectionism. He worked hard at the London Summit to ensure that the Summit declaration urged formal movement toward a new round of multilateral negotiations to liberalize trade. The only effective way to prevent protectionism from destroying a healthy world recovery is to move rapidly to negotiate a fairer and more open trading system for all countries.

As global recovery spreads, the benefits for our foreign policy will be enormous. A restoration of non-inflationary economic expansion will advance all our political objectives. It will strengthen our allies and friends; it will facilitate the strengthening of our collective defenses; it will help fend off protectionism and ease economic disputes; it will reinforce our bargaining position in East-West negotiations; it will stimulate progress in the Third World, denying our adversaries new problem areas to exploit. It will improve the climate for international cooperation and spread new confidence in the future of democracy.

New Dimensions of International Cooperation

The agenda for the future also includes new dimensions of international concern.

A few moments ago, I mentioned terrorism. Terrorism is a threat to which democratic societies, open and free, are particularly vulnerable. The growing phenomenon of state support of terrorism is a political weapon deliberately wielded by despotic and fanatical regimes and their henchman against the basic values of the Western democracies. The bombing of our Embassy in Beirut last month, and the many attacks on other Western and pro-Western targets in Beirut, show that the threat is ever-present. And last week's cowardly bomb attack in Brighton, England, against Prime Minister Thatcher and members of her cabinet shows again that the danger is not confined to the Middle East. Those who wage terrorist warfare against us are seeking to shake our commitment to our principles, and to alter our policies of promoting peace, prosperity, and democracy. We will not yield to blackmail.

It is time for this country to make a broad national commitment to meet this threat. Congress must give us the resources and the legislative tools to do the job. We need, and we are getting, the resources to protect our facilities and personnel abroad. We need new tools of law enforcement. Sanctions, when exercised in concert with other nations, can help to isolate, weaken, or punish states that sponsor terrorism against us.

Our law enforcement agencies must continue to perfect their counter-terrorism techniques and to work with the agencies of friendly countries, for terrorism is truly an international problem. Our military and intelligence agencies must be given the capability, the mandate, the support, and the flexibility to develop the techniques of detection, deterrence -- and response.

All too often, we find terrorism linked to another problem of great concern: narcotics. We all know the domestic dimension of the drug problem, but there is a growing awareness in other countries that it is truly an international problem to which few are immune. Not only is drug abuse increasing in other countries, but the corrupting effect of drug trafficking on political and economic institutions is more and more widely recognized. Beyond the disturbing links between drug traffickers and international terrorism, we see certain Communist governments, Cuba and Nicaragua in our own Hemisphere, using the narcotics trade as a source of funds to support insurgencies and subversion.

The drug problem is a major concern of our foreign policy. Our strategy addresses the problem in its international dimension, including controls on the cultivation, production, and distribution of drugs, curbs on the flow of profits and the laundering of money, and relief against the impact on other countries as well as our own. We have reached important agreements with other countries on crop control, eradication, and interdiction. We have provided assistance to implement these control agreements, as well as aid for development and training in law enforcement.

But it is clear that more needs to be done, on an international as well as national basis. Worldwide crop production still provides a surplus of narcotics that greatly exceeds not only American but worldwide demand. Some countries have not done enough to reduce crop levels. We must promote cooperation to reduce cultivation further in all producer nations. But we must also wage a determined campaign against drug use here at home, thereby sending the message to people in other countries, as well as to their governments, that we intend to control our own drug abuse problem.

Nuclear non-proliferation is another challenge on our agenda. Like the story of our prospering relations with Asia and the Pacific, the steady progress we have been making does not make the headlines.

Today the number of states that have acquired the means to produce nuclear explosives is far lower than doomsayers predicted twenty years ago, though the potential dangers to world stability remain exactly as predicted. The United States is vigorously leading the international effort to establish a regime of institutional arrangements, legal commitments, and technological safeguards to control the spread of nuclear weapons capabilities.

The Reagan Administration has approached the problem with a sophisticated understanding of its complexities. We see the growing reliance on peaceful nuclear energy, the security concerns that give rise to the incentive to seek weapons, and the need for broad multilateral collaboration among nuclear suppliers. We have made progress in restoring a relationship of confidence and a reputation for reliability with our nuclear trading partners; we have had fruitful talks with the Soviet Union on our mutual interest in cooperation in this field; we have encouraged international measures to promote comprehensive safeguards and stricter export controls. In the last four years, ten additional countries have joined the Non-Proliferation Treaty, making it the most widely adhered-to arms control agreement in history.

Consolidating and reinforcing the non-proliferation accomplishments of recent years is one of this Administration's top priorities. It is no easy task. There may have been a time when the United States could virtually dictate guidelines for international nuclear trade, but that is most assuredly not the case today. We will need the continued support and full cooperation of the other nuclear suppliers and the major nuclear consumers if our non-proliferation efforts are to continue on their present, successful course.

Promoting Human Rights and Democracy

Finally, and most importantly, among the broader objectives of American foreign policy in the coming years are goals that are not technical or material but moral. The United States has always stood for the rule of law as a civilizing force in international relations; our foreign policy has always embodied a commitment to foster democracy, freedom, and human rights.

A few years back, pessimists maintained that the democracies were doomed to permanent minority status in the world community. Today there is increasing evidence that democracy is alive and well around the world -- and the most encouraging signs are in our own Hemisphere.

One week ago I represented the United States at the inauguaration of President Barletta of Panama, a significant step in the proud progress of a true friend of ours toward an even fuller democratic society. The remarkable fact is that more than 90 percent of the population of Latin America and the Caribbean today lives under governments that are either democratic or on the road to democracy, compared with only one-third in 1979. In non-Communist Asia, rapidly growing prosperity is increasing the opportunities and pressures for political pluralism. Obstacles remain. But on every continent, we see vivid demonstrations that the democratic idea is far from a culture-bound aspiration or possession of the industrialized West.

Certainly, the world still has far to go before it is "safe for democracy." The yearning for freedom in Poland and Afghanistan and human rights activity in the Soviet Union continue to be relentlessly suppressed. But we must not lose sight of the real advances that are now underway.

For the American people, these developments are an inspiring reminder of the vitality of the idea of freedom that we have championed for 200 years. These are the ideals that give meaning to our efforts abroad.

When we contribute to the freedom of others, we vindicate our own freedom and enrich our own heritage of democracy. This, in the final analysis, is why we are engaged in the world.

As we look to the years ahead, I want to make sure that this Administration's approach is understood. Human rights policy, to us, is a commitment to active engagement in the world, not a set of excuses for abandoning friends or shirking obligations. When other nations fail to meet the standards we feel are right, when others are heedless of values we cherish, we do not intend to withdraw in righteous indignation. We do not intend to break our associations with other nations on the grounds that we are pure and they are wanting. The human rights policy of the second Reagan Administration, as in the first, will be to stay engaged, to be active, to never give up, to continue to fight for adherence to the rights and values that we stand for and which are humanity's best hope for justice, freedom, and progress.

Looking Ahead

Therefore, as we look around and look ahead, there are many reasons for optimism about the state of the world and the future of our foreign policy. The structure of the global system is sound, stable, and secure.

The trends are positive in many ways. Our adversaries are burdened; the democracies are united and recovering their vitality. The United States is strong and once again comfortable with its role of leadership. Today, time is on freedom's side.

Next year, we will celebrate the 40th anniversary of the end of World War II. In the immediate postwar period, the United States faced a series of unprecedented new challenges and responded with an extraordinary burst of bipartisan creativity and energy: the Marshall Plan, the Greek-Turkish aid program, the North Atlantic Alliance, the Food for Peace program, and other initiatives. We changed the world, for the better. In the 1960s and 70s, this bipartisan spirit deteriorated, and we paid a price for it.

The challenges we face today are very different from the postwar years, but just as great. I can assure you that a major goal of President Reagan in a second term will be to summon again that spirit of bipartisan cooperation. It will be time for a reaffirmation of unity. Our two parties must come together as Americans, and the Executive and Congress must work together as partners.

Let us reforge a national consensus on foreign policy that will sustain America's leadership in the world over the long-term future. In unity, we all know, there is strength. And there is no limit to what a free and united people can accomplish if it sets its sights high and faces the future with confidence.

PRESS
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Q&A SESSION FOLLOWING SPEECH BY
THE HONORABLE GEORGE P. SHULTZ
SECRETARY OF STATE
BEFORE THE
LOS ANGELES WORLD AFFAIRS COUNCIL
LOS ANGELES HILTON HOTEL
LOS ANGELES, CALIFORNIA
FRIDAY, OCTOBER 19, 1984

(NOTE: The Moderator, Mr. Haddad, rephrased all questions for the Secretary as there were no microphones available for the questioners.)

MR. EDMONDE A. HADDAD (President, World Affairs Council): Thank you very, very much, Mr. Secretary, for that wide-ranging and very interesting address. The Secretary has agreed to take a few questions from the audience. We have some time for them.

QUESTION: Mr. Secretary, you just met with Prime Minister Shimon Peres, and how would you assess the workability of the new Labor/Likud Unity Coalition Government? For instance, sir --

MR. HADDAD: I understand. Would you assess the new Government of Israel -- how can the new Government of Israel under Prime Minister Peres work? Is it a viable, workable government -- the coalition?

SECRETARY SHULTZ: The government was formed -- the Government of Israel, the new government, was formed, having in mind especially certain problems that Israel faces, on which the two parties basically agreed to agree.

They agree that they must confront successfully and deal successfully with the economic problems that Israel has -- the very high rate of inflation and other aspects of the economy -- and they agree that under the right conditions involving security for Israel's northern border, they want to work out a way of withdrawal from Lebanon.

Those are two major undertakings, and so far as I could see in my meetings with Prime Minister Peres and Foreign Minister Shamir, both of whom I know personally for some time, they are united in their desire to work at those two problems.

I think they both also would like to see an improvement of the tone on the West Bank. There are differences of opinion about what an appropriate final status -- so-called -- situation should be in those territories. But there are other aspects of progress in that area on which they have somewhat similar views.

So I would say to you that the two parties, obviously, have their differences, but there are some very important issues in which they seem to be united, and those two issues particularly give you plenty to do, I can tell you, as a government.

It is interesting -- the statement was made to us, and I believe it's true -- that the differences are not so much between the parties as within the parties. So the problem of dealing with these great issues, they will be working at. There will be some difficulties, but I think there's pretty good hope for it.

QUESTION: Is the United States going to sign the Contadora peace plan?

MR. HADDAD: Would you say that again? I didn't quite hear you.

SECRETARY SHULTZ: Is the United States going to sign the Contadora peace plan?

MR. HADDAD: Thank you.

SECRETARY SHULTZ: Is that right? The United States is not a direct party to the Contadora negotiations, and so -- did you want to interrupt again --

QUESTION: No. I'm sorry.

SECRETARY SHULTZ: The United States is not a party to the Contadora negotiations, so fundamentally it's up to the countries involved, particularly the Central American countries that are affected, to decide what they want to do. And we have been supporting the effort for regional stability, peace, democracy and economic development.

As far as the Contadora process is concerned, we believe, and I believe, that a tremendous amount of headway has been made. The 21 principles they worked out are excellent, and in the current Acta a lot of strides have been taken to turn those principles into more closely operating ideas.

There is still some distance to go, and I think that that is generally recognized. That's what the Contadora Four Foreign Ministers said from Madrid yesterday, and that's what the responses of all but Nicaragua of the Central American countries said. So there will be an effort to improve this document.

There are two particular things that, as I have talked with all of the parties -- and I've talked to all of them in the last couple of weeks, including through Ambassadors Motley and Shlaudeman the Nicaraguans -- we've talked to everybody. There are two principal problems.

One stems from the importance of having the various undertakings that are identified in the Contadora Acta take place with reasonable simultaneity, so that if we have a set of things, and there are some that you want and there are some that somebody else wants, it's only fair that they should all go forward together and not what you want first and what I want second, particularly if what I want is left for further negotiations. Catch 22 or 5.

Second, it's important to spell out, so that they can actually come into play, provisions for verification. That's no more dramatically illustrated than what's taking place right now in Nicaragua, because Nicaragua has said that it's going to hold a democratic election. And it has said, for example, that it recognizes that in a democratic election opposition candidates have to have freedom of assembly. That sounds pretty obvious, and so they said they're in favor of that.

But every time anybody who's an opposition candidate holds a rally, if anybody comes, the government breaks it up. So they say they're for freedom of assembly, but in their behavior they're not. So what that means is that if

you're going to agree with somebody like that, you better have some verification mechanisms in place right now, when you start, that allow you to see whether or not, as you undertake to do things that are agreed to, that they do too. And if you see that they're not, then you've got to stop and do something about it. It's that simple. (Applause)

QUESTION: Mr. Secretary, how would you describe relations between the U.S. and Syria? How will the Reagan Administration in a second term deal with (inaudible).

MR. HADDAD: Thank you. How would the Secretary describe U.S. relations with Syria, and how will the United States pursue in a second Reagan Administration peace in the Middle East?

SECRETARY SHULTZ: We have full diplomatic relations with Syria. We have a strong interaction with them. I met with the Foreign Minister in New York. I wouldn't say they're our closest friend in the Middle East -- (laughter) -- but we have, I think, a good ability to talk with them, and there is personal respect on both sides, particularly for individuals who are conducting the dialogue that we have with them, and I think it is useful for us to have that kind of situation, even though we've had a lot of contention with Syria. It's important to have a dialogue and to maintain it, and to be working always toward constructive ends.

As far as the Middle East peace process more generally is concerned, we will be heavily engaged, and we will try to go about it in the manner that we think is likely to be the most effective. We've been trying to help with the disengagement from Lebanon over a long period, and are now.

The President has put forward a very bold and imaginative initiative on September 1, 1982, and we get the word very quietly from people from all the countries of the Middle East who come around and say, "Is the President going to stick with his initiative? We hope so." And the President, of course, has said yes.

But, remember, that initiative is not a blueprint that the United States tables some place and says, "Here it is, take it or leave it." On the contrary, the President put it forward as a statement of positions the United States would take in the process of negotiations, expecting that other people are going to take other positions.

And the whole idea -- the whole idea and the essential thing to have happen is to have it come about where Israel can sit down directly, face to face, with its neighbors and try to work out the conditions for stability and peace in the Middle East. And that is what we're trying to do, and that is what we're trying to help with.

MR. HADDAD: Question from one of the news media? Yes, sir.

QUESTION: Mr. Secretary, the Administration has gone on record in support of human rights and against state-sponsored terrorism. Given the allegations made in certain CIA manuals that appeared in Nicaragua or in the hands (inaudible) guerrillas, are we playing a double standard with state-sponsored terrorism? When it's against us, it's terrorism. We're training people who act just like that and it's not?

MR. HADDAD: The gentleman raises the question of our human rights policy versus some news about the CIA and the alleged publication of a book in Nicaragua which, among other things, teaches how to kill, so the story went. Is this not a contradiction in his stated policy on human rights?

SECRETARY SHULTZ: As far as the question of assassination, which I think has been in the centerpiece of this controversy, it is against our morality, it is against our principles, it is against our law, and the President won't have anything to do with it, and he's ordered an investigation -- two investigations into exactly what happened and where that booklet stands.

I am glad to say that insofar as I know there has been no attempted assassinations, and I am sure -- I can tell you -- that there has been no discussion of any such thing that's gone on around any meetings that I've been at, and I've been at all the meetings in the last two and a half years. The President wouldn't touch that kind of thing with a ten-foot pole.

MR. HADDAD: Thank you.

(Applause)

MR. HADDAD: Ladies and gentlemen, we have time for one more question, and before we take the question, would you kindly all remain seated until the Secretary, Mrs. Shultz, and the Mayor leave the room, please.

QUESTION: Mr. Secretary, where do we stand on industrial protectionism of free nations?

SECRETARY SHULTZ: On what?

MR. HADDAD: Where do you stand on industrial protectionism of free nations? Is that what you --

QUESTION: Yes.

SECRETARY SHULTZ: We are fighting protection very hard. The President has been a leader internationally in trying to promote a new discussion, trade round, in the GATT, and in terms of our own behavior in our own country the President has taken some very courageous decisions recently.

We take those decisions against protection -- or the President does -- because we know that an open economy here and around the world is very much to the interests of Americans and, for that matter, everybody else. We benefit from access to markets. It keeps the prices down here We get a chance at the great world marketplace. It makes our own industries be competitive, and we get a chance to sell abroad at the same time.

With all that is said about our difficulty in exporting -- and we do have a lot of difficulty because of the high dollar -- we are right now the largest exporting country in the world, so we must be doing something right, and I think we are.

(Applause)

MR. HADDAD: Thank you, Mr. Secretary. You can tell by the applause the gratitude that we all feel for your being with us today.

PRESS
DEPARTMENT OF STATE

October 17, 1984
NO. 232

STATEMENT BY
THE HONORABLE GEORGE P. SHULTZ
SECRETARY OF STATE
UPON ARRIVAL
TORONTO, CANADA
October 15, 1984

Mr. Minister, Mr. Clark, I appreciate very much our warm welcome, not only its warmth, but the thoughtful comments that you made about the contents of the talks we will be having and their objectives. You notice that this is the 150th Anniversary of the founding of Toronto, and I think it does make a particularly appropriate setting for the first meeting between the foreign ministers of our two countries under your new Government.

As it happens, I have been to Toronto more times than I can count, so I'm certainly glad that I have a chance to come back again to see the skyline and all of the excitement of Toronto. I do look forward very much to going through with you the bilateral problems that we have, the stake we have in many international issues--economic issues, arms control issues--the problem spots around the world in which we share joint interests; comparing notes and benefiting from that kind of consultation.

I am very interested in your quotation from President Ford, that we can disagree without being disagreeable, and I believe in that very much. At the same time, it seems to me that in our discussions we should aspire to be ready to recognize differences when we have them, but set about the processes that will help us resolve those differences and put them behind us. And I am sure that the supply of differences is very large and

we will have lots to do. I also think that the assignments that your Prime Minister and my President have given to us, to try and help manage this relationship between our two countries, is of great importance. And it has always been the view of President Reagan, and certainly mine over a long period of time, that our most important relationships are right in our own neighborhood from the standpoint of the United States.

It is quite obvious to everybody by this time, I think, that our most important trading partner is Canada, not just by a little bit, but by a tremendous amount. So we have a gigantic stake in the United States in having a constructive, thoughtful, and well-working relationship, and President Reagan has sent me here with that objective very much in mind. So I look forward to these discussions with keen anticipation and the prospect of real success. Thank you.

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PRESS
DEPARTMENT OF STATE

October 17, 1984
NO. 233

PR NO. 21

PRESS CONFERENCE
BY
THE HONORABLE GEORGE P. SHULTZ
SECRETARY OF STATE
PANAMA CITY, PANAMA
October 11, 1984

SECRETARY SHULTZ: I want to say what a great pleasure it has been for me personally to be a witness at the inauguration of President Barletta, and I might say that I was stirred by his address this morning. It seems to me that he has set out a program and a standard for his country. As far as the United States is concerned, we look forward to working closely with the Government of Panama and, of course, we encourage very strongly the movement in the direction of democracy and the establishment of democracy here as in other parts of our hemisphere.

I also had the occasion while here to, of course, have a private meeting with Dr. Barletta and with General Mejia and this morning with President Betancur and President Monge. And you know in these meetings, in addition to discussions about matters of interest between the respective countries and the United States, we talked about the importance of the Contadora process and our mutual concern to see that it move forward to a successful conclusion and give us a result that will truly work. And I think it has been quite worthwhile, at least from my standpoint, to have had those discussions with those gentlemen, and I look forward to continued work with them.

QUESTION: Do you believe, Mr. Secretary, that the draft treaty as written is imbalanced in Nicaragua's favor? And if so why?

SECRETARY SHULTZ: Well, I think from my conversations with the other Central American countries involved, it's clear that they

think that improvements are desirable and possible. I think we all share the view that a tremendous amount has been accomplished and so, with all of that accomplishment behind us, it is only sensible to try to bring about those improvements that will make the document into something truly workable. And here I'm expressing what seems to us to be sensible but really also reflecting what people from the other countries involved have said.

QUESTION: How would you describe the reaction of some of the regional leaders you've talked to concerning the recommendations the United States has to change the current draft treaty?

SECRETARY SHULTZ: Well, we've made some general comments, but basically the countries involved in the Contadora process are the ones that are shaping this, so it isn't so much a question of us putting out something and people reacting to it but rather of people discussing together some of their views, and then each country has to decide for itself what it wants to say about this proposal. After all, it's a proposal that was put forward and comments were asked for and so, at least as I understand it, each of the countries is probably making some.

QUESTION: Could you tell us whether President Betancur was able to give you any indication of a change in position by the guerrillas in El Salvador that would indicate that next week's meeting would produce some concrete results?

SECRETARY SHULTZ: Well, we discussed the meeting and he told me about some of his perceptions and some of the ideas that he has about how it should be conducted, and I shared with him what President Duarte said publicly yesterday about the meeting and I am sure that both of us strongly support the initiative that President Duarte has taken. We hope that it will be successful and, to the extent that anything either country can do or individuals can do to help bring that about, we'll do. But, of course, as President Duarte has emphasized, this is essentially something that he is doing within the framework of El Salvador and he is determined to do his best to work this out and he will have our full support.

QUESTION: Do President Betancur and the Panamanian President agree that the Contadora agreement can be negotiated over a long period of time or do they believe that it should be quickly signed, with just a little adjustment?

SECRETARY SHULTZ: Well, I don't want to try to speak for people as individuals and they'll say what they believe. But I think that everyone that I've talked to shares the desire to

see a workable Acta produced as soon as possible, because peace and stability is needed and wanted and the sooner we can get there the better. At the same time, I think there is a recognition that it's important, particularly having come this far, that anything that is finally agreed upon be genuinely workable so that it produces the results that everyone seeks and doesn't turn out to be just a piece of paper. We want something that works, and we share that point of view very strongly. The sooner peace and stability can come to Central America, the better we're all going to like it.

QUESTION: Would you describe the controls and the proposed mechanisms that would satisfy your government and would you propose the involvement of the OAS?

SECRETARY SHULTZ: Well, there are various proposals to strengthen the general idea that seems to be agreed on that there must be a verification process. Now there are lots of different ways to do that, and people are trying to find and describe the kind of detail that would do the job; and I don't want to particularly try to put forward any approach to that, except that you have to go beyond the general principle of agreeing on verification -- into the sort of detailing of precisely how it would work, how it would get set up, agreeing to do it that way -- so that you can see that the general principle will really become a reality. That's the real point.

Thank you.

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PRESS
DEPARTMENT OF STATE

October 12, 1984
No. 234

PC NO. 22

PRESS CONFERENCE
BY
THE HONORABLE GEORGE P. SHULTZ
SECRETARY OF STATE
MEXICO CITY, MEXICO
October 11, 1984

SECRETARY SHULTZ: It's always a privilege to meet with President de la Madrid and this evening we've had a couple of hours of very constructive and worthwhile discussions. I would say a good portion of the total amount of time was spent in discussing the Contadora process and the balance in discussing various aspects of the bilateral relations between the United States and Mexico.

I think I can say very clearly at the end of a searching discussion and sharing of views about developments in Central America, that we both agree that a great deal has been accomplished in the Contadora process, that there are some additional things that need to be done, and that we both believe that it's important to work on these things with a real sense of thrust and with an effort which we both feel is important to try to bring things to a conclusion, because we both want to see, and we all want to see, of course, peace and stability in this region. So that is what we are pledged to do. And Ambassador Shlaudeman was present and took part in the discussion -- and, of course, he is the key individual as far as actually getting out and around and working on this from the standpoint of the United States.

On the bilateral side we discussed certain trade and investment issues. We took note of the fact that there is a meeting of experts to take place -- I think it's October 19 in Mexico -- and we both will try to give a little push to those processes and try to see if some of the issues in that field can be resolved. We took note of the very good collaboration that's taken place in the field of finance between our respective finance ministries and central

banks. I think it's been a very fruitful association. We sort of cruised over some of the border issues and we'll discuss them tomorrow at breakfast with Secretary Sepulveda and other colleagues. And so we examined quite a wide variety of such issues and I think both feel that, recognizing that there are always outstanding problems, nevertheless, that we have developed a good capacity to work on them and resolve them and take up new ones. And so the relationship between the United States and Mexico is receiving a lot of priority in both countries. And I must say the respect of President Reagan for President de la Madrid, and it seems vice versa, is very strong. And so, on this basis of mutual respect of two great and large countries that live right next to each other, it's a very good thing to be able to say that these relationships are in fine shape.

I'll be glad to respond to questions.

QUESTION: I would like to ask why the United States has objected to the "Acta" of Contadora.

SECRETARY SHULTZ: Well, the United States' view is not to object but, quite to the contrary, to observe that the present Acta represents a tremendous achievement: to have gone through a set of principles -- 21 principles -- and start to get them turned into something operational. We do think, and from the discussions that I've had with practically all the countries involved here in the last week and a half, that there are some further things to be done. But there's a tremendous amount already achieved, and so that gives hope that perhaps a conclusion can finally be reached. We'd like to see that.

QUESTION: I would like to know what the United States is really prepared to do to support the pacification process of Contadora?

SECRETARY SHULTZ: Well, first we're giving the whole process and the area a tremendous amount of attention; and one of the most outstanding diplomats, citizen of the United States Ambassador Harry Shlaudeman, has been given the assignment of working on this -- spending all of his time on it. Second, we have devoted a great deal of attention, President Reagan has, to this set of issues -- it is the only set of issues outside his times of addressing our Congress at the annual State of the Union time, that he's addressed a joint session of Congress -- on this issue. He has appointed a bipartisan commission to look into it, headed by Henry Kissinger, and their report, which was a unanimous report, has been put forward by the President in the form of legislation. And not in all the detail, but to a very broad extent, the Congress has now voted general support for the ideas involved. And among the things that are involved are: number one, what has been called the Caribbean Basin Initiative, which provides unusual access to the United

States' market for countries in the region and, in terms of economic support through the appropriations process, very large sums of money that are available to help in the process of economic development. We think that social reform and economic development are the heart of solving the problems of Central America. And we've been seeking to do everything we can to bring about democratic participation in government, the operation of the rule of law, and opportunities for economic development in the region.

QUESTION: Mr. Secretary, you said that there was an agreement on both sides that there was a need for additional changes in the draft of the Contadora proposal. Can you tell us on what specific issues you agreed that there should be changes? In other words, what did you and Mr. de la Madrid agree should be changed?

SECRETARY SHULTZ: We observed that the countries of Central America are in the process of making comments and some of them have sent in comments, so those are matters that need to be dealt with. And we talked about the general nature of the comments and, broadly speaking, at least as we see it -- and I don't want to try to speak for President de la Madrid on this -- but broadly speaking we think they fall under the general categories of verification and simultaneity.

PRESS
DEPARTMENT OF STATE

October 22, 1984
NO. 235

INTERVIEW OF
THE HONORABLE GEORGE P. SHULTZ
SECRETARY OF STATE
ON
NBC "MEET THE PRESS"
SUNDAY, OCTOBER 21, 1984 AT 12:15 EDT

("Meet the Press" in progress).

MR. KALB: We are back, with Secretary of State George Shultz.

Mr. Secretary, you saw Fred Francis' report on Grenada. Are you aware that there were any additional deaths beyond those reported by the Pentagon?

SECRETARY SHULTZ: No. According to the Pentagon, there weren't.

MR. KALB: Well, so far as you know, though, the distinction that is being drawn is, perhaps, deaths suffered prior to the official beginning of the attack.

Are you aware of any deaths that might have been suffered by the United States prior to the beginning of the attack?

SECRETARY SHULTZ: I have to rely on the Pentagon report which was quite unequivocal.

MR. MUDD: Mr. Secretary, apparently the CIA surveillance flights have been going on for some time.

SECRETARY SHULTZ: Yes.

MR. MUDD: Is there -- do we have any evidence -- producible evidence that, indeed, arms are moving from Nicaragua into El Salvador?

SECRETARY SHULTZ: Absolutely. And that's what those flights help the Salvadoran armed forces to diagnose and do something about.

MR. MUDD: Is the evidence available to the public?

SECRETARY SHULTZ: A lot of material that's collected by classified means is not available to the public, but I have seen the material that is available and there just isn't any doubt whatever that the Salvadoran guerrillas are supplied from Nicaragua.

MR. MUDD: But if there is doubt in the public mind, wouldn't you do better to show the public what you've got?

SECRETARY SHULTZ: Well, it's a question. Because when you disclose your information -- and to do that, you have to disclose how you got it -- then, maybe you have a harder time getting it; and the importance of the information is such that it helps the Salvadoran army defend itself.

MR. KALB: Mr. Secretary, isn't one of the ground rules for American personnel -- military personnel in El Salvador -- that they not be anywhere near a combat zone?

SECRETARY SHULTZ: Well, "anywhere near" is a question mark. They have -- that is a ground rule, and so far as I know they continue to observe that.

The situation in El Salvador has been gradually improving, so that rather than be basically confined to the capital of San Salvador, they have been getting around a little bit more lately.

MR.KALB: Well, are you saying that they're getting around more and could now, perhaps, be in a combat zone?

SECRETARY SHULTZ: No, because there are more places that are quite safe to be in.

MR. KALB: What about this report about the three U.S. servicemen who were, in fact, seen -- it's quite public; the Ambassador talked about this --

SECRETARY SHULTZ: Yes.

MR. KALB: -- in a combat zone?

SECRETARY SHULTZ: Well, I don't think it was a combat zone. At least, as I understand it, they were completely within the rules set out.

MR. MUDD: Mr. Secretary, on Thursday and Friday you were in California and gave, what Marvin said at the beginning of the broadcast, was an unabashedly partisan speech.

SECRETARY SHULTZ: I watched the broadcast. I didn't hear him say that.

MR. MUDD: Well, I think he did. He described your speech, and you credited Ronald Reagan with bringing to this country a new patriotism, a new pride and a new faith.

What ever happened to the tradition that during political campaigns, Secretaries of State and Defense should stick to their knitting?

SECRETARY SHULTZ: Well, what I did was accept an invitation from Rand and UCLA to speak at the opening of a new Center they have, studying Soviet behavior. And I made one speech to them that concentrated entirely on the problem of managing the U.S.-Soviet relation, which I think is a very important topic in our foreign policy, and I addressed it very seriously. And, second, I addressed the World Affairs Council at Los Angeles, and there tried to put forward the general sweep of American foreign policy in President Reagan's time.

Now, as it happens, I think, the President has managed both the U.S.-Soviet relation and the general sweep of foreign policy very well. And the reasons for that good performance and basic success are apparent, and it seemed to me well to lay them out, and this is a good time to do so.

MR. MUDD: But two weeks before an election is the good time to do that? I thought Secretaries were supposed to be a non-partisan during a campaign?

SECRETARY SHULTZ: Well, Secretaries have the job of putting forward what the foreign policy is and describing it, analyzing it. This is a time, certainly, when the American people are paying attention. So I thought it was a pretty good time to say my piece.

MR. KALB: Well, you certainly did, sir; you certainly did.

SECRETARY SHULTZ: Thank you.

MR. KALB: On the U.S.-Soviet front, President Chernenko seems to want to get his questions in for tonight's debate as well. They do focus on arms control.

Could tell us, sir, which areas of arms control you think are most ripe for the plucking, for some kind of progress?

SECRETARY SHULTZ: The Soviets suggested that we meet in Vienna and discuss the militerization of space. We think that's a very good topic, and we accepted their invitation without any conditions at all, and were prepared to go, and we're still prepared to go. And that's a pretty good rubric because it includes both defensive and offensive systems, which, of course, use space.

MR. KALB: Do the Russians agree that the topic of space would include both offense and defense?

SECRETARY SHULTZ: They don't agree on that. On the other hand, when Mr. Gromyko was here talking with the President, he put forward what he called "the question of questions" -- the pre-eminent question -- which, in his view, had to do with offensive nuclear systems, and we agreed with him. That is the question of questions, and we ought to get at that.

MR. KALB: Do you feel that the Russians are now insisting, as they have in the past, on the complete removal of U.S. medium-range missiles from Europe in order to get the talks started again in Geneva?

SECRETARY SHULTZ: That's a little questionable because they had the press statement yesterday that perhaps suggested a little different stance.

MR. KALB: Suggested what?

SECRETARY SHULTZ: On the other hand, to think in terms of moratorium of some sort, at the present very unequal levels, would not be to our advantage; or to suggest it would be to their advantage, but to accept it wouldn't be to ours.

MR. MUDD: I'd like to go back to politics a moment, if I may, Mr. Secretary.

SECRETARY SHULTZ: You're out of my field.

MR. MUDD: Let me try this and see where we go. What would be the effect on your conduct of American foreign policy if Senator Charles Percy of Illinois were defeated and the new Chairman of the Foreign Relations Committee were Jesse Helms of North Carolina?

SECRETARY SHULTZ: Well, I work with the Senate Foreign Relations Committee and closely with the Chairman. I work with Senator Helms in his capacity as a member of the Senate Foreign Relations Committee, and I just assume that everybody is there in good faith as an American trying to advance American interests.

MR. MUDD: You don't regard Senator Helms as a wild or loose cannon on the deck of the ship of state?

SECRETARY SHULTZ: He is a -- if he is re-elected, and as an elected Senator -- he is a representative from his state and he's there on the Foreign Relations Committee. I expect that he would behave in a very credible way.

As it happened, Senator Helms went with me, in the delegation, to the inauguration of President Duarte in El Salvador, and he was a very constructive and able member of that delegation.

MR. KALB: Mr. Secretary, did you sit in on a meeting at the White House on October 13th of last year, when it is said, that your colleague, Defense Secretary Weinberger -- (coughing) excuse me, sir -- recommended the withdrawal of the Marines; that was before the terrorist attack against them?

SECRETARY SHULTZ: Well, I sat in on -- I was present at most of the meetings or represented there, but I don't -- I can't sort of suddenly recall October 13th, or things of that kind.

MR. KALB: Are you familiar with a Weinberger recommendation, then, that, in fact, the Marines be pulled out prior to the terrorist attack?

SECRETARY SHULTZ: That very well may be, and Secretary Weinberger, I think, has been reluctant from the beginning about the Marines presence in Lebanon.

MR. KALB: And what happened? What was the President's role at that point?

SECRETARY SHULTZ: You are asking me about a particular time and place. The President, of course, saw and sees that the Middle East is a place of tremendous importance for us; importance because of our support for Israel, importance because of the resources there, importance because of our friendships with many in the Arab world. And our mission in Lebanon was a mission of peace, a mission to help bring stability to that troubled part of the world, and that's what we were there for.

MR. KALB: Mr. Secretary, thanks for being our guest on "Meet the Press." We appreciate your stopping by.

Roger and I will be back after these messages.

("Meet the Press" concluded at 12:30 p.m.)

PRESS
DEPARTMENT OF STATE

October 22, 1984
NO. 236

AS PREPARED FOR DELIVERY

SOVIET JEWRY AND US-SOVIET RELATIONS

REMARKS BY
THE HONORABLE GEORGE P. SHULTZ
SECRETARY OF STATE
BEFORE THE
NATIONAL ASSEMBLY OF THE
NATIONAL CONFERENCE ON SOVIET JEWRY
WASHINGTON, D.C.
October 22, 1984

For further information contact:

SECRETARY SHULTZ

REMARKS TO

NATIONAL CONFERENCE ON SOVIET JEWRY

I am deeply honored by the award that you have conferred on me today. I have always believed that the foreign policy of the United States must reflect not only our material and security interests, but our moral values as well. These strands are completely intertwined, for as long as human rights are denied the citizens of other countries, the freedoms we enjoy in this country are ultimately in jeopardy. That is why freedom for Soviet Jewry and other human rights issues have occupied such a prominent place in my concerns as Secretary of State.

At a time of prosperity and peace, when we may be liable to take our own liberty for granted, it is good to remember Thomas Jefferson's observation. "Those who expect to reap the blessings of freedom," he said, "must ... undergo the fatigues of supporting it."

I wish I could use this occasion to bring you encouraging news about the condition of Soviet Jewry, but you know, at least as well as I do, that their situation remains very grim.

Soviet persecution of Jews and other minorities has not only not diminished, it seems to be getting worse.

-- Within the past two months, four well-known Hebrew teachers have been arrested in what appears to be an intensifying campaign of repression aimed specifically at Jewish cultural activists. In the Soviet view, apparently, promoting identification with one's religious and cultural heritage constitutes "anti-Soviet agitation and propaganda."

-- We cannot forget Anatoly Shcharansky, courageously clinging to his principles as his health is deteriorating in Chistopol Prison. He was imprisoned on the blatantly false charge of spying for the United States, but his real "crime" was to try to escape from Soviet tyranny so that he could lead a full Jewish life with his family in Israel.

-- To discourage others from trying to leave, Soviet authorities are continuing to threaten many "refuseniks" with confinement in psychiatric hospitals, expulsion from their jobs, and internal exile.

While all this has been going on, there has been an alarming upsurge in officially sanctioned anti-Semitic propaganda.

Scurrilous cartoons, broadcasts and articles equate the study of Jewish culture with fanaticism and racism, and compare the State of Israel to Nazi Germany.

Jews, of course, are not the only victims of Soviet persecution. Efforts to stamp out all independent thought have led to the victimization of Nobel peace laureate Andrei Sakharov and his wife, Yelena Bonner. Within the past six months, three prominent Ukrainian human rights activists died in Soviet labor camps. All three deaths can be attributed to the brutal conditions in Soviet labor camps and prisons. The small group of Soviet idealists who tried to monitor their government's compliance with its human rights obligations under the Helsinki Final Act has been decimated by imprisonment and exile. Even foreign tourists and diplomats have been subjected to Soviet harassment.

Emigration, meanwhile, has come to a virtual standstill. Just over 1,300 Jews left the Soviet Union in 1983, approximately two percent of the peak year total of 51,000 in 1979. This year it looks like fewer than a thousand Jews will leave the Soviet Union. Soviet authorities would have the world believe that almost all Soviet Jews who wanted to emigrate have already done so. But clearly, this is not true.

Thousands of Soviet Jews have applied for exit visas, only to have them denied. They are ready to leave on a moment's notice.

We debate the question of what to do among ourselves, as I am sure you do. We are all frustrated by the lack of progress and by the absence of any easy or ready solutions. But rather than argue inconclusively among ourselves, I am convinced that what we can and should do is to make clear to the Soviets what our own approach is, and how it is related in our eyes to the US-Soviet relationship as a whole.

That is what we have tried to do under this administration. The Soviets know that we seek to put relations on a stable and constructive basis for the long term. But I think they also know that we will not stop our practice of calling them to account for their abuses of human rights. And among human rights issues, none has more urgency than the treatment of Soviet Jewry.

As a government, we would prefer to deal with these issues on a confidential basis. But we understand and support the efforts of public interest groups to express their concerns, and we will not be silent when the Soviets act in a way we consider dangerous or irresponsible, as they so often do in the human rights area.

The United States therefore continues to speak out at every opportunity against Soviet human rights violations. We have vigorously denounced Soviet anti-Semitic propaganda and practices. We have consistently condemned denial of the basic right of Soviet citizens to emigrate. In the face of blatant intimidation, our embassy in Moscow and our consulate in Leningrad have maintained contact with individual "refuseniks," and we have made numerous representations on behalf of Soviet citizens who have been denied permission to emigrate. We continue to consult with other Western nations on ways to improve Soviet human rights performance.
And in all our diplomatic discussions with the Soviets -- including President Reagan's recent meeting with Foreign Minister Gromyko -- we have stressed human rights issues.

Soviet leaders may well be perplexed by our preoccupation with human rights. After all, they and many other governments throughout the world take the view that human rights are strictly an "internal affair." In this view, how a government treats its own citizens is not a matter of legitimate international concern, or even discourse. Compassion, it seems,should stop at a country's borders.

In the aftermath and in the everlasting memory of the Nazi Holocaust, this attitude must be relentlessly exposed as a gross moral evasion.

Numerous international covenants, conventions, and declarations -- including the Universal Declaration of Human Rights, the Genocide Convention, and the Helsinki Accords -- today attest to the fact that human rights are no longer regarded as an "internal matter." On the contrary, they are intimately linked to the issues of war and peace. We recognize that governments not at peace with their own people are unlikely to be at peace with their neighbors.

The people and government of the United States are deeply and irrevocably committed to the rule of law in both domestic and foreign affairs. For this reason, we have insisted, and shall continue to insist, that the Soviet Union adhere to all its international obligations, including its human rights obligations. As I said last Thursday in an address on the management of U.S.-Soviet relations, "we can never let ourselves become so wedded to improving our relations with the Soviets that we turn a blind eye to actions that undermine the very foundation of stable relations."

A moment ago, I referred to the President's meeting with Foreign Minister Gromyko at the White House. Every American hopes that this meeting marks the beginning of a new, more constructive period in Soviet-American relations.

We look forward to the opportunity to build on our common interests, and to help narrow the scope of some of our differences.

But I hope that no one, either in the Soviet Union or in this country, seriously entertains the idea that once negotiations are underway, the United States will refrain from raising our human rights concerns. If improvement in Soviet human rights performance continues as in the past to be nothing more than the cynical manipulation of human lives for political purposes, then the Soviets cannot expect that international -- and internal -- pressures for better performance will stop growing. Doesn't the Soviet Union pay a price for this censure, and for the isolation that goes with it? The price is large and steadily increasing. And let me add, ladies and gentlemen, that we shall continue to do all in our power to see that the price continues to increase.

From the experience of World War II and its aftermath, we have learned that the issues of peace and of human rights are joined, and that attempts to separate them can bring on disaster. We have learned that it is not the advocacy of human rights, but rather their denial, that is a source of tension in world affairs.

The issue of human rights is at the top of our agenda because we have learned the great lesson of the Scriptures: We truly are our brother's keeper.

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U.S. OFFICIALS TO MEET WITH ITU SECRETARY GENERAL BUTLER OCTOBER 24, 1984

The Secretary General of the International Telecommunication Union (ITU), R.E. Butler, will be in Washington October 24 for meetings with officials of the U.S. Government, international organizations and the private sector. He will meet with the Undersecretary of State for Security Assistance, Science and Technology, William Schneider, Jr., the Department's Coordinator for International Communication and Information Policy, Ambassador Diana Lady Dougan, Assistant Secretary of State for International Organization Affairs, Gregory Newell, FCC Chairman Mark Fowler, and Assistant Secretary of Commerce for Telecommunication and Information, David Markey.

Discussions are expected to cover the activities of the ITU, the work of the Maitland Commission on communications development assistance, ITU upcoming conference including the HF and Space WARCs. U.S. officials will also review recent policy decisions on deregulation and competition in the American telecommunications industry and exchange views on international satellite issues.

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