ONFIDENT:

THE WHITE HOUSE

WASHINGTON

January 10, 1992

Dear President Nixon:

More than a year has passed since my last national security report, for which I apologize. At the beginning of the new year, I should like to share something of a <u>tour d'horizon</u> of the international challenges we face and my sense as to where we are headed. The enclosed report elaborates on this subject. (U)

1991 proved to be one of the most eventful and significant years of this century. The demise of communist totalitarianism in Europe and the break-up of the Soviet Union, the retreat of dictatorship worldwide and the concomitant growth of democracy, the vindication of the United Nations and the defeat of Iraqi aggression, the most promising advances toward Arab-Israeli peace since the Camp David Accords and the Israeli-Egyptian Peace Treaty and the El Salvador peace accords, all add up to an extraordinary transformation of world politics. (C)

The present situation is unlike anything we have known in our lifetimes. Perhaps the nearest analogy is the end of World War I, when the victorious powers had an opportunity to reshape world politics and world order -- and failed to do so. Already the end of the Cold War and the demise of the Soviet Union have prompted calls for something akin to isolationism. I know I don't have to persuade you of the dangers in such a posture. For one thing, our economy is ever more part of the global economy. Over 30% of our gross national product now involves imports and exports as compared to 12% thirty years ago. Our goals therefore include breaking down trade barriers through initiatives such as

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the Uruguay Round and the North America Free Trade Agreement. (C)

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We face three intertwined challenges: the new requirements of peace and security, the challenge of promoting democracy, and the need to generate and sustain worldwide economic growth. My recent Asia trip was designed to drive home to our friends and allies and to the American people our commitment to, and insistence on, free and fair trade as indispensable to our collective economic wellbeing. At the same time, continued protectionism by others inevitably will lead to retaliation by the United States with disastrous consequences for all. (C)

The revolution in the former Soviet Union is profoundly significant and unquestionably in our national interest. We have an interest in helping sustain new democratic governments in Russia, Ukraine, Armenia, and the other republics. The United States therefore has taken the lead in promoting the delivery of emergency humanitarian assistance to the new states. (C)

The republics' willingness thus far to act responsibly with respect to command and control of nuclear weapons is most welcome. This fact, along with the destruction of many of their weapons, offers the promise of even greater reductions in the threat we face. We will aggressively pursue these opportunities. (C)

Let me close by wishing you a happy and healthy new year. (U)

Sincerely,

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The Honorable Richard M. Nixon 577 Chestnut Ridge Road Wood Cliff Lake, New Jersey 07675

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