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FM MADRID

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TELNO 433

OF 101725Z JUNE 88

INFO PRIORITY MODUK, ALL NATO POSTS, MOSCOW

INFO PRIORITY ALL EAST EUROPEAN POSTS, UKREP BRUSSELS

MIPT: 9-10 JUNE: GLOBAL TRENDS

SUMMARY

1. SHULTZ AGAIN INTRODUCED A DISCUSSION ON THE IMPACT OF NEW TECHNOLOGY ON THE EVOLUTION OF HUMAN SOCIETY AND INTERNATIONAL RELATIONS. OTHERS SHOWED SOME INTEREST.

DETAIL

2. SHULTZ CIRCULATED A BUNDLE OF MATERIAL INCLUDING TWO OF HIS OWN SPEECHES. HE SUMMARIESED HIS NOW FAMILAR VIEWS. WE LIVED IN A NEW EARA MARKED BY THE EXPLOSIVE CREATION AND SPREAD OF KNOWLEDGE. THE POWER OF IT WAS INCREASING ALL THE TIME AND ITS IMPACT INCREASED IN PARALLEL. THE OLD INDUSTRIAL AGE WAS OVER: THE STEEL MILL AND PRODUCTION LINE WERE OVERTAKEN BY THE IFNROMATION AGE. SUCCESS NOW DEPENDED ON OPENNESS: INFORMATION COULD NOT BE USED EFFECTIVELY IF IT STAYED IN THE CLOSET. THIS PROFOUNDLY AFFECTED THE NATURE OF SOCIETY. HE HAD ORIGINALLY PRESENTED THIS THESIS IN MOSCOW AS A HUMAN RIGHTS QUESTION, WHICH HAD BEEN BADLY RECIEVED, BUT THE MESSAGE HAD SOAKED IN LATER. THE SMART DEVELOPING COUNTIES WERE CONCENTRATING ON EDUCATION: THE NUMBER OF INDIANS STUDYING FOR PHDS EXCEEDED ANY OTHER COUNTRY. HALF THE FOREIGN STUDENTS ENROLLED IN THE U.S. CAME FROM SOUTH AND EAST ASIA. AT THE SAME TIME TRADE AND FINANCIAL EXCHANGES WERE BECOMING GLOBALISED, LEADING TO A CONVERGENCE OF INCOMES OF THOSE COUNTRIES WHICH HAD UNDERSTOOD THE PROCESS. THE SEPARATE NEW YORK AND LONDON FINANCIAL MARKETS WERE PART OF A WORLD MARKET WITH TRANSACTIONS REACHING A TRILLION DOLLARS DAILY. THIS LED TO THE CONVERGENCE OF POLICIES - GOOD IN THE CASE OF TAX REDUCTION, LESS IN THE CASE OF A DOWNWARD SPIRAL OF AGRICULTURAL PROTECTION. HE WAS LOOKING FOR A GOOD CONVERGENCE ON ALLIANCE BURDEN SHARING AS EACH FACED UP TO ITS RESPONSIBILITIES. THE WORLD WAS CHANGING FAST AND WE MUST LOOK AHEAD.

3. GENSHCER (FRG) EXPRESSED APPRECIATION FOR THE WAY IN WHICH SHULTZ HAD RAISED THE SUBJECT. IT WAS OPEN SOCIETIES WHICH WOULD BE BEST PLACED TO COPE WITH THE COMING IFNORMATION AGE. BUT THE CHOICE OF EITHER PARTICIPATION OR ISOLATION WOULD POSE A FUNDAMENTAL

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CHALLENGE FOR THE SOVIET UNION AND WOULD DETERMINE WHETHER IT REMAINED A DECISIVE COUNTRY IN WORLD AFFAIRS OR NOT. MARXISM HAD ASSUMED THAT SOCIETY WAS DEFINED BY THE CONDITIONS OF PRODUCTION. BUT IF THE AVAILABILTY OF INFORMATION, RAHTER THAN THE PRODUCTION OF INDUSTRIAL GOODS, WAS THE KEY TO FUTURE PROGRESS THE RUSSIANS WOULD FACE A PROBLEM OF REVOLUTIONARY PROPORTIONS FOR THE SURVIVAL OF THEIR SOCIAL SYSTEM. BY CONTRAST THE WEST WAS WELL PLACED TO ADJUST TO THE CHANGE. WE SHOULD NOT THEREFORE FEEL TOO DEFENSIVE VIS-A-VIS THE SOVIET UNION.

4. PINHEIRO (PORTUGAL) SUGGESTED THAT THE CAPACITY FOR INNOVATION, RATHER THAN JUST THE AVAILABILITY OF INFORMATION, WOULD BE THE KEY FACTOR. EVEN TODAY THE LIFE-SPAN OF SCIENTIFIC AND TECHNICAL EQUIPMENT WAS HALF WHAT IT WAS IN THE 1970S: AND THIS TREND WOULD CONTINUE. IT WOULD NOT BE FEASIBLE FOR THE SOVIET UNION SIMPLY TO BUY IN, IF THEY WERE UNABLE TO INNOVATE THEMSELVES. THEY AND THEIR ALLIES WOULD BE LIKELY THEREFORE TO SEEK HELP FROM THE WEST OVER THE PROVISION OF MANAGEMENT CAPABILITIES.

5. HERMANSSON (ICELAND) DID NOT SHARE THIS OPTIMISM. THE FACT THAT THE GLOOMY FORECASTS OF THE CLUB OF ROME HAD NOT ALL COME TRUE DID NOT MEAN THAT THERE WERE NOT FORMIDABLE ENVIRONMENTAL PROBLEMS FACING THE WORLD, SUCH AS THE OZONE LAYER AND MARINE POLLUTION. HOW MOREOVER COULD THOSE MANY COUNTRIES WITH A GDP PER HEAD OF ONLY 400-500 DOLLARS EVER HOPE TO ACHIEVE A DECENT STANDARD OF LIVING.

6. STOLTENBERG (NORWAY) ASKED WHAT WERE THE LESSONS FOR DIPLOMACY OF THE NEW INFORMATION ERA. WOULD IT NOT IN FUTURE BE LESS A MATTER OF DEALINGS BETWEEN STATES AND MORE ONE OF RELATIONS BETWEEN STATES, OR GROUPS OF STATES, AND NON-GOVERNMENTAL INTEREST GROUPS? WAS THE EUROPEAN COMMUNITY NOT AN ILLUSTRATION OF THIS?

7. SHULTZ (US) AGREED THAT REGIONAL ASSOCIATIONS WOULD BE OF INCREASING IMPORTANCE. ASEAN WAS A PRIME EXAMPLE, BUT THERE WERE MANY OTHERS EITHER IN EXISTENCE OR IN EMBRYO. WHETHER THE UN ITSELF WOULD BE A MAJOR FORCE WAS A MOOT POINT. THE ORGANISATION ITSELF WAS SO BIG AND HAD THE TRADITION OF A DEBATING SOCIETY. BUT ITS TECHNICAL BODIES DID A GOOD JOB. CW WAS AN AREA WHERE A MAJOR INTERNATIONAL ORGANISATION EFFORT WOULD BE REQUIRED. SO WAS THE CONTROL OF BALLISTIC MISSILE TECHNOLOGY.

8. YOU ENDORSED THE GROWING IMPORTANCE OF REGIONAL ORGANISATIONS. THERE WAS MOREOVER AN INCREASING PATTERN OF MEETINGS BETWEEN THEM. THE WORLD OF FOREIGN MINISTERS WAS BECOMING MORE AND MORE

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MULTIPOLAR. YET AT THE SAME TIME THERE WERE MORE INSTANCES IN THE WORLD OF DISORGANISATION AND CATASTROPHIC MISMANGEMENT: ETHIOPIA, THE LEBANON, ANGOLA AND KAMPUCHEA. AND THIS DESPITE THE FAIRLY MODEST LEVEL OF RESOURCES WHICH HAD IN THE PAST BEEN ENOUGH TO MAINTAIN REASONABLE ORDER. THE SUDAN POLITICAL SERVICE HAD CONSISTED OF ONLY 44 OR SO PEOPLE. THE WEST NEEDED TO CONSIDER HOW TO SPREAD GOOD MANAGEMENT WITHOUT BEING ACCUSED OF NEO-IMPERIALISM. YOU ALSO WONDERED WHETHER IN FUTURE MINISTERS WOULD NEED PHYSICALLY TO GATHER TOGETHER FOR NATO MEETINGS OR WHETHER IT WOULD ALL BE DONE BY TELECONFERENCING.

9. SEE MIFT.

GORDON LENNOX

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