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### The New American Gazette: Henry Kissinger with Gerald R. Ford at Ford Hall Forum, transcript

Ford Hall Forum

Henry Kissinger

Gerald R. Ford

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#### Recommended Citation

Ford Hall Forum; Kissinger, Henry; and Ford, Gerald R., "The New American Gazette: Henry Kissinger with Gerald R. Ford at Ford Hall Forum, transcript" (1990). *Ford Hall Forum Recordings*. 6.  
<https://dc.suffolk.edu/fhf-av/6>

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## New American Gazette: Transcript of Kissinger and Ford Forum

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**Title:** New American Gazette: “Henry Kissinger and Gerald Ford,” at Ford Hall Forum.

**Recording Date:** January 30, 1990

**Speakers:** Marvin Kalb, President Gerald Ford, and Dr. Henry A. Kissinger

**Item Information:** New American Gazette: “Henry Kissinger and Gerald Ford,” at Ford Hall Forum. Ford Hall Forum Collection, 1908-2013 (MS113.3.1, item 0131) Moakley Archive, Suffolk University, Boston, MA.

**Digital Versions:** audio recording and transcript available at <http://moakleyarchive.omeka.net>

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### **Recording Summary:**

Transcription of a Ford Hall Forum featuring Dr. Henry A. Kissinger, a former diplomat and U.S. secretary of state under Richard Nixon and former President Gerald Ford. They discuss U.S. foreign policy, issues facing the Soviet Union, and the situation of reform in China. He answered questions about U.S. armed forces and Soviet Union trading systems. The forum was recorded at the Gerald R. Ford Foundation in Grand Rapids, Michigan and broadcast on the New American Gazette radio. The program was introduced by host Marvin Kalb.

**Transcript Begins**

**ANNOUCER:** From the Gerald R. Ford Foundation in Grand Rapids, Michigan, the Ford Hall Forum presents the New American Gazette with special guest host Marvin Kalb.

[00:00:28]

**MARVIN KALB:** As Assistant for National Security Affairs under Pres. Richard Nixon, Henry Kissinger was often called the second most influential man in government. In 1973 he was appointed Secretary of State. The author of arms control agreements and the policy of détente, Kissinger achieved a level of power and influence unusual even in Washington. As the Watergate crisis distracted the President, Kissinger became the chief architect of US foreign policy.

In late December 1973, Soviet Ambassador Anatoly Dobrynin made a special visit to then Vice President Gerald Ford. In that meeting he sought assurances that Kissinger would remain Secretary of State should Ford succeed Nixon.

[00:01:19]

At a turbulent time in American history, with a president in trouble and the nation locked into Vietnam, Kissinger vaulted to the pinnacle of power, prestige, and controversy by virtue of his intellect, his grasp of foreign policy, his endless delight in manipulating people and events, his secretive style of negotiation. He demanded and received recognition and respect. Enhancing this public image of power was Kissinger's preference for private diplomacy and diplomatic breakthroughs.

His tireless globetrotting to meet with foreign dignitaries, especially in the Middle East, inspired the term shuttle diplomacy. Kissinger's efforts helped to bring about normalized relations with China, a painful end to the conflict in Vietnam, and the SALT I and anti-ballistic treaties with the Soviet Union. In 1973 he was awarded the Nobel Peace Prize, which he shared with North Vietnam's negotiator Le Duc Tho.

[00:02:23]

This recognition followed three years of secret meetings, which brought about a cease fire in Vietnam. The award produced much criticism as Vietnam continued to see fighting despite the agreement. Controversy came again in 1983, ten years later, when, as head of the bipartisan presidential commission on Central America, Kissinger advocated continuing aid to the Nicaraguan Contras in order to maintain pressure on the Sandinista government.

Upon leaving office in 1977, the former Harvard Professor of Government established the international consulting firm of Kissinger Associates. Today Kissinger reflects on the recent changes in Eastern Europe, on Gorbachev's prospects for success, and on the possibility of political reform in China. Sharing reminiscences and an insider's view of global politics is Henry Kissinger. He is introduced by former President Ford.

(applause)

[00:03:33]

**GERALD FORD:** Thank you. Won't you all sit down please? Thank you very, very much. Thank you. Thank you. It's a very high honor and a very great privilege for me to have the opportunity of welcoming Dr. Kissinger as the William Simon Lecturer this evening. I've been very fortunate. I can say without any hesitation or qualification I feel very lucky that I've known Henry Kissinger for about 30 years. I first met him, when Henry, in the late fifties or early sixties, was a professor at Harvard University, teaching military policy, foreign policy.

At that time I was a member of the House of Representatives and was the senior Republican on the Defense Appropriations Committee. It was a small group that had total and exclusive jurisdiction over all the expenditures for the military. Henry kindly invited me to come to Cambridge where I spent a couple of hours with him and his seminar. Of course, when Henry became head of the NSC and Secretary of State in 1969 through 1970—August of '74 when I became president, he was head of NSC and Secretary of State under President Nixon, I was the Republican leader and I met frequently, was briefed regularly by Dr. Kissinger and our friendship grew stronger and broader and even better.

[00:05:36]

And then, of course, on August 9, 1974, when I took the oath of office, the first member of the Cabinet that I asked to stay on and work with me was Dr. Kissinger. I happen to believe very strongly that Henry Kissinger is one of the finest, if not the finest, Secretary of State this country's had in the last hundred years or more.

I was extremely lucky that our views, his and mine, on major foreign policy issues were identical. Our personalities meshed despite obviously far different backgrounds. So I am pleased and honored to say to all you ladies and gentlemen, the Honorable Henry A. Kissinger. Henry.

(applause)

[00:07:02]

**HENRY KISSINGER:** Mr. President, ladies and gentlemen, President de Gaulle of France towards the end of his term in office said on one occasion, "We go through life looking for hidden treasures. And then we find that there are no hidden treasures. And that the most important thing left to us is friendship." I say this because I have had the great privilege of working under President Ford. I was Secretary of State during the period just preceding his coming into office. And when he said, "Our long, national nightmare is over," there is no one for whom he spoke more deeply than for me.

To conduct foreign policy when the Executive authority of the United States is disintegrated, it's a really nightmarish prospect. Then President Ford came into office and with calm dignity assumed his responsibilities.

[00:08:51]

Right now we are talking about—I mean we are all thrilled by the changes that are going on in the world. But it is not often enough recognized that most of them had their origins in the Ford administration. The structure of arms control negotiations was established by President Ford at Vladivostok. And all agreements that have come afterwards have substantially followed what

was outlined there. Everybody now talks about the changes in Eastern Europe. But what laid the basis for the changes in Eastern Europe were the Helsinki agreements, for which at the time President Ford and his associates were vilified.

People didn't recognize that these agreements laid the basis on which one could appeal on the subject of human rights in Eastern Europe. It made human rights an international and not a domestic issue. And it gave all the fighters for democracy behind the Iron Curtain a forum and a rallying ground. And it think it may have been most significant agreement that was signed in the last 30 years.

[00:10:32]

It was signed against violent opposite by people who are now embracing it. And are—there is no longer any dispute about the fact that this was decisive. But the calm dignity with which our affairs were being conducted at that time will earn the thanks of our nation so long as American history is being written.

I reciprocate strongly the warm feelings that President Ford expressed about our relationship. One serves in government under great pressure. There is always more to do than you can possibly accomplish. It is rare that the relationships in government survive the period afterwards. I'm proud to say that Nancy and my friendship is very— President Ford has grown in the interval since we worked together. And so it is, of course, a great honor to be here.

If you think back to the Cabinet that President Ford had assembled you will see that he did not feel threatened by not exactly shrinking egos.

(laughter)

[00:12:17]

Of course Bill Simon, who endowed this series, is a close friend of both of ours. I've almost forgiven him for having said once that my knowledge of economics was one of the best arguments against universal suffrage—(laughter)—he had ever seen. Because he proved his

knowledge of politics shortly afterwards—(laughter)—at the height of the oil crisis by calling the Shah of Iran a nut.

(laughter)

[00:13:00]

So I called him up and expressed my uneasiness at this manner of expressing himself. And he said, “Oh, you political scientists. You get too excited. I’ll have it solved by the end of the day.”

(laughter)

At the end of the day he put out a statement that he had been quoted out of context.

(laughter)

The Shah of Iran went to his grave trying to figure out in which context he could be called a nut—(laughter)—that was not offensive. But it was—it was a really interesting Cabinet in a very important time. Now of course, there is one thing that the President didn’t mention in listing my various positions. He didn’t list the fact that for three years I was simultaneously Secretary of State and National Security Advisory. The reason I mention that is for students of public administration that may be here. Because never before and never since have relations between the White House and the State Department been as harmonious—(laughter)—as they were in that period.

[00:14:36]

Now I will talk to you for a bit about the current situation in East-West relations. And after I finish I remarks I’ll take a few questions before I dash off to the airport. You can ask about any subject that interests you. Of course I’ll answer on any subject that interests me—(laughter)—to see whether we can mesh the two. I started out with a quotation from President De Gaulle. And there was one characteristic of his for which I had always particular admiration. When he had a press conference he did not believe that he should let the French version of Sam Donaldson tell him what he should talk about. He arrived with five prepared answers. And whatever the question was—(laughter)—he would give—he would work through his five answers, which led a

French newspaper to publish a cartoon of De Gaulle opening a press conference by saying, “Would somebody like to ask a question to my answers?”

(laughter)

And that’s really true. That is how the De Gaulle press conferences were conducted. They were a way for him to deliver five, brief speeches. Well, we’ll see what happens in our question period.

[00:16:22]

Let me talk about the current situation in East–West relations. I’d like to make two propositions. One, on many levels this is one of the most exciting periods through which anyone can live. It’s the culmination of what Americans have wanted in the whole, post-war period. On the other hand it confronts the United States with a type of foreign policy we have never had to conduct in our entire history. It’s the end of our—of what we dreamed about because it does mark the philosophical collapse of communism as an ideology. And also the disintegration of the Soviet Empire in Eastern Europe.

It marks a new period for American foreign policy because since the early period of our country, at least since the War of 1812 the United States has not had to conduct foreign policy like other nations. First, we were protected by two great oceans. Then we had an atomic monopoly. Then we had a huge, economic superiority. And then we were in an ideological struggle with a hostile philosophy. All of this meshed with the American notion of what the world shou—well should be like. Americans have never known hostile neighbors in terms of countries. America has been able to concentrate on its domestic affairs. When we were challenged overseas we could intervene, solve the problem and return to the United States.

[00:19:12]

And when that ended more or less after World War II. We still confronted a hostile philosophy. So that the idea developed that if that philosophy ever changed we could return to our original vocation of concentrating on our own affairs. Because of the factors that I described, Americans have had a tendency to think—to be split into two groups. One group tended to think of foreign



policy as a subdivision of psychiatry. And another group thought of foreign policy as a subdivision of theology.

The psychiatric group took the view that relations among nations were like relations among people and that you proceed with good will. Making concessions to establish good will. If you look at the American wars in the post-World War II period, it was an article of faith in almost all of our media, that by bringing pressure you weakened your prospects of negotiation. In the Korean War we stopped military operations as soon as negotiations started. In the Vietnam War there was enormous pressure to stop military operations, at any rate bombing, in order to encourage negotiations. The fact is, in both those case we removed the incentive to negotiate by those—by those actions.

[00:21:19]

The theological group tended to think that if you simply asserted your ideology strongly enough a day would come when the walls of Jericho would crumble. The other side would see the light and we would live with a consciousness of harmony. And all of this is reinforced by the fact that when one is in an area like this, in the middle of the country, one really isn't very conscious of foreigners. One isn't really aware of dangers. And there's a great temptation to believe that all foreigners are like Americans or maybe misunderstood Americans.

I have a friend who thinks there's no such thing as an English accent, who think the English put this on to intimidate Americans.

(laughter)

[00:22:03]

And if you can only catch an Englishman unaware, like waking him up at four in the morning, he'll talk like a normal human being.

(laughter)

That's often our attitude towards—towards foreign leaders. We've been waiting for some Russian to come along who'd be like a Midwestern American. And we think once that happens

all our problems have disappeared. And so Gorbachev to the American mind, or to many in America, comes as an answer to all of our problems. But I think we have two problems in the Soviet Union. One is communist ideology. The other is Russian history. If a nation has followed a certain pattern for 400 years, you can't say they'll never change but you can say they have a certain propensity in certain directions.

[00:23:23]

Now Russia has been expanding for 400 years. They started out in the area around Moscow and pushed east and west to the center of Europe and to the shores of the Pacific, incorporating more and more nationalities. The special trait of the Russian empire has been that when European states won a war they annexed the province. When the Russian state won a war they annexed the country. And that's why they have so many nationalities. Barely 50 percent of the population of the Soviet Union is Russian. Less than—barely 50 percent speak Russian.

So you have many nationalities, many religions all living together. And I mean various religions live in discreet units. And that is one of the big problems they have today. I mention all of this because even though I think communism is in trouble, the United States will have to deal with Russia as a major factor in international relations. I think we have to be careful to be so obsessed with one personality in the Soviet Union.

[00:25:10]

I give Gorbachev great credit for having recognized the weaknesses of his system. I give him great credit for attempting to reform it. And probably he's doing it with more flair and verve than any other Russian leader. But he did not have a sudden flash of inspiration on the road to Damascus. He faced real necessities. And any other Soviet leader would face the same necessities. They might do it a little less well. But this idea that if Gorbachev went that we would face a totally new challenge is, in my view, wrong. I hope it's wrong, not because I want him to leave. I would just as soon have him stay.

But because if it were true that he alone is responsible for this policy then we are building on very uncertain foundations because Soviet domestic politics are violent and Gorbachev is mortal.

[00:26:37]

But I'd like to discuss a few of the factors that will drive any Soviet leader in the same direction. The first is the colossal mess in the Soviet economy. A modern economy cannot be run by central planning. In the Soviet economy every article in commerce moves by allocation. The managers make an arrangement with the planning agency and with the ministry that buys their product to establish quotas. There is no market. There is no credit system. There is no objective basis on which anybody can judge why anything is being produced and for whom.

There's no way of determining costs because all prices are fixed. And there are huge subsidies. Electricity is free. Health service is dirt cheap. And some people may think all off of this is terrific except that somebody pays for it. And it isn't—there are no free lunches. The result is that the whole infrastructure has run down. I talked to a leading Soviet individual a few weeks ago. We were talking about a possible food shortage in the Soviet Union this winter. And I said I thought that there was no question that the American people would support relief supplies going into the Soviet Union if that happened.

[00:28:36]

He said that doesn't help our problem very much because our distribution system has broken down. For example, we are missing 20,000 railway cars, which we can't find.

(laughter)

Now can you imagine a super power that has lost 20,000 railway cars and can't find them? So that is the extent of the crisis. And, in fact, every economic reform that Gorbachev has undertaken has made matters worse. He tried to cut down the consumption of alcohol in order to increase productivity, which in itself is a laudable objective. But the result of this was that the alcohol tax, which was one of the largest sources of revenue in the Soviet Union was no longer being collected. They have no other easy sources of taxation. So they had to print money and inflation got very bad.

[00:29:53]

They started ordering, which you may have read in the newspapers, that every enterprise had to sell a certain percentage of its production on the market. But there is no market. So a kind of criminal Mafia took over the distribution. In other words, until they establish markets and credits and some cost accounting they cannot know what they are doing. And yet, in order to do that, they will have to go through a period of rising prices, closing inefficient businesses, unemployment. And that they have been afraid to do.

**ANNOUCER:** You're listening to Henry Kissinger on the Ford Hall Forum's New American Gazette.

In a democracy, faced with such a crisis, if it's a healthy democracy, you produce a Lincoln or a Roosevelt or a Churchill or a De Gaulle who incarnates the values of the society and tells the people what sacrifices they must bring. But in a communist system, the Soviet Union, the leaders have been in power now—the system has been in power for 70 years. The first generation could still say that they won a revolution and so they must have had some public support.

[00:31:32]

But after that every succeeding leader has emerged from a contest, which nobody knew was going on, which was fought by criteria, which nobody can describe, and which was settled by calling the loser a criminal or a fool. And that's been going on for 70 years. No Soviet leader has ever retired with honor. In fact, no Soviet leader has ever retired.

(laughter)

They have all died in office except one, who made the mistake of going on holiday without his colleagues.

(laughter)

He was purged. Every Soviet leader has become a non-person as soon as he left office. When President Ford and I met with Brezhnev there was a degree of obsequiousness on the Soviet staff side that you'd never see in an America entourage. Today, everybody is dumping on Brezhnev.

[00:32:58]

His family has been kicked out of their house. His son-in-law has been put into prison. And it's a cruel fate to lose power in the Soviet Union. So, they do not have anybody that can embody the values of the society because nobody knows what they are. Gorbachev is a great hero in many foreign countries but not in the Soviet Union. And, in fact—so this is one problem.

The second problem they have is, you cannot be a true Communist and a true Democrat. Those two concepts are incompatible. If you're a true Democrat you believe that the conflict of ideas generates an approximation of the truth. If you're a communist believer you know the truth. And that it is your duty to instill it, impose it on your environment. That was the quarrel between the Bolsheviks and the Mensheviks to begin with. So in every communist state a small group of people imposes its will on the population. They are unthinkable without a secret police.

[00:34:26]

Now to the extent that the terror ends, the Communist Parties crumbles because they have no mechanism of contesting for the beliefs of people. They've never had to do it. It is after all amazing that these parties that have been in power in Eastern Europe for 40 years with a monopoly of education, patronage, police, propaganda, that they can be swept away in a week or two.

And Gorbachev faces the problem inside the Soviet Union, that on the one hand he preaches *glasnost*. But on the other hand the end of *glasnost* has to be the destruction of the Communist Party. There's no other outcome for it. He put his own man in as party chief of Azerbaijan. But in order to govern that man has to reflect what the people there want.

[00:35:40]

But what the people there want doesn't happen to be what the Communists want. So he's caught either with losing all support at the local level or becoming a spokesman for the various—for the Azerbaijan nationalists. The same happened in the Baltics. The local communist ruler in Lithuania has decided that if he sticks with Moscow he'll get three percent of the vote. And he's got an election coming up. And the fact that Gorbachev doesn't fully understand his problem is

shown by his visit to Lithuania when he said, “In order to get a divorce, both parties have to agree.”

But the Lithuanians—it may not even be true but the—the Lithuanians say, “But we are not married. “

(laughter)

[00:36:47]

The premise is wrong. And every leading Russian that I talk to tells me about the great economic advantages that these nationalities get from Russia. I always tell them—being a great diplomat I always say, “That’s what every imperialist nation always says. That’s what the Europeans said in their colonies that they’d be better off with help from Europe. It never works, because these people want to have their own national identity.”

So those are the problems that the Soviet Union has. And in a way they’re insoluble in the present framework. And this is why you read all these stories about the precariousness of Gorbachev’s position. I don’t know how precarious his position is. On the face of it I would not be surprised if he faced the usual dilemma of reformist. That he’s going too fast for some people and too slow for other people. And also, that in trying to fix the problems of the day, he doesn’t necessarily create a pattern for the future.

[00:38:23]

Is he a great statesman? Or is he the best runner on a log that we’ve seen? We don’t know yet. Eastern—take Eastern Europe. Was he trying to achieve what has happened or was he trying to get friendly communist governments into power? And as soon as he started the process it ran away from him. But whatever he tried to do one fact is certain now, the Communist Parties in Eastern Europe have all disintegrated.

The funny thing is, the only slight hope they have is that if the election—that since they have killed all the democratic parties, it may not be possible to organize the democratic parties fast enough for the elections that are scheduled for the next few months. So that the first election

results may prove misleading. But take Poland—about which we owe it to President Ford to point out, he happened to be right, in the 1976 (laughter and applause)

[00:39:51]

Take Poland. The Solidarity leaders did not want to come into power at this time because they know the economic mess is so great that they did not want to assume responsibility for cleaning it up. They wanted the Communists to try to begin the process of the economic changes. And they agreed to an electoral system that in any normal situation the Communists could not have lost. They gave half the seats to the Communists provided the Communists got 50 percent of the votes of those voting in an unopposed election. And that should be easy to do since who would vote when there's no opposition.

And then they contested the other half of the seats and the expectation was that the Communists would get all of the unopposed seats and the—would get a few of the opposed seats and thereby have a majority. In fact, the Communists could not get half the votes in an unopposed election. They got only 15 percent of the votes where they had no opposition. And among the 150 candidates where they had opposition, they won one, who ran under a different label.

(laughter)

[00:41:37]

So that shows something about public opinion in Eastern Europe. Now what you have—if one wanted to be sophisticated one would go country by country because there are obviously differences in Romania and Bulgaria where it looks to me as if the Communists probably will hold power, but not by election but by rigging the system. The Soviets cannot go back into Eastern Europe, into dominating Eastern Europe without fighting. And we have seen in Azerbaijan that they cannot call reservists and they cannot fight both in their own country, holding it together and abroad. But they still have hundreds of thousands of troops in Eastern Europe.

And one of the challenges for American foreign policy is, to get those troops out of Eastern Europe. Because once there are democratic governments in those countries, nobody wants these

troops there. And, in fact, we have to be careful in our arms control negotiations that we don't establish ceilings, which permit the Soviets to keep more troops there under agreement than they could keep on their own.

[00:43:04]

Because they've already been asked to leave Poland, Hungary and Czechoslovakia. And I think they will sooner or later be asked to leave Eastern Germany. So we have a very tricky problem in the next few years. Now, there are a lot of people who say if they withdraw their troops from Eastern Europe, we ought to get out of Western Europe and dismantle NATO. I think that's a very dangerous course. They withdraw only about 800 miles. If we go back to this side of the Atlantic the balance of power in Europe would be totally destroyed.

[00:44:02]

So we have to negotiate a system, which can be done, in which certain areas of Europe become like Austria, neutral zones between the Soviet Union and Germany. And I think Germany will obviously be unified if only because with the frontiers between the two countries now being open, if they don't equalize economic conditions very rapidly the population of East Germany will emigrate to West Germany. As it, four percent of the population is leaving now, 2,000 people a day are moving from East Germany to West Germany. That cannot go on indefinitely.

So those are some of the challenges to our foreign policy. But the most important one is this. In our recent history we have been involved in foreign policy, either when there was some immediate danger or when there was a philosophical challenge. But the area—era into which we are moving now, it's different. There's not necessarily a philosophical challenge. There's not necessarily an immediate danger. And yet, we have to remain involved in the world. Why? Because for 400 years Britain realized that it had to keep the continent of Europe from being unified under a hostile power because otherwise it would be too weak to resist.

[00:45:59]

We have to prevent all the resources of Eurasia from being organized by a hostile power. Winston Churchill in the 1930s wrote an article about British foreign policy in which he said that



it was the policy of Britain to oppose whichever country seemed to be the dominating tyrant on the continent. He listed all the various rulers that had existed and he said, “It did not matter to us whether it was Napoleon or Hitler or Philip II of Spain. We were not pursuing a policy of sentiment. We were pursuing a settled, national policy.”

“And it was in this manner,” he said, “that we preserved the liberties of Europe.” And that is the challenge for the United States today. We don’t want anything from the Soviet Union. The Soviet Union stays within its natural—national boundaries. We have no quarrel with it. And it has 11 time zones in its national boundaries. Vladivostok, where the President and I were, is closer to Seattle than it is to Leningrad. And Leningrad is closer to New York than it is to Vladivostok. So they need not suffer claustrophobia—(laughter)—if they stay at home.

On the other hand for 400 years they have been threatening and attempting to disintegrate every power—every power center within reach, sometime withdrawing when they had domestic chaos, which happened periodically. But always coming back. So, of course we want them to be peaceful. And of course we should encourage it. But we also have to keep in mind that states have permanent interests. That do not change with personality. And there may be other factors emerging. I have been opposing sanctions against China because I think we need China as a potential counterweight to the Soviet Union and as a balancer vis-à-vis Japan. It’s in our own national interest. I don’t like what went on there but we’re not doing them a favor by having normal relations. We’re doing ourselves a favor.

[00:49:17]

And one could review the international situation on this basis. That’s not easy for Americans. That’s the great educational task that’s before us. But I want to stress one, key factor. All the problems I’ve described are really exciting problems to have. The whole international environment is changing. It’s changing in the direction of our values. It is reducing the dangers against us. We’re in a position to work on building a structure of peace in the world. That while it will require constant vigilance, will be a lot less tense than what we’ve known for a generation.

I have a Chinese acquaintance who claims that there exists the following Chinese proverb. I say claims because I don't believe there are as many Chinese proverbs as they lay upon us. But he claims that it goes like this, "When there is turmoil under the heavens little problems are dealt with as if they were big and big problems are not dealt with at all. When there is order under the heavens, big problems are reduced to little problems and little problems should not obsess us."

[00:50:56]

The great opportunity of our period is that we can, in our life time, reduce big problems to littler problems and thereby contribute to what my Chinese acquaintance calls order under the heavens.

And now I'll take a few questions. Thank you very much.

(applause)

What do I foresee happening in China? I think in fairness one has to recognize that the Chinese upheaval last year was caused, in the main, by a successful reform policy, by the most successful reform policy that's been carried out in any communist country. China had the fastest growth rate of any country in the world for a ten-year period. They had moved from becoming an agricultural importing country to becoming an exporting country.

[00:52:04]

Then when they moved the economic reform to the cities, they ran into the problem that I've already mentioned, namely that they—they had to move to price reform. Price reform must produce inflation and unemployment. And while the students started the upheaval the shock troops of the upheaval were not students but workers. And I think the vast majority of the casualties were workers, not students. And the workers were protesting against what was almost inevitable in the economic reform.

Now I think that if the Chin—if—that the Chinese are trying to go back to economic reform. They are not—they are not great believers in political change. But the present leadership is quite old. If they go back to economic reform that means they will have special economic zones. It means they'll have to decentralize decision making. And I would think that over a period of time

there's a good prospect that the exactions of government will be reduced. And, in fact, I believe the sanctions tend to punish the reformers and help the hardliners who want to isolate China.

[00:53:31]

But I think the prospects of reform in China are, in my view, better than in the Soviet Union even though Gorbachev is an extremely attractive leader.

[Question not audible]

Will somebody call my wife and tell her I'm coming tomorrow morning.

(laughter)

I'll—I'll tell you. I—that's not an easy question, that's—in fact, it's an impossible question to answer briefly. What worries me is, I think we made a mistake in the beginning of the Reagan period to increase our armed forces indiscriminately. I was in favor of the buildup. But I think we should have insisted on developing a strategic doctrine first.

[00:54:31]

I'm afraid that now the reductions will go in the same way. And I would—I talked to President Ford about it. And I feel a lot happier if some bipartisan commission were created like the Social Security commission that would develop an answer to your question. Not necessarily force levels—that's a job for the Secretary of Defense—but a strategic doctrine. What is the danger against which we are trying to protect? What kind of forces do we need? Where should these forces be stationed in a general way?

Then, first of all, this would put—give everybody, Congress and the President, the better part of this year to address the issue. And they can still make cuts of—you know—of cutting out waste and clear duplication. Then the next budget could reflect a strategic doctrine that would answer your question.

I see Marty permits me to answer one more question.

(laughter)

**MARVIN KALB:** I want to get you home tonight.

**HENRY KISSINGER:** (inaudible) One more question. Yes, sir.

**AUDIENCE MEMBER:** There is a lot of speculation about the Soviets creating a gold bond, creating a hard trading currency. What do you think will happen with the development of that?

**HENRY KISSINGER:** Well, remember what Simon—what Simon said. You know, there's a lot of talk about the Soviet Union getting a convertible currency. And, you know, until they do it they can't really enter the international trading system. I don't quite see how they can do it in the present, economic chaos inside the Soviet Union. But they have had the advice that they should go to the gold standard in some fashion because that's the only way they can get credibility for their currency.

[00:56:28]

But at this moment it would require for Gorbachev to be willing to assert more authority on domestic matters because that certainly would lead to an inflationary situation for a while in the Soviet Union. But there's no way around it. They may come to it but not before their leadership struggle is straightened out.

(applause)

**ANNOUCER:** You've been listening to the New American Gazette with this week's guest Henry Kissinger. This program was recorded at the Gerald R. Ford Foundation in Grand Rapids, Michigan on January 31, 1990 by WGBU FM in Grand Rapids. The moderator was President Gerald Ford. The New American Gazette is produced for the Ford Hall Forum and directed by Deborah Stavrow. Post-production engineer is Brian Sabo. This program is produced in cooperation with the nation's presidential libraries, the National Archives and Northeastern University.

Funding for the New American Gazette is provided by Houghton Chemical Corporation of Boston, for over 60 years a major marketer of organic chemicals and automotive antifreeze products. Additional funding is provided by Metropolitan Life Foundation, helping to create an informed citizenry through public affairs programming.

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