

# **SECURITY ASSISTANCE LEGISLATION AND POLICY**

## **Pursuing an Effective Foreign Policy**

By

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[The following is a statement by Secretary Shultz that was presented in testimony before the Senate Armed Services Committee, Washington, D.C., on 3 February 1987. This statement has been published as *Current Policy No. 912* by the Bureau of Public Affairs, U.S. Department of State.]

I welcome this opportunity to meet with you to discuss the role the United States seeks to play in the world and our strategy for achieving the nation's basic foreign policy objectives. Overall, our foreign affairs situation is good and our prospects bright. We have a strong hand with which to influence world affairs to our benefit--if only we are persistent, use our advantages wisely, and apply the necessary resources to the conduct of our foreign relations.

Today, I want to review with you just where we are and where we're going, the problems we face and the strengths we have for dealing with them, and finally, the challenges that we should be focusing on right now.

Much of what I will have to say may not sound very new to you, and for good reason. This Administration did not suddenly discover national security strategy in preparing for these hearings. We have a strong and broadly based bipartisan foundation on which to build--and much of which we inherited--and for the past six years we have been following a steady and consistent approach in our efforts to advance U.S. interests, to support the cause of freedom, and to make the world a safer place.

In the field of foreign affairs, I have laid out the rationale and the specifics of our policies on many occasions--in testimony here before the Congress, most particularly in the Senate, before the Senate Foreign Relations Committee, and in a series of speeches over the past few years at Rand, at Harvard, in San Francisco, at the University of Chicago, in Atlanta, and elsewhere. So this afternoon should not be seen as an occasion for breaking dramatic new ground but rather for reviewing and reaffirming the essentials of our national strategy.

### **AMERICA'S FOREIGN POLICY GOALS**

We begin with the question of the goals of our foreign policy. What are we, as a people and a nation, seeking to accomplish?

There is a strong national consensus on our basic objectives. They are widely understood and supported by the American people. I think all of us can agree that we serve the interests of the United States when we seek to:

- Protect the safety of our nation against aggression or subversion;
- Promote our domestic prosperity;
- Foster the values of freedom and democracy both at home and abroad;
- Act in a manner consistent with our humanitarian instincts; and
- Combat those activities which would undermine the rule of law and our domestic stability--and, particularly right now, terrorism and narcotics trafficking.

Over the past four decades, both Republican and Democratic Administrations have come to agree on these goals, but they're not the source of divisive partisan debate. But for that very reason, we sometimes take them for granted. We shouldn't. We should keep reminding ourselves of them, for they represent, in effect, the compass of our dealings with other nations.

## FOREIGN POLICY PROBLEMS

How are we doing in accomplishing these broad objectives? Clearly, we face a number of serious and immediate challenges in the world today--ones that directly affect our national interests. In the Middle East, in Africa, and elsewhere, persistent tensions threaten regional peace and stability. The continuation of conflict in the Persian Gulf raises the possibility of wider escalation of a war that threatens our energy security and that of our allies. In Central America, democracies are struggling to eliminate externally supported aggression and subversion. In Afghanistan, Angola, and Indochina, the Soviet Union and its proxies are using military force in the most brutal manner to maintain and expand their influence and control.

Elsewhere in the developing world, the efforts of local governments to address the root causes of their economic and social malaise have been hampered by large foreign debt and disappointing growth rates. The transition to greater political freedom in many of these countries continues to be a fragile process. In the current tragedy of Sri Lanka, for example, movement toward stability and growth on a basis of economic freedom has been undermined by violence arising out of long-standing communal grievances.

Current events in Beirut yet again illustrate that no single country or its citizens are exempt from the scourge of terrorism. Combating that threat will continue to demand steadfast courage and expanded cooperation on the part of all civilized nations.

And among the major industrialized democracies of the world, we confront persistent pressures for thinly disguised protectionist measures. These short-sighted actions would only stimulate political confrontations among trading partners and have the effect of dismantling the open world trading system which has helped to generate so much of the West's prosperity and technological advantage of the past four decades.

More than balancing those various problems, however, is the increasingly clear evidence that we are making significant progress in the world and that trends are in our favor. For all its fragility, the movement toward expanded political and economic freedom is real and growing.

The world is already in the midst of a new scientific and technological revolution--one whose social, economic, political, and strategic consequences are only beginning to be felt. Time and space are contracting as instantaneous communications make business, politics, and culture truly global for the first time. Familiar measures of economic development--and, by extension, military and political strength--are becoming outdated. This new Information Age is bound to have, and already has had, a profound impact on world politics and economics.

All of which seems to confirm that this new Information Age has the potential to be *our* age--a period which plays to the greatest strengths of the West. The productivity and competitiveness of a nation will be far more dependent on how freely knowledge can be used and shared. And unlike oil or mineral wealth, knowledge is a resource which does not diminish but rather increases with its use. In this sort of environment, open societies such as our own will thrive; closed societies will fall behind. What is more, this lesson--that freedom and openness are the wellspring of such technological creativity and economic dynamism--is increasingly well understood throughout the world.

Recent events in the Philippines have once again demonstrated the persistent power of the democratic idea. Throughout Latin America, we have seen a remarkable resurgence of democratic governments. Contrary to the expectations and predictions of so many just a few years ago, the percentage of Latin America's population living under freely elected governments has grown from 30% in 1976 to more than 90% today. And in witnessing these events, we cannot be indifferent to just how positive and important a role the United States can play in supporting such hopeful developments.

At the same time, there is an equally encouraging trend on the part of many nations away from central planning toward greater economic freedom for the individual and increased reliance on free market-oriented solutions to the problems of economic growth. Few countries around the world now dispute that entrepreneurial initiative in a market environment is the engine of development and growth. These truths are now being acknowledged even in the communist world, as demonstrated by economic reforms in China and Hungary.

All of this reflects the reality that the great ideological struggle that has marked this century ever since the Bolshevik revolution of 1917 has essentially been decided. In the contest between the Western values of democracy and individual freedoms and Soviet-style, party-dominated centralized collectivism, the trend in our favor is clear. In contrast with earlier decades, no one speaks today of communism as the wave of the future. The battle of ideas will doubtless continue, but we have the winning hand.

As a consequence, it is the Soviet Union's massive military establishment alone--and not any inherent economic advantage or political appeal--that underlies its status as a global competitor. The Soviet Union poses a clear and sobering strategic threat to the United States and its allies. It has the capability to intervene with conventional military force, directly or through proxies, in many regions of the world and to threaten and try to intimidate our allies and friends in these areas. It commands a nuclear arsenal--and, in particular, an offensive ballistic missile force--able to inflict massive destruction on the United States and our allies.

We must be prepared to counter these threats. We must be prepared to deter Soviet aggression against the United States or its allies by whatever means. We must have the defensive strength necessary to deter the Soviet threat by clearly demonstrating that we and our allies would be able to respond instantly, and with enormous effectiveness, should we be attacked.

## WHY OUR APPROACH HAS WORKED

As a nation, we have the ability to meet these challenges and to capitalize on the foreign affairs opportunities before us. To do so, we must have patience and determination, but we also have powerful strengths and advantages in our favor.

The first is our democratic vision and our commitment to give reality to our ideals. The effectiveness of our foreign policy will reflect our confidence in our beliefs and values and in our purposes and priorities as a society. Our tradition of pluralism and openness shapes the content of much of our foreign policy. We support democratic institutions in the world, for free peoples can join together in resisting threats and intimidation from nondemocratic forces.

Traditionally, people throughout the world have regarded America as a land of opportunity and looked to us for a vision of the future. They know that American society has its faults, in part because we ourselves are always ready to proclaim them. We are never afraid of criticism, and we tend to measure our performance through our proclamations. Throughout our history, so many individual Americans have worked tirelessly to extend the promise of our beliefs to everyone, regardless of race, creed, or class. Recently, our nation paid tribute to one such American, Dr. Martin Luther King, Jr. Dr. King's legacy and the epic poem of the black civil rights movement have made America much stronger in the world: stronger in our own sense of solidarity as one people and stronger as a precious source of hope--realistic hope--for oppressed people everywhere.

And we gain strength from our tremendous economic capabilities. Here again, we are perhaps too familiar with our own economic success story or preoccupied with problems of the moment to sense our true power and potential. But America's economic capacity--its ability to support ambitious national objectives, to advance the edge of technological creativity, and to support increased domestic prosperity--can only be described as awesome. And right now, interestingly enough, the so-called misery index--you remember that Art Okun created some years ago--is at its lowest point in 18 years.

There is, of course, an irony here. Our national economy is enormous and sound--over twice the size of any other. But the government is broke. The Federal budget deficit is a major problem for us; it affects our ability to grow and to compete. It is a drag on all of our efforts, and we must address it promptly and effectively. I'm confident that we can. And by doing so, we will be better able to draw upon the powerful economic advantages that we possess in the pursuit of our foreign policy objectives.

And now, we are benefiting from a renewed sense of hard-headed realism about the importance of our own military strength. A healthy American defense establishment serves as the indispensable underpinning for any foreign policy seeking a safer world and a more durable peace. Our weakness invites challenges; our strength deters aggression and encourages restraint and negotiation on the part of our adversaries.

We are already seeing the positive results of that renewed realism. The rebuilding of America's defenses in the early 1980s has given the Soviets the necessary incentive to begin serious negotiations, not just on limits to the future growth of our nuclear arsenals but on their substantial reduction from current levels. Improvements in our ability to project power abroad have helped us protect our vital interests and defend our friends against subversion and aggression. And our willingness to use that power when necessary--as against Libya, as a last resort after years of Qadhafi's terrorism--has sent a powerful signal to friends and enemies alike.

But we face entirely new challenges to American interests as well, and in today's world these are often less clear cut than the traditional examples of aggression we associate with World Wars I

and II. And so we require not only the military capabilities but also the patience and the flexibility necessary to deal with protracted armed subversion, state-sponsored terrorism, or the political disruption and violence associated with large-scale narcotics trafficking. These new threats are sometimes referred to as "low-intensity conflict." I don't particularly like that term. There is nothing "low intensity" about them for those who must join the battle, and the stakes of these challenges to our security are high.

If the United States is to be effective in addressing these threats--as well as in deterring military aggression--we have to be steady in supporting our commitments and ready to act decisively when necessary. Our military must have the capabilities to perform a variety of missions across the spectrum of security challenges. But just as importantly, we have to show the political will needed to use our military strength intelligently and effectively in defense of our most vital interests. And we have to be clearly perceived by both friends and adversaries as having that will.

Now let me turn to our diplomatic efforts. Americans have sometimes tended to think that power and diplomacy are two distinct and conflicting alternatives in our dealings abroad. But power and diplomacy are not contradictory. They are complementary; both are necessary and reinforcing components of our foreign policy. Military preparedness alone is not enough. Power must always be guided by purpose; and, quite often, diplomacy is an essential and cost-effective means of accomplishing our objectives. But diplomacy that is not backed up by strength is usually ineffective.

As a nation, we learned from bitter experience during the first half of this century that we can retreat from the rest of the world only at our peril. Today, we can see with even greater clarity that what happens in distant regions of the globe has an important bearing on our safety and well-being. And so, as a first resort, we seek to meet our objectives with diplomacy without having to use military force. Successful diplomacy encourages like-minded nations to join with us in common effort, and it brings a greater sense of predictability and stability to our relations with potential adversaries.

The United States could attempt to deal with the diverse threats to our interests on a unilateral basis, but that would demand great effort and enormous expense on our part. There is a more efficient strategic alternative, as we have agreed upon as a nation for more than four decades. Our diplomacy--along with its various tools, such as security assistance and economic support funding--seeks to maximize our effectiveness in the world through cooperation with those nations with whom we share basic values and common interests. But to conduct an effective diplomacy and to make best use of all of our advantages require that we sustain our efforts.

## **THE FOREIGN AFFAIRS RESOURCE CRISIS**

This afternoon, I have spoken about America's winning hand in world affairs because I am personally confident about our national strengths and the wisdom of our general approach. But I also have to sound a warning note as well. Just as we should be consolidating our recent gains and building on important opportunities, we are in danger of undercutting our position in the world by denying ourselves the necessary resources. Any strategy is only as good as the tools provided to work toward its objectives. And we are fast approaching a situation in which the United States will simply not have the foreign policy tools needed to get the job done.

Earlier this month, the President submitted the Administration's FY 1988 and FY 1987 supplemental requests to the Congress for the foreign affairs budget. Responding to congressional concerns, our FY 1988 budget request was lower than that requested for FY 1987--and, I might say, lower than that appropriated for fiscal 1985 and 1986. Our total request amounted to less than two cents of every dollar proposed to be spent by the Federal government.

I am dismayed that over the past two years, Congress has made devastating cuts in our foreign affairs budget proposals. Last January, our international affairs budget for FY 1987 was cut by Congress by over 20%, reducing our operating base by \$1.8 billion. After accommodating earmarked items which had to be funded, the effective reduction for the bulk of our operations was more on the order of 50%. And that was on top of the \$1.5 billion cut from prior year levels that we suffered in the FY 1986 congressional appropriations process.

Over the last two years, we lost over \$3.3 billion from the resources we were operating with in FY 1985. These cuts were more severe, in percentage terms, than the reductions in any other function in the President's budget requests. And for our posts in Europe and Japan, these cuts have been even more damaging as a result of the recent huge changes in currency cross rates. Just call up your friend Mike Mansfield [U.S. Ambassador to Japan] and ask him how he's doing taking those dollars you appropriate, changing them into yen, and trying to run his embassy.

Let me be blunt: these draconian budget reductions are forcing us to play Russian roulette as we shortchange our various foreign policy interests. If these massive cuts are continued this year, they will directly threaten our ability to exercise effective leadership in the world. This budget crisis is perhaps the most urgent--and least recognized--foreign policy challenge facing our nation today.

## **CHALLENGES BEFORE US**

The pursuit of an effective foreign policy--one that seeks meaningful progress toward our basic goals--doesn't lend itself to quick fixes. Americans have to be prepared to conduct foreign relations on a coherent, long-term basis. That requires a special steadiness and persistence on our part. A world of peace and security will not come without considerable exertion or without our facing up to some tough choices.

In particular, we cannot allow ourselves to lose our sense of focus on what we are seeking to achieve in the world and what is required to reach those ends. It would be all too easy for us as a society to become distracted from what is truly important and at stake in the most urgent foreign policy challenges now facing us.

The first such challenge lies in how we continue to support the cause of democracy and freedom in Central America. As a nation, we have long sought to advance national self-determination and individual freedom in the world. And today, we see the power of the idea of freedom calling into question the old assumption of the inevitable permanence of dictatorships of the left or right in various countries. Not just in Nicaragua but in Afghanistan, Angola, and Cambodia as well, Marxist-Leninist oppression and aggression have given rise to resistance movements. These men and women are struggling for the rights denied them by communist rule. And as such, they deserve our support.

We should be under no illusions in this regard. Over the longer term our reliability in supporting those who believe in freedom in the face of communist totalitarianism is an important element in ensuring our own security. It encourages our friends and gives our adversaries a reason for restraint. And conversely if we fail to support those struggling for freedom in their own country, we will only face more daunting challenges to our own security.

The second pressing challenge is that of our response to terrorism. In recent years, we have seen new and ever more virulent forms of this modern-day barbarism. These include the emergence of narcoterrorism--the use of such violence in association with narcotics trafficking to undermine local governments. The narcotic traffickers provide the money, and the terrorists provide the muscle, and they work together; and they are an extremely subversive element, and that's particularly so right in our own neighborhood, in the Andean countries, for example. Quite

simply, terrorism is war. It's a shadow war involving direct and brutal assaults on the lives of our citizens, on our national interests overseas, and on our basic values.

It's vital that we win this war. But to do so, we have to be prepared for a long, tough effort. It's inevitable that, as a people, our hearts go out to the individuals directly affected by terrorism and to their families and friends here at home. But we cannot allow our sympathies to overshadow the pressing need for us to stand firm behind our principles and to deny international terrorism further leverage against us. Our foremost priority must continue to be to demonstrate through word and action that there are no rewards for terrorist violence. We have to redouble our cooperative efforts with other nations in dealing with this scourge.

The third pressing challenge we face lies with the management of our relations with the Soviet Union. The Soviet Union poses the primary threat to our security, yet our two countries share a basic interest in ensuring that--as the President and General Secretary Gorbachev agreed at their Geneva summit in 1985, quoting from their statement: "A nuclear war can never be won and must never be fought."

In our dealings with the Soviet Union, we have pursued a four-part agenda of issues that are important to us, including arms control, regional conflicts, bilateral matters, and human rights. In the field of arms control, the President's discussion with General Secretary Gorbachev at Reykjavik last October revealed potential areas of agreement on substantial and verifiable mutual reductions in offensive nuclear weapons that would enhance strategic stability. We are committed to pursuing these opportunities at the negotiating table, even as we will also continue our efforts--consistent with the ABM [Anti-Ballistic Missile] Treaty--to research ways of strengthening that stability through greater reliance on defense.

But this places special demands on us. We need a sustained effort that is firm, realistic, and patient. We can't afford to become either disheartened or euphoric with each week's propaganda effort out of Moscow. Agreements for their own sake are of no interest. It is the content that counts. Our negotiating objective of strengthening strategic stability at substantially reduced levels of nuclear arms is a sound one, and we must stick to it. Our guiding objective continues to be to persuade the Soviet leadership--through the evidence of our own determination--that excessive military buildups on their part will offer no easy rewards and that negotiated restraint and reciprocity will be to our mutual advantage.

## CONCLUSION

We have our work cut out for us. We have to use our power and our diplomacy with exceptional skill and determination in the service of peace and our democratic ideals. But if the problems before us are great, so, too, are our strengths and opportunities. Our political and economic freedoms are those which hold the greatest promise for the future. We have a diplomacy that has moved toward peace through negotiation. We have rebuilt our military strength so that we can defend our interests and discourage others from violence. And we have allies with whom we share common purposes and ever more effective cooperation. Our challenge is to use our strengths wisely on behalf of the interests of the American people.