Shultz: Give hi-tech to Soviet Union

by Kathleen Klenetsky

Insanity is the only word for the "post-industrial society" speech delivered by Secretary of State George Shultz in Paris March 21, in which he postulated the ludicrous thesis that the growing importance of "information technology," especially personal computers, has created such a profound dilemma for the Soviet leadership that the entire course of world history could be changed.

Claiming that "the Information Revolution is already shifting the economic balance between East and West," Shultz asserted that the Soviet Union and Eastern European regimes "face an agonizing choice. They can either open their societies to the freedoms necessary for the pursuit of technological advance, or they can risk falling even farther behind the West.

"That is why the promise of information technology is so profound," Shultz continued. "Its development not only strengthens the economic and political positions of democracies. It provides a glimmer of hope that the suppressed millions of the unfree world will find their leaders forced to expand their liberties."

These weren't the only miracles Shultz claimed for video display tubes. "If totalitarian leaders do loosen their grip in order to compete with the free countries," Shultz asserted, "they may find themselves, in that process, contributing dramatically to an improvement in relations between East and West. That easing of tensions would benefit not only the Soviet Union and the United States, but the nations across the globe whose destinies are linked to the East-West conflict."

This may seem bizarre, but it has a large following in the United States and Western Europe. Shultz's aides disclosed to the *New York Times* that the secretary of state has been "fascinated" by information technologies, and has been particularly influenced in this area by his friend, Walter Wriston, the former chairman of Citibank.

In a recent intervew, Wriston confirmed that he has discussed the implications of the "information age" with Shultz many times, and insisted that the "dilemma" it poses to the Soviets "constitutes the best argumemt for the post-industrial society."

Other prominent figures have also signed on to this variant on the "Aquarian Conspiracy." Kurt Biedenkopf, one of the most powerful figures in West Germany's ruling party, recently told an interviewer, "I agree with Mr. Shultz that . . . it can be politically interesting to have this trade technology transfer facilitated, in order to bring about structural changes in Eastern European societies."

Similar views have also been expressed by Henry Kissinger. For example, at a conference on "The Future for Democracy in an Age of Changing Communications," sponsored by the Aspen Institute in July 1985, Kissinger asserted that the same decentralized access to databanks that is required to manange modern economics will threaten any tightly centralized political structure such as found in the Soviet Union. "A regime preoccupied with maintaining its prerogatives and controls will be consigning its society to an economic backslide," Kissinger said.

Loosening technology transfer

There are two things going on here: mysticism, to the extent Shultz and friends believe themselves, and treason, in its practical implications.

First, as Wriston suggested, Shultz and his co-thinkers are simply refining their arguments as to why the United States should be glad that it has allowed its industrial base to slide into the mud: "Who cares if the Soviet Union is now embarked on a militarized campaign to beef up its steel, machine-tool, and other key industrial capacities? We've got our IBMs, our Apple IIs, after all, and they don't. Steel mills are obsolescent anyway."

Second, and more immediate, the notion is clearly intended to justify a vast increase in the transfer of advanced computer technologies to the East—precisely those technologies which the Soviets need to put their military machine—already significantly superior to that of the West—in prime war-fighting condition.

The issue of what kind and how much technology the West should sell to the East has been a consistently hot issue. Export controls have been in place for decades, although they have been significantly relaxed over the years, particularly in the late 1970s when then-Senator Walter Mondale succeeded in pushing through Congress a new Export Administration Act that so loosened the restrictions on computer trade, it became known as the "Contral Data Bill."

Not surprisingly, Shultz's public articulation of the idea coincides with a renewed effort by the State and Commerce Departments, and various East-West trade groups, to eliminate many of the existing national-security restraints on such technology transfers.

In a speech to the American Committee on East-West Accord the day before Shultz's Paris address, Commerce Secretary Malcolm Baldrige claimed that the list of items banned for export to the Soviet Union is 30% to 40% too high, and called for an overhaul of the whole list. The United States should not "wage economic warfare against the Soviets" and should expand non-strategic trade. Sources have told *EIR* that "the whole fight is going to come to a head soon. Shultz is really moving on this one."