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There is only $\alpha \rightarrow \beta$

I.

Of all the outcomes of the 1994 midterm elections, the shattering of the foreign policy consensus that held for more than a half-century is among the most certain and far-reaching in its consequences. Of course, the Cold War is over, the Soviet Union no more, and the containment doctrine no longer relevant, but at least a belief in internationalism was supposed to be so firmly rooted that its premises never needed to be stated, much less defended. Yet, suddenly, internationalism has become a controversial, divisive stance. And, strangely, this momentous turn is virtually unremarked upon, especially by foreign policy analysts, even though anti-internationalist fevers are wracking the body politic.

The rise of the Republicans to the majority in both houses of the Congress for the first time in forty years has inspired the view,

proclaimed by triumphant Republicans, that the Great Society is finished, the Fair Deal over and the New Deal at last delivered a coup de grace. A new era--a new wave in American civilization, according to Speaker of the House Newt Gingrich--is beginning. But it is more than domestic reform that has been stymied; internationalism is under a mounting assault the likes of which have not been seen since the last wave of isolationism.

The New Deal has, with regularity, been solemnly declared to have been interred. The first time was in the aftermath of the 1938 midterm election, which gave impetus to the conservative coalition of Republicans and Southern Democrats that largely succeeded in blocking reform for nearly thirty years. Historians note that Franklin D. Roosevelt lost control of the Congress because of the gathering forces of New Deal opposition amid an economic recession. But there was another factor that galvanized the conservatives. The growing tensions in Europe that would lead to the outbreak of World War II a year later had provoked an awakening of isolationist sentiment in America. Many of the districts where the New Deal suffered its defeats happened to be concentrations of isolationism. It was not simply the idea of an activist government in domestic policy that was under attack. At the same time, internationalism, which also demands a strongly activist government, was besieged. "The so-called conservative coalition which has dominated Congress since 1938, in other words, has not been simply an economic coalition," wrote Samuel Lubell, an incisive analyst, in his 1956 book "The Future of American Politics." "One important source of its strength was opposition to intervention in the war against Germany." ¹

With the end of the Cold War, it has become a commonplace to observe that the morbid fears and hatreds that were suppressed by Communist regimes in eastern Europe have flourished again. The "ethnic cleansing" conducted by the Serbs against the Bosnians stands as the most gruesome testimony to the persistence of the past. But the Cold War's end also lifted a rock off the victor, and 1994 marked

¹ Samuel Lubell. *The Future of American Politics*, Doubleday Anchor, 1956. page 155.

the return of the repressed. Presidents Roosevelt and Truman had to practice extraordinarily adroit politics in order to outmaneuver the isolationists, who were, by and large, vehement opponents of domestic social reform. Now the old isolationism, supposedly long exorcised, has begun to resurge in a new form as an inchoate anti-internationalism.

Obviously, not all the Republican Party has become anti-internationalist. Nor is anti-internationalism articulated as clearly or as pointedly as the old isolationism, at least not yet. It is still more an impulse than an idea, though aspects of it are featured in the Republican manifesto, the Contract with America. The murkiness of anti-internationalism hardly makes it less politically potent. Its symptoms are inescapable. Sometimes they are self-evident: For example, Senator Jesse Helms, the chairman of the Foreign Relations Committee, has announced his opposition to all foreign aid and almost all other foreign entanglements.

But sometimes the signs of anti-internationalism are more oblique and complex: For example, consider the increasingly curious case of Senator Bob Dole. He is putatively cast in the role of Senator Arthur Vandenberg, the Republican champion of a bipartisan, responsible internationalism, but glimmerings of the Dole who bitterly seethed during the 1976 vice presidential debate at "Democrat wars," a watchword of Midwestern isolationism, is breaking through. In the immediate flush of the election victory that made him the Majority Leader, Dole proposed that the arms embargo imposed on Bosnia be unilaterally lifted by the U.S., directly flouting the U.N. Security Council resolution, but neglected to spell out how his plan would deal with the likely catastrophic results for the Bosnians, and went on to declare blithely that if our allies do not agree we should scrap the Western alliance. His policy was unilateralist in the interest of washing our hands of the affair, appearing moral without intervening, while implicitly condemning the Europeans caught in the Balkan maelstrom as inherently sordid. With this grandstanding gesture, Dole scored political points without having to incur any responsibility. Dole is a man who has a consistent ability to rise above principle, and he should not bear an unfair

burden of accusations of zealous conviction. He is, moreover, a candidate for the Republican presidential nomination (until, or unless, he is not). Dole is a surfer trying to ride waves within his party. In his unthinking plan for the former Yugoslavia, the subject was less the tortured combatants there than the unstated anti-internationalism within the GOP and the right-wing that adheres to it. Dole's bow to anti-internationalism was not an undiluted reassertion of the old isolationism, but a desire for unilateral U.S. action, without the coordination or regard for our allies, or Russia, and without direct U.S. military commitment. Not incidentally, Dole opposed the U.S. intervention in Haiti before the fact, claiming that we had no interest in a country in the Caribbean whose people by the hundreds of thousands were inundating our shores, though it is difficult to adduce why our interest in Haiti is less than in Bosnia.

The lingua franca of anti-internationalism spoken in the Republican ranks has been expressed candidly and succinctly by Representative David Funderburk, a freshman member of the House International Relations Committee, who took the occasion of its very first meeting in January to state that he will do everything he can to insure that when U.S. soldiers "risk their lives it is only to defend the vital interests of the American people, not to fulfill the dreams of some faceless bureaucrat at the United Nations." ²

For many on the right, the U.N., a symbol of internationalism, ~~has assumed the demonic role that creeping socialism used to play.~~ It is one and the same: a supranational universalist force, corrupting and undermining our moral fiber, contrary to our patriotic being, threatening our boys' lives. Hatred of the U.N., one of the poles around which anti-internationalism is currently organizing, is hardly new. It is a chestnut of the postwar Republican right, embodied in one of its fabled lost causes, the Bricker Amendment (proposed by Senator John Bricker of Ohio, the Republican vice presidential candidate in 1944), which treated all international agreements and institutions as infringements of "internal law in the United States"

² "Funderburk Returns," By James Morrison, Washington Times, January 17, 1995, page 12.

that must be reviewed in every case as treaties by the Congress. (State Department lawyers reported to President Eisenhower that under the Bricker Amendment the U.S. could not have been a member of NATO. It would have in effect proscribed the Western Alliance.) "If the New Deal had failed to completely socialize American, to conservatives it often seemed as if the United Nations was determined to finish the job," writes Justin Raimondo in his chronicle of the old right, "Reclaiming the American Right."³ The Bricker Amendment rallied the America Firsters through the early 1950s until it was defeated in the Senate in 1954. Now, the spirit, if not the letter, of the Bricker Amendment has returned.

Fear of being ruled by the U.N. is running parallel to a fear of being inundated by teeming masses of immigrants. Xenophobia is an essential element in the conservative upsurge, raging at a level unseen since the 1920s, when harshly restrictive immigration quotas were applied against non-Nordic peoples by Old Guard Republicans concerned about ethnic purity. In California, in 1994, Proposition 187, forbidding state benefits, including education and medical care, from being extended to illegal immigrants and their children, passed by a wide margin. It was the principal political vehicle by which Governor Pete Wilson, a personally unpopular Republican, rode to reelection and has vaulted him into consideration as a potential presidential candidate. Now, in the House of Representatives, Republicans are taking up the cause of forbidding the extension of federal benefits to *legal* immigrants. Xenophobia is hardly dissipating; it is only heating up as a political factor, part of the combustible mix of resentment over race, welfare, crime, and taxes that has given a steam-driven energy to the Republican rise. Xenophobia only complements and heightens anti-internationalism.

Just as in 1938, when anti-government rancor was joined to isolationism, anti-government hostility today has started to meld with anti-internationalism and xenophobia. The spirit of negative government is not simply limited to an outlook on domestic policy: it

³ Justin Raimondo, *Reclaiming the American Right: The Lost Legacy of the Conservative Movement*, Center for Libertarian Studies, 1993, page 156.

seeps into foreign policy as well. Historically, this has always been the tendency.

In the swirling anti-internationalist cosmology assuming form on the right, foreigners appear variously as greedy welfare recipients, or false, worthless friends, or petty tyrants consumed with global designs and cruel indifference toward American lives. They are beggars, betrayers and overlords. They are leeching us from below and above; they are enemies without and within. Americanism, once again, is threatened by internationalism.

In 1946, when George F. Kennan wrote his famous "Long Telegram," it was by no means certain that a containment policy toward the Soviet Union would be established and maintained. Events foreign and domestic, from the Communist seizure of power in Czechoslovakia to the presidential election of 1948, were required to lock it into place and to defeat critics of the Cold War policy on the left and the right. Kennan, the policy thinker and diplomat, had no hand in summoning or shaping these political circumstances. His doctrine, however, gained increased centrality because it appeared to make sense of them and to offer a response. It was a diagnosis and prescription at once.

Few people, in any period, have a prescient vision, much less one that is transformed into official policy and is recognized as prophetic after almost a half-century. At the end of World War II, during the year Kennan was composing his State Department memo, the overwhelming image of the future was drawn from the preceding decade. The postwar public was haunted by fear of unemployment and depression, and the rapid demobilization of the armed forces only heightened the anxiety. How and where would the millions of soldiers get jobs? A rash of labor strikes underlined the worry that the war had been merely an interlude between times of economic strife. "Had Enough?" was the slogan of the Republicans in the midterm elections of 1946, in which they captured both houses of the Congress for the first time since Herbert Hoover's election in 1928.

Only the Republican right believed that the proper attitude to take toward postwar Europe was laissez-faire. Its standardbearer,

Senator Robert Taft of Ohio, was an early isolationist and one of thirteen votes in the Senate against U.S. membership in NATO. Taft understood explicitly the connection between an activist government acting in domestic and foreign policy--something he adamantly opposed from a consistent philosophical position.

Less than two weeks after the filing of Kennan's "Long Telegram," in March 1946, the recently defeated former British Prime Minister Winston Churchill traveled with President Truman and his closest political adviser Clark Clifford on the presidential train, the Magellan, from Washington to Westminster College in Fulton, Missouri. "From Stettin in the Baltic to Trieste in the Adriatic, an iron curtain has descended across the continent," Churchill said portentously. The theme that the policy planner had painstakingly elaborated in a classified cable, circulated then only among policy-makers, was thus thunderously declaimed by the greatest statesman and orator of the age, with the hearty, though tacit, approval of the Truman administration.

Taft, as the leader of the congressional Republicans and the tribune of limited government, felt it was his duty to reply directly to Churchill. Taft denounced the entire direction of U.S. policy as the assumption of the British imperium, an alien path that could only lead to the obliteration of American civilization. "This whole policy," he said, "is no accident. For years we have been accepting at home the theory that the people are too dumb to understand and that a benevolent Executive must be given power to describe policy and administer policy....Such a policy in the world, as at home, can only lead to tyranny or to anarchy." The Republicans captured the Congress months later, but every time Taft sought the Republican presidential nomination he was defeated by the internationalist Eastern wing of his party. His final, smashing failure was wrought by his perpetual rival, Thomas Dewey, who wrested the 1952 nomination from his hands at the convention and presented the prize to Dwight Eisenhower. It was a last hurrah for the old isolationist. After that, the isolationist faith transmuted on the right into a quasi-theological anti-Communist crusade, a process that had been underway since before the investigation and trial of Alger Hiss (an

eminent New Deal internationalist), which elevated a young congressman from California on the House Un-American Activities Committee, Richard Nixon, to national prominence. (At a crucial moment in the Hiss probe, the ambitious Nixon, who had become the darling of the right, quietly sought and received the blessing of Thomas Dewey and his circle. Without the backroom approval of Dewey, Nixon would never have been slated as Vice President in 1952. Nixon's ability to flap both wings of the GOP lifted his career from beginning to end.) The Hiss case was the first Cold War forum for the right to smear the New Deal as a subversive plot. "The return of the primitives" remarked Secretary of State Dean Acheson about the Republican right.

The new conservative dogma was built upon unalterable tenets: liberalism was conflated (as before) with Communism; Communism, it was charged, had spread abroad due to betrayal by American liberals (FDR, Truman and Dean Acheson--in league with Hiss--in particular); containment was a cowardly compromise by betrayers unwilling to engage in "rollback"; and unilateral U.S. military action, preferably commanded by the likes of General Douglas MacArthur, was the appropriate response to the encircling foe. McCarthyism, congealed within the crucible of a minority of a minority party embittered about its prospects, was aberrant only in the animal cunning, bottomless cynicism and private geniality of the man who gave the "ism" its name. (McCarthy decided to embark upon his Communist hunts the same month Hiss was convicted. To this day, many prominent conservatives, such as William F. Buckley, Jr., who co-authored a tract defending the senator, *McCarthy and His Enemies*, harbor his memory as a martyred patriot.)

Reaganism was the right-wing crusade in power, lofting the banner of unilateralism. But it was a much watered down, even revisionist version of the original rightist creed, accepting as it did the containment doctrine. Ultimately, Reagan floated away from the whole constricting dogma on a transcendent utopianism to embrace Mikhail Gorbachev and celebrate the end of the Cold War, the crowning and saving act of his presidency, to the consternation of the right.

Even during the contention over the Vietnam War, when foreign policy provoked extended civil strife, the basic containment policy toward the Soviet Union was never really in dispute, as it was in 1948. Through Democratic and Republican administrations alike, from Truman to Reagan, the policy remained anchored in place. Its necessity was a byproduct of nuclear weaponry, the mutual assured destruction capability of both superpowers. When Kennan devised the containment doctrine, the Soviet Union did not possess the bomb. With its production in large quantities on both sides, deterrence became the linchpin of containment. But more than the threat of Armageddon and the stability of Europe made it possible for the U.S. to carry out a consistent policy for almost fifty years. Containment--and internationalism itself--rested on a foundation at home--a foundation that was laid before the Cold War. No diplomat, however brilliant, operates in a social vacuum. Foreign policy does not exist on air.

Kennan, the historian of the European balance of power, had little knowledge or appreciation of American politics and its influence on foreign policy. Politics, if anything, inspired disdain in him. He was dismissive of public opinion as "easily led astray into areas of emotionalism and subjectivity which make it a poor and inadequate guide for national action." However accurate his assessment of "short term" trends in public opinion, his faith did not lie in engaging and molding it. Rather, he urged that foreign service officers and policy-makers be insulated, as much as they could, from the vicissitudes of the fickle public, though he had few concrete notions about how *this* containment policy might be implemented.⁵

For the Cold War containment doctrine to work, a predicate that the diplomats and the wise men had no hand in making was required. The inspiration for the creation of the postwar world preceded the time usually ascribed to its genesis. Dean Acheson, more than almost all the others present (except for Truman), understood that foreign policy rests primarily on domestic sources.

4 Ibid, page 150.

5 George F. Kennan, *American Diplomacy 1900-1950*, Mentor, 1951, page 81.

"When the Truman government found its footing in foreign affairs," Acheson wrote in his memoir, "its policies showed a sweep, a breadth of conception and boldness of action both new in this country's history and obviously centrally planned and directed. We had seen it in the early domestic policies of the New Deal and in our vast military effort in the 1941-45 war, but not before in foreign policy."⁶ But it was more than energy and method that were drawn from the New Deal and the war.

In the immediate postwar period what was emphatically not foreseen were the long-term effects of the New Deal, which had been disguised by the war; for it was the Rooseveltian policies that provided the economic and social underpinnings for the postwar American boom. The New Deal had created a broad middle class and thereby removed the friction of open class conflict. "The society of a few haves and a multitude of have-nots had been transformed," writes Doris Kearns Goodwin in her history of the Roosevelts during the war, "No Ordinary Time." "Because of the greatest--indeed, the only--redistribution of income downward in the nation's history, a middle-class country had emerged. Half of the American people--those at the lower end of the compensation scale--had doubled their income, while those in the top 20 percent had risen by little more than 50 percent. Those in the bottom half of earners had seen their share of the country's income increase by 16 percent, while those at the top had lost 6 percent."⁷ Even during the war, the New Deal had progressed with the passage of the G.I. Bill, whose enormous benefits were not fully anticipated at the time. And New Deal-like foreign policies, such as the Marshall Plan, a form of global Keynesianism intended to create an economy of consumers abroad, then lifted a devastated Europe from its ruins. Truman and Acheson (a passionate Democrat, who even wrote a book entitled "A Democrat Looks At His Party," in which there was a chapter on why the Republicans were

⁶ Dean Acheson, *Present At The Creation: My Years in the State Department*, Signet, 1970, page 929.

⁷ Doris Kearns Goodwin, *No Ordinary Time: Franklin and Eleanor Roosevelt: The Home Front in World War II*, Simon & Schuster, 1994, page 625.

the "Stupid Party") both grasped and acted on the connections, explicit and implicit, between domestic and foreign policy.

If America had been a society increasingly riven by class, instead of one in which class barriers were falling, and where the government was seen as the handmaiden of the privileged, instead of an agent of social progress, the popularity of a Cold War policy would have been dubious. A socially polarizing society cannot long sustain an internationalist foreign policy. The strains of inequality must inevitably come to focus on foreign policy, reducing it to its raw economic rewards and leading to opposition to international commitments because they siphon resources away from home.

Internationalism in the postwar era was fitted onto the society made by the New Deal, a society becoming more equal, not less, measured in a dramatic rise in the standard of living. Before the New Deal there was no middle class as we have come to understand it. Only because of the New Deal was the majority brought into the middle class. From 1950 to 1978, the real family income of all classes, from the bottom to the top, grew by more than 100 percent. The growth, moreover, was fairly evenly spread, with those in the bottom twenty percent increasing their income by 138 percent, the second twenty percent by 98 percent, the middle by 106 percent, the fourth by 111 percent, and the top by 99 percent.⁸ This distribution of income was not the result of Cold War spending; the social pattern was not due to the sheer amount of military expenditure, but to the structural and social changes that had taken place in the country. Peace at home, achieved by reform, provided the bedrock for an active internationalism. Throughout the entire Cold War, none of the major accomplishments of the New Deal (or the Great Society for that matter) were undone by Nixon or Reagan. From beginning to end, the foundation remained intact. The New Deal, perhaps more than any other factor, made it possible for the U.S. to wage the Cold War and to bring it to a successful conclusion.

In the Cold War, the American standard of living became a chief ideological weapon. Republicans, as well as Democrats, turned

⁸ Unpublished chart, Chief Economist's Office, U.S. Department of Labor, 1995.

the recent rise of the modern middle class into a major foreign policy theme (though the Republicans' rhetoric was unaltered since the days of Hoover, attributing a phenomenon that sprang from the New Deal structural reforms in a mixed economy to "free enterprise"). The great "Kitchen Debate" in 1959 between Vice President Richard Nixon and Soviet leader Nikita Khrushchev at an American trade exhibition featuring modern appliances may have been a patent stunt (arranged by a young public relations agent named William Safire), but it was telling. "These are merely gadgets," Khrushchev said dismissively.⁹ But in the end, Communism was buried beneath our refrigerators. It was not simply the chrome of affluence, or the dazzle of technology--the sheer weight of historical materialism--that was the appeal: it was the pervasiveness of it all. The materialism had a democratic social content. This is what gave it its political charge. The near-universal distribution of material goods in a country whose majority was a roughly equal middle class demonstrated to those behind the Iron Curtain the workings of political democracy. The Cold War was won on a momentum set decades earlier.

In its final years, however, the American class system began gradually to be transformed, becoming less equal, not more. The pattern of New Deal society was reversed. The middle class was not rising and expanding, but declining and contracting. From 1979 to 1993, a secular Republican era, real family income growth radically diverged, with those at the very top making great strides while those in the middle and lower end of the income scale continually lost ground. The top twenty percent gained eighteen percent in income and the next twenty gained five percent, while the middle lost three percent, the lower middle lost eight, and the bottom lost seventeen.

10

The electoral consequences of this sea-change have so far assumed contradictory forms. In 1992, Bill Clinton was elected president on the themes of reversing economic decline and elevating the economic condition of the middle class. His campaign program,

⁹ Jonathan Aitken, *Nixon: A Life*, Regnery, 1993, page 261.

¹⁰ Unpublished chart, Chief Economist's Office, U.S. Department of Labor, 1995.

"Putting People First," spelled out this approach in detail. Clinton won the votes of many of those who suffered from the recession and from the general decline in the standard of living. But a third party candidate, Ross Perot, drew support primarily from those whose income loss was greater than that sustained by those who voted for Clinton. Perot voters were not drawn from the metropolitan centers but from the small-towns and rural areas where unemployment was increasingly intractable and newly available jobs paying near the minimum wage. The economist Ruy Teixeira observed two years after the 1992 election that "the pro-Perot effects of wage losses were stronger for wage losses over longer time periods (e.g., back to 1979), indicating that long term economic decline may be driving much of the bitterness toward the Democrats and the apparent failures of government." ¹¹

President Clinton's economic achievements in his first two years were impressive: He cut the federal deficit in half, a feat hitherto considered impossible; maintained economic growth at a steady clip; kept inflation at a virtually non-existent level; created more than 4.5 million jobs; and lowered the unemployment rate below six percent, a rate unseen since the boom of the 1960s. And yet, in 1994, the Democrats were repudiated, losing both houses of Congress. The secret to their setback lies ultimately in their inability to raise median household incomes, which have remained flat since Clinton's election. Any chance of providing economic benefits to the middle class by the reduction of the deficit, as Clinton had hoped, were erased by the Federal Reserve Board, chaired by Alan Greenspan (a former Republican chairman of the Council of Economic Advisers), whose application of draconian monetarist strictures prompted a constant racheting up of interest rates. Clinton's good deed of lowering the deficit did not go unpunished. The expectations he raised among the middle class about reversing decline therefore could not be met swiftly enough, and defeat was administered to the Democrats just as it was to the Republicans two years earlier.

¹¹ Ruy A. Teixeira, *The Politics of the High-Wage Path: The Challenge Facing Democrats*, Working Paper 110, Economic Policy Institute, Washington, D.C., October 1994, page 2.

(Shortly after the Republican midterm victory, in a case of fortuitous timing, Greenspan's Fed announced that its measure of inflation had been wildly overstated. Presumably, this would give the congressional Republicans an opportunity to pass tax cuts without fear of Fed reaction.)

Fear of the effects of the global economy on job prospects and income permeated the electorate. In April 1994, according to the Times Mirror Center for the People and the Press, only 24 percent were satisfied with the country's direction, 56 percent said they lacked enough money to lead the lives they wished, and three-quarters, in every income group, expressed anxiety about employment opportunities for their children. ¹² As never before, the views of the broad public and the elites diverged on trade issues. Elites, from the beginning, gave high levels of support to the North American Free Trade Agreement. But even after a considerable investment of political capital by President Clinton, on the eve of the congressional vote in November 1993, 38 percent still opposed NAFTA. No trade agreement has ever been rejected by the Congress, and the close vote on NAFTA reflected the equivocation of the public. ¹³ "Change"--the word Clinton hammered time and again as his purpose--had come to be identified in the public mind with its economic apprehensions.

Even before the midterm election, the Clinton administration itself was being pulled by the undertow of anti-internationalism. The deaths of eighteen U.S. soldiers in a firefight in Somalia caused the administration to issue Presidential Decision Directive 25 seven months later in May 1994, declaring new limits on its involvement in multilateral peacekeeping, a reversal of Clinton's previous course. The dilatory U.S. response to the Rwandan tragedy can be directly traced to the new policy.

Despite the administration's turnabout, Newt Gingrich, then the Republican House Whip, instantly attacked it for being captive to the

¹² Times Mirror Center for the People and the Press, Economic Recovery Has Little Impact on American Mood, April 6, 1994, Washington, D.C., pages 1 and 15.

¹³ Andrew Kohut and Robert C. Toth, Trade and the Public, December 13, 1994, Times Mirror Center for the People and the Press, Washington, D.C., pages 4-6.

"multinational fantasy" and charged that the President "continues to subordinate the United States to the United Nations." Rather than stilling the anti-internationalist movement with half-hearted measures, the administration only incited it. By the time PDD 25 became policy, the Republican political plan to exploit the social fears of the voters had jelled. Clinton's inability to uplift middle class income within a short timespan combined with the Republican blockage of social reform, particularly national health care that would have benefited the middle class, to catalyze the anti-government response that the Republicans desired. The reaction against government was not limited to domestic policy. Anti-internationalism was now linked to taxes and welfare--devisive "wedge issues," in the parlance of GOP operatives--to demonstrate the Democrats' indifference to the fate of average Americans. The Republicans' platform, the Contract for America, the only full-scale midterm campaign program ever devised by a party, contained numerous anti-internationalist provisions, under the rubric of a so-called "National Security Restoration Act." Among them were a prohibition of U.S. troops under foreign command (which has not occurred since World War II), notice to Congress of any U.S. participation in U.N. peacekeeping operations *fifteen days before any such vote took place in the Security Council*, and fiscal measures (such as a limit of U.S. funding to 25 percent of any mission) that would effectively hamstring them.¹⁴

For the first time since the inception of the Cold War, tenets of anti-internationalism have become official dogma of the Republican Party. After more than forty years, the Bricker Amendment suddenly echoes like a thunderclap. Though there are Republicans who do not adhere to the anti-internationalist position, they voice no public dissent. ~~The tradition of the internationalist wing of the GOP--~~ the Republican Party of Thomas Dewey, John Hay Whitney (publisher of the New York Herald Tribune), and Henry Luce (editor-in-chief of Time and publicist of "the American Century"), of Arthur Vandenberg and his political heir Gerald Ford, of Richard Nixon and

¹⁴ House Republican Conference, Contract With America, pages 23-25.

George Bush, of Henry Kissinger and James Baker--has entered 1995 without a single forthright spokesman.

II.

Who will speak for internationalism in the face of a rising anti-internationalism? And how shall it be defined and defended?

"The election was not a license to lose sight of our nation's global interests or to walk away from our commitments in the world," Secretary of State Warren Christopher beseeched in a speech at Harvard University on January 20.

A day later, Dan Quayle announced his presidential intentions before a crowd of 40,000 Amway salesmen and executives in the Hoosier Dome: "I'm scanned, I'm tested and I'm ready." He reached for the high notes of anti-internationalism, assailing the notions of U.S. forces serving under foreign command (a non-event) and that they would wear "the blue helmet of the United Nations." The following day, Bob Dole declared his interest in running for president. At the same time, he set down the condition under which he would support U.S. loan guarantees to Mexico that would prevent its economy from collapsing: the Democrats must cease their criticism of Newt Gingrich's \$4.5 million book contract with media mogul Rupert Murdoch. Dole's formula for statesmanship was something Vandenberg had never imagined.

The political forces are not arrayed to draw together magically behind internationalism. On the contrary, the energy in the debate over foreign policy is centrifugal. There will be no renewed consensus for the sake of consensus. Released by the Cold War, the sources of isolationism have reasserted themselves as a suspicion of the outside world, a nativist patriotism against foreign entanglements, an embrace of simplicity to ward off complication and uncertainty. The negativity of isolationism has reappeared as the negativity of anti-internationalism. Slogans and catchphrases from the buried past have resurfaced, seeming to the untrained ear to be

some sort of new idea--a new wave--rather than an artifact so ancient that few recall its provenance.

Foreign policy specialists, for their part, have been conducting discussions as though politics were taking place in a separate compartment. Moralists and realists--and those who claim to be both--and who is not a pragmatic neo-Wilsonian or vice versa?--brandish abstract categories like thick shields warding off the empirical realities of the political present. Yet neither an idealistic policy that promotes democracy, cooperation and human rights nor a realistic policy based on the traditional bases of power can likely be long sustained if anti-internationalist fevers continue to rise unchallenged.

The moralists often act as though the goal of spreading democracy were mainly a matter of conviction: If only we are able to muster the will, we can project our ideals abroad. But the image of American democracy has been altered over the decades. Of course, to the countries under the heel of totalitarianism America appeared not only as the chief antagonist of their oppressor but as the ideal of an open society, just as America did to the western Europeans after their traumatic experiences with Naziism and fascism. But democracy in the abstract does not have an appeal to nations in the West that have long been democracies. Free markets also do not have an allure to countries, particularly in Asia, that manage their own market economies in ways that they think is superior to our own. ¹⁵

¹⁵ Anthony Lake, the National Security Adviser, has posited that the goal of U.S. foreign policy must be the "enlargement" of democracy, which he conflates with free markets. In his theory, he does not differentiate among market economies and societies, which are more or less managed and more or less politically open. Lake's claim that commercial, democratic nations are more pacific is a noble dream as venerable as Immanuel Kant. But it is a view that is disputed by Alexander Hamilton in The Federalist Paper No. 6. "Has commerce hitherto done any thing more than change the objects of war?" he wrote. "Is not the love of wealth as domineering and enterprising a passion as that of power or glory? Have there not been as many wars founded upon commercial motives since that has become the prevailing system of nations, as were before occasioned by the cupidity of territory or dominion?....Have we not already seen enough of the fallacy and extravagance of those idle theories which have amused us with promises of an exemption from the imperfections, weaknesses, and evils incident to society in every shape? Is it not time to awake from the deceitful dream of a golden age and to adopt as a practical

Those who argue for an "augmented realism," or "realism plus" (using a nomenclature reminiscent of Bush's "status quo plus") also frequently assume that willpower will lead to power. If only we take a decisive leadership role, we can be the leader we wish. Positive thinking seems to be one of the roots of this realism. Its view of the U.S. in the world, most importantly, is disconnected from a view of the U.S. at home. It assumes a foreign policy without a homefront. National interest is projected without examining the nation. Or, perhaps, it is assumed anachronistically that the country is a constant. "Realism plus" does not account for anti-internationalism and the increasing friction with it generated by the pursuit of internationalist goals. While Clinton is chided for inconsistently measuring means to ends, an easy and complacent point, the "augmented" realist neglects to explain how his ends (which amount mainly to an approach, or something rather less, an attitude) happen to fit the nation's means. The talk of asserting larger purposes does not involve specifically defining them, and the claim for coherence is made without tying foreign to domestic. Our modern "augmented" realist would not be recognized as such by Acheson.¹⁶

Nostalgia for the age of the wise men, eulogized in numerous books, articles and documentaries as the makers of the postwar order, expresses a yearning for the salad days of the American Century. But the wise men, whatever their party affiliation, stood on the domestic pillars of a society remade by the New Deal. In America, only the size and security of a middle class can legitimate an establishment. Without the expansion of such a middle class, an establishment becomes an insecure obligarchy.

A blithe unconcern with political realities must only render foreign policy commitments that much more difficult to maintain. A

maxim for the direction of our political conduct that we, as well as the other inhabitants of the globe, are yet remote from the happy empire of perfect wisdom and perfect virtue?" The Federalist Papers, Mentor, 1961, pages 57 and 59.

¹⁶ See Richard N. Haass, *Paradigm Lost*, Foreign Affairs, January/February 1995. Haass, a former staffer on Bush's National Security Council, is Director of National Security Programs for the Council on Foreign Relations, and a member of the Republican shadow government.

regime of free trade that at the same time is widening class divisions and tensions cannot sustain internationalism; it will inevitably be seen as the property of the privileged, those who are insulated from the buffeting of the global market. And internationalism must fall under seige when a divisive politics of social resentment is pursued relentlessly.

X [America's greatest asset in the Cold War was that it presented itself to the world as a social model. The largest failure of the past generation has been the inability to remake America into a vanguard society. Rather than inaugurating a new era of reform, waves of incremental reaction have fostered a polarizing class system. Policies that fail to address the building social crisis are neither moralist nor realist in the American tradition that established social democracy and internationalism. At the heart of the frustrations of post-Cold War internationalism can be found the blasted remnants of the social contract. If the national interest does not mean the interests of the majority of the people, then it has no depth of meaning: an American national interest can only be adduced from the peculiar intersection of democratic ideals and interests.

Those who wish for an effective foreign policy cannot escape the reality of domestic politics. But internationalism is no longer a given. It must be persistently organized. The battles of the early and late 1940s are being rejoined in a new key. Just as the right is drawing strength from an anti-internationalism with deep wellsprings, the forces of a progressive internationalism have an even more powerful past to summon. They must do so, however, without facing the terrible prospect of war, but of peace.

Vicious Circle

The Saber Rattling Over Bosnia Sounds Like a Bleak Replay

After Four Years of Conflict,
Allies' Policy Is in Tatters
As the Serbs Call the Tune

Milosevic and Abe Lincoln

It's depressingly familiar.

The Bosnian Serbs are shelling, the Bosnian Muslims bleeding, the Europeans equivocating, the Americans blustering and bickering. The U.S. public rides the fence — outraged one moment at the pictures of Serbian atrocities and "ethnic cleansing," worried the next that President Clinton might actually send U.S. troops into what many fear would become another Vietnam-style quagmire.

Bombs may yet rain down on the Serbs — the U.S. and its North Atlantic

By Wall Street Journal staff reporters Mark M. Nelson in Belgrade, Serbia, and Carla Anne Robbins and Thomas E. Ricks in Washington.

Treaty Organization allies are again threatening airstrikes — this time more than pinpricks — as the Serbs continue to overrun United Nations "safe havens" in Bosnia. But if the bombs don't fall, hardly anyone will be surprised, least of all the Serbs. They have heard it all before. And the airstrikes, even if they come, might not make much of a difference.

Four years into the Balkans war, the only thing more confused than the war itself is Western policy and its astonishing string of failures aimed at containing the conflict. In truth, almost no one thinks the hash that is the Balkans war can be settled without a huge commitment of Western ground troops, or a fight to the finish.

Indeed, a senior British official in London predicts a war dragging on for another decade, a war that in the European view is one of ancient, tangled animosities largely inexplicable to all but the combatants. This scenario is horrifying to many, considering that the Bosnians alone already count 200,000 dead and two million people driven from their homes by ethnic cleansing.

"There is no generally recognized enemy in this war, no clear idea about what it is we are trying to achieve politically," says Philippe Moreau Defarges of the French Institute for International Relations in Paris. "So most of what we do is doomed from the start." The U.S. has always seen Bosnia differently: as a war of

Serbian aggression and genocide. But even with a clearly defined enemy, the Americans were ready to risk even less than the Europeans, refusing to send ground troops.

Much Angst, Little Action

Still, all this failure and fatalism has done nothing to stem the tide of Western angst. German Chancellor Helmut Kohl has called what is happening in Bosnia "a disgrace for civilized Europe." France's new president, Jacques Chirac, recently likened the West's acquiescence to Serbian aggression against Muslims and Croats to its earlier appeasement of the Nazis.

Americans share a similar view: A new Times-Mirror poll shows that 52% of Americans are dissatisfied with President Clinton's handling of foreign policy — with Bosnia the most important cause of their discontent. Paradoxically, most Americans don't disagree with the substance of U.S. policy, just the wavering, confusion and retreats.

Splintered Efforts

The war in Bosnia has as much to do with divisions among the world powers as it does with the ethnic furies of the Serbs, Muslims and Croats in the former Yugoslavia. The country that gave birth to World War I and was a major theater of conflict in World War II still has an extraordinary capacity to split Europe and divide NATO. And the long list of experiments — generally characterized as "speak and retreat" — among the great powers have been as much designed to deal with their internal problems and domestic politics as to stop or contain the war.

The cost everywhere has been high. The conflict has called into question both America's and Mr. Clinton's claims to world leadership. The U.S. role has always been limited by one basic fact: its refusal to back up its moral outrage with a tangible commitment of ground forces. The Europeans, who do have thousands of troops in Bosnia, have always had far less outrage — and far lower expectations — about what can be achieved there.

Those contradictions are at the heart of the alliance's constant backsliding and retreats. Time and again — 10 times at least — a morally outraged U.S. has pushed its allies to take a stand against the Serbs, only to see that firmness leached away by European fears for the safety of its troops or cynicism about what was necessary or achievable in Bosnia.

For European leaders, the cost has been constant embarrassment and humiliation — in ultimatums that aren't followed up, airstrikes that don't hit their marks. All followed by the thunder of Serb guns. The conflict has also all but ended public faith in the idea of a united Europe while defanging the postwar institutions charged with corralling such conflicts, the U.N. and NATO.

The most recent speak-and-retreat cycle began last week in London with the U.S. pressing and apparently winning French and British support for massive airstrikes against the Serbs, should they attack the

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knowledgeable about the investigation.

ans of limiting supply, the people say. s, in turn, would be likely to keep prices h. Lysine, an amino acid, is mixed with ed for hogs and chickens to hasten the owth of lean muscle in the animals.

Mr. Wilson, who runs Archer-Daniels's corn-processing division, also attended meetings with lysine manufacturers in Tokyo, Hawaii and elsewhere, people familiar with the inquiry say. Several of these sessions were videotaped by federal authorities, the people say.

Sales Documents

Michael Andreas and Mr. Wilson, asked specifically about the meetings, declined to comment, as did the company. No one has been charged in the criminal antitrust inquiry, in which investigators are working with a Chicago federal grand jury. The government has hundreds of tape recordings, thanks in large measure to the help of Mr. Whitacre, 38 years old, who headed the fast-growing BioProducts division and reported to Michael Andreas. Since his undercover role came to light, his attorney said in a recent statement, Mr. Whitacre has been barred from Archer-Daniels facilities. He remains on the company payroll.

Other possible evidence of a world-wide cabal comes from internal company documents obtained by the government during the past three years. Circulated among Archer-Daniels officials, the documents show lysine sales targets and actual monthly sales of each manufacturer, according to Archer-Daniels executives. The company won't comment on why or how it collected such confidential information from its competitors.

Lysine producers whose sales figures were recorded include Ajinomoto Inc. and Kyowa Hakko, both of Japan, and Archer-Daniels itself, people who have seen the records say. An attorney for Ajinomoto's U.S. unit, Heartland Lysine, says, "We are addressing the matter in the appropriate fashion." An attorney for Kyowa Hakko's U.S. lysine unit, BioKyowa, says BioKyowa "was not the market-setter or the major player in setting prices." The attorney, Steven A. Reiss, adds: "That much we've been able to determine."

Citric-Acid Producers

In addition to investigating Mr. Wilson's role in lysine pricing, the Federal Bureau of Investigation and the Department of Justice's antitrust division are looking into whether he participated in possible collusion with European manufacturers of citric acid. Citric acid, like lysine, is a corn-derived product; it is used in the detergent, food and beverage industries.

Mr. Wilson attended meetings around the world, including sessions at hotels in London and Paris, with senior officials of competing citric-acid producers, according to people knowledgeable about the inquiry. It couldn't immediately be determined whether these sessions were taped. Documents regarding citric-acid sales in the \$1 billion industry were circulated within Archer-Daniels, according to the people

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These people say the documents recorded sales targets and actual sales for Archer-Daniels, the Hoffmann-LaRoche Inc. U.S. unit of Switzerland's Roche Holding Ltd. and Germany's Bayer AG. The documents reflected sales figures by geographical region, including North America, Latin America, Europe and the Far East. A spokesman for Bayer, which manufactures citric acid at its Elkhart, Ind., plant, says it is cooperating with the government and supplying all information that investigators request. Hoffmann-LaRoche, which markets citric acid in the U.S., declines to comment. The chemical is produced by a European sister company, S.A. Citrique Belge NV, that also is a unit of Basel-based Roche.

Michael Andreas's presence in meetings with lysine competitors makes the lysine part of the investigation particularly intriguing. Although the younger Mr. Andreas has a reputation as the company's super-salesman and has long seemed destined for the top post, he has stayed out of the public spotlight. John McMillin, a Prudential Securities Inc. analyst who has followed the company for years, says he has never met Michael Andreas. "He's not on the analysts' visit list," Mr. McMillin says.

Similarly, lysine itself is virtually unknown to the public. But it has emerged as a big profit producer for its manufacturers and a key ingredient in the feed industry. About 500 million pounds are produced annually. With prices having ranged from 60 cents a pound to more than twice that since 1991, keeping the price near the high end of the range is worth millions of dollars to manufacturers.

Japanese firms were among the first to learn to produce lysine from fermentation, which basically involves feeding corn-derived dextrose to micro-organisms. The Japanese started producing it commercially in the 1960s, long before Archer-Daniels entered the picture. But the market was transformed soon after the U.S. concern set its sights on the business in 1989, after learning that it was selling raw material to Japanese companies that in turn were shipping synthetic lysine into the U.S. market.

The giant grain processor, which calls itself the "supermarket to the world," has a reputation for entering a new market in a big way, and that's what it did in the case of lysine. At its sprawling complex in Decatur, Ill., Archer-Daniels erected what is believed to be the biggest fermenting facility in the world. The inside of the plant looks something like a brewery, with shiny vats towering over the heads of workers. It has its own laboratory, where white-coated scientists mix glass beakers of micro-organisms.

All together, the company is believed to have spent roughly \$1.5 billion establishing its BioProducts division, which Mr. Whitacre ran during the three years he surreptitiously helped the U.S. government gather information about possible price collusion. Today, the division can produce 250 million pounds of lysine annually — about half the world's purchases. Wall Street analysts believe the division's products, which include lactic acid, mono-

sodium glutamate and xanthan gum, as well as citric acid and lysine, generate among the company's highest profit margins.

Growing Market

The BioProducts division also seems to represent one of the company's strongest hopes for the future. The company's better known, lower-tech products, such as corn-derived ethanol fuel and high-fructose corn syrup, are maturing businesses. U.S. demand for high-fructose corn syrup is growing about 4% annually, for instance. In contrast, some analysts estimate the lysine market is growing about 10% a year. Wall Street figures the fledgling BioProducts division already generates about 15% of Archer-Daniels's earnings.

Archer-Daniels officials have boasted about how quickly that division turned its first profit. Yet the company's actual entry into the lysine market in 1991 initially triggered a price slide, as other established manufacturers sought to defend their market shares. That was when prices dropped from well over \$1 a pound to nearly 60 cents.

Then in 1992, for reasons that aren't clear, prices rebounded sharply. Today, lysine sells for about \$1 a pound, although prices fluctuate and large customers are able to deal for discounts. The 1992 price increase, which came despite Archer-Daniels's increased production capacity, is of particular interest to investigators, according to people familiar with the probe.

Archer-Daniels is widely considered to be the lowest-cost producer of synthetic lysine, and some industry executives put Archer-Daniels's break-even price below 85 cents a pound. Big users of synthetic lysine have occasionally griped about its price, but several have said the government's antitrust investigation came as a big surprise.

Eating Like Birds

Some users believe their ability to switch to soybean meal, a natural source of lysine, helps keep synthetic lysine prices in check. Smithfield Foods Inc., a Smithfield, Va., hog producer and packer, recently converted to soybean meal because of its complaints about lysine prices. Poultry growers, however, are more dependent on synthetic lysine because birds eat much less feed, making soybean meal a less effective source of lysine.

Archer-Daniels also entered the citric-acid business in 1991, when it bought a going concern from Pfizer Inc. As the primary U.S. maker of the additive today, Archer-Daniels competes with several European and Asian producers, among them Chinese manufacturers that have roiled the domestic market with cheap imports. While industry experts say the quality of Chinese citric acid doesn't match that of other producers, the 20% discount buyers get nonetheless makes it attractive.

For use in detergents and soft drinks, "people can live with" the inferior quality, says Karsten Kohler, manager of feed and food additives for Helm New York Chemical Corp., a unit of Helm AG, Hamburg, Germany. Helm is a major importer of Chinese citric acid. Among the largest U.S. customers for citric acid is Procter & Gamble Co., which uses it for detergents.

Besides focusing on lysine and citric acid, federal investigators also are known to be probing the possible violation of antitrust laws in connection with the sale of high-fructose corn syrup. The corn-based sweetener is a \$3 billion-a-year market world-wide, and it is one of Archer-Daniels's biggest products. Soft drinks are the largest market for the syrup, accounting for more than 75% of annual production.

The investigation, now three years old, doesn't appear to be nearing its conclusion. Federal investigators are still poring over materials they seized in late June from Archer-Daniels's Decatur headquarters. In addition, other companies are still handing over to the government documents subpoenaed by the grand jury.

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safe area of Gorazde. Whether it will turn out any differently is impossible to predict. One hopeful sign: The U.N. secretary-general says he has given up his personal veto over NATO airstrikes — thereby making it easier for NATO to call in such attacks.

U.S. officials claim that they have learned their lesson. "It has to work this time. We don't have any more credibility to use up," says one senior official. He says that either the Serbs will now be intimidated back to the bargaining table or the U.N. will be out of Bosnia at the latest next spring. The latter prospect is particularly terrifying to the Clinton administration, which has pledged as many as 25,000 American ground troops to help in any withdrawal.

Whether the allies have learned their lesson also is far from certain. Should the latest threat prove idle or its execution half-hearted, the Serbs can always avoid punishment by simply avoiding Gorazde as they continue to gobble up other safe areas — beginning now with Bihac. The Clinton administration is quietly talking about extending the ultimatum to all of the remaining safe areas. But officials admit it won't be an easy sell.

U.S. leverage may have been further weakened this week after the Senate voted overwhelmingly to unilaterally lift an arms embargo — which is hindering the Bosnian Muslims — a move the Europeans oppose even more vehemently than airstrikes. U.S. officials said they didn't expect the Europeans to bolt immediately. "But if they are looking for an excuse, this could be a good one," one top official says.

A 'European Problem'

From the beginning of this crisis—when Slovenia took over the external border posts from the Yugoslav army in June 1991, both the Europeans and the Americans decided that the breakup of Yugoslavia was "a European problem."

It all happened just as the U.S. was winding down from the Gulf War, and the Europeans were putting the finishing touches on the Maastricht Treaty, which tried to create a common European foreign policy and, by the end of the century, a single currency. Jacques Poos, the Luxembourg foreign minister who handled the European Union's first attempts to intervene in the Balkan crisis, set the tone in June 1991 as he and two other EU ministers left on a blitz negotiating session to Belgrade and Zagreb.

"If anyone can do anything here, it is the European Community," he said standing on the tarmac of the Luxembourg airport. "It's not the U.S. or the USSR or anyone else."

But when words failed, the Europeans found they lacked the military bite to carry out their threats. U.S.-led NATO was still the only real military force in Europe able to fight a war in a third country, and the U.S. made it clear that it wouldn't get militarily involved. In a war like Bosnia, military experts say, there was no way the Europeans could have coped without American military leadership.

The lack of a credible military option led the Europeans to a lot of decisions that they might have otherwise avoided. In retrospect, virtually every move by the West looks like an instruction manual in how not to handle a crisis.

Among the mistakes:

- Premature "peacekeeping": When the Yugoslav war extended from Croatia into Bosnia early in 1992, the U.N. sent a small and lightly armed peacekeeping force into a war zone. "Peacekeepers were being sent when there is no peace, not even a pretext," the NATO official says.

- Failing to back up U.N. rhetoric with action: The West's next step, in mid-1992,

was to pass a U.N. resolution imposing an arms embargo on all parts of the former Yugoslavia, including Bosnia. This was the era of "the \$100,000 MiG," when the West feared that the Soviet fire sale of arms would incinerate the Balkans. But the U.N. resolution called only for "monitoring" the situation. Between July and November 1992, when the U.N. finally changed the wording to allow for enforcement of the embargo, 53 suspect ships had passed into Serbia. The Serbs also had much equipment left over from the old Yugoslav army—while the Bosnia Muslims had little more than their feet. Thus, the West enforced an embargo that appeared fair but in fact tilted the field overwhelmingly in favor of the Serbs.

- Barking but not biting: In the summer of 1992, NATO planners were asked to design a serious intervention force to bring peace to Bosnia. It called for 100,000 troops. That was politically unacceptable, so the planners then came up with the idea of inserting around 7,500 troops, which NATO wags dubbed "Bosnia Lite." It was never clear what the military mission of the smaller force would be — except to relieve the political pressure on the West to "do something." Senior NATO commanders were agast.

- Tainting U.N. protection: In June 1993, the U.N., seeking to protect civilians, passed a resolution creating "safe areas." But the U.N. never followed up on a commitment to disarm the Muslim forces in the areas. So the Serbs — often accused of targeting civilians — were able to use the exclusion to claim that the areas were really military targets. Indeed, in October 1994, Muslim fighters with the Bosnian Fifth Corps launched an offensive from the Bihac safe area.

- Playing to Serb opportunism: In February 1994, in response to a mortar attack on a Sarajevo marketplace, NATO threatened airstrikes to force the Serbs to pull back heavy weapons from the city. To prepare for the strikes, the allies pulled in troops from Banja Luka and other outlying areas — only to see Serb ethnic cleansing resume in some of those areas.

- Lacking intent to use force: The U.N. agreed to go along with NATO threats of airstrikes, but failed to put in place the military procedures normally associated with the use of force. On March 11, 1994, French peacekeepers then in Bihac came under fire from a tank. They requested air support. A U.S. AC-130 Spectre gunship circled overhead with the tank in its sights. But the U.N. couldn't locate its commanders, who were at a Chinese restaurant in Zagreb and had failed even to bring with them a cellular phone. U.N. permission finally came more than four hours later — just after the tank disappeared into the woods. In a series of subsequent incidents, the only targets the U.N. approved were Serb targets of little military significance, such as isolated tanks. NATO attacks that followed over the last year made such "pinprick strikes" part of the West's vernacular—and further fed Serb contempt.

- Allowing the West's differences to make it vulnerable: Serb tactics eroded the West's resolve by widening the differences between the U.N. and NATO and among NATO members. In November 1994, Serb surface-to-air missile sites around Bihac, after months of being quiet, began "illuminating" NATO aircraft with their radar, a demonstration of hostile intention that precedes the firing of an antiaircraft missile. NATO planes hit the sites — and the Serbs responded by taking U.N. peacekeepers hostage. The U.N. quietly asked NATO to back off enforcing a no-fly zone over the former Yugoslavia. In late November, U.N. air controllers reportedly

waved off an airstrike ordered by NATO commanders because the U.N. forces feared Serb retribution. A worried NATO then began talking internally about either withdrawing the U.N. or strengthening it. But that talk was put on hold when former President Carter arrived to negotiate a four-month cease-fire just as winter weather prompted a lull in the fighting.

At the root of the West's problems in dealing with the war Bosnia is a fundamental disagreement over who to blame. Despite overwhelming evidence of Serb atrocities and ethnic cleansing — and repeated U.S. demands to brand the Serbs as the aggressors—there is still a deep-seated unwillingness among Europeans to choose sides.

"Civil wars are very hard to intervene in, especially when they are next door," says a senior French official. "All we can do is try to ease the suffering and try to convince the parties to settle at the negotiating table."

But it goes deeper than that. France and Britain are reluctant to see Serbia destroyed as a balancing factor in the Balkans. Serbia, they say, may have started this war, with its whipping up of nationalist passions. And some of its leaders may indeed be war criminals, guilty of horrible atrocities. But Serbia is a necessary force among the other feuding nations in the region, a buffer in this cauldron of ethnic hatred, competing religions and disputed history. In particular, Serbia plays an important balancing role between the Balkans' most intractable enemies, Greece and Turkey.

(Paris still has a statue and an avenue named after King Pierre I of Serbia, a memorial to his help against the Germans in World War I. And Serbia won similar affection in France and Britain for the heavy casualties it took fighting the Germans in World War II.)

American Thinking

Such thinking also dominated American policy in the early days of the crisis. When Former Secretary of State James Baker visited Belgrade in June 1991, he compared the Yugoslav crisis to the American Civil War and urged the country to stay together. This led many in Serbia to think the U.S. was giving the green light to Serbia's aggression. And by casting Serbian strongman Slobodan Milosevic in the role of Abraham Lincoln, the U.S. only caused the breakaway republics of Croatia and Slovenia to push more frantically for independence.

The split over Serbia and Mr. Milosevic continues to this day. France and, to a lesser extent, Britain are keen to re-establish contacts with Mr. Milosevic, once dubbed "the Butcher of Belgrade" by some U.S. commentators for his backing of the Bosnian Serbs. But now, French officials say, Mr. Milosevic has abandoned the talk of Greater Serbia and has in some cases actually been helpful. He helped negotiate the release of more than 400 hostages held by the Bosnian Serbs, for example. And they believe the split between him and the Bosnian Serb leader Radovan Karadzic is real. Reopening trade and contacts with Serbia could help isolate the Bosnian Serb leadership even more and force them into a peace deal.

But at a meeting last Friday in London, an old story emerged — a split in the allies' ranks. The U.S., joined by Britain and Germany, refused to back a deal brokered by the European Union's envoy, Carl Bildt, and backed by France, which would have ended the sanctions against Serbia in exchange for Serbia's recognition of Bosnia. "At the time when the Serbs are running amok, with the help of Milosevic, we just didn't think it was right," a senior U.S. official said.

GOP Securities Law Plan May Tilt Balance of Power

NEW YORK—House Republicans' plan for a sweeping overhaul of federal securities law could shift the balance of power on Wall Street.

Under the GOP plan, securities firms would find it easier to fight claims by individuals and institutional investors. State laws that protect investors would be discarded. And corporations would have an easier time selling stocks and bonds.

As expected, House Republican leaders yesterday introduced a legislative package

By Wall Street Journal reporters Anita Raghavan and Deborah Lohse in New York and Mark Anderson in Washington.

that, among other things, would strictly limit brokerage-firm liability on investment decisions by institutional investors, undo federal disclosure laws for corporate takeover efforts, scrap state securities laws and give the Securities and Exchange Commission greater leeway in phasing out archaic rules.

The bill was widely applauded by securities industry executives and some corporations frustrated by the lengthy paperwork and high costs involved in raising capital. "Some of these laws go back to the '30s and even '20s," said Don Aquila, director of Treasury operations at Thomas & Betts Corp., a Memphis-based electrical components maker. This bill would "get rid of some of that bureaucracy."

But the legislation ran into fierce opposition from consumer groups and stunned state securities regulators whose powers will be cut as a result of the proposed changes.

"This really is a radical, radical bill that would gut investor protection," said Neal Sullivan, executive director of the North American Securities Administrators Association, a group of U.S. state regulators and provincial regulators in Canada and Mexico.

Said J. Boyd Page, an Atlanta lawyer and arbitration expert: "This is tantamount to granting Wall Street firms a license to abuse the American public. If [the] proposal is accepted, we will have basically created a Barbary Coast harboring securities pirates."

The bill caught the SEC off guard. While SEC officials were aware a Republican legislative package was being written, lawmakers didn't tell the agency they were about to introduce a bill, people close to the SEC said. Indeed, in a slap to the SEC, Texas Rep. Jack Fields, who introduced the bill, bypassed the agency, turning instead in recent months to securities industry executives directly for their suggestions on reform.

In a terse statement yesterday, SEC Chairman Arthur Levitt said: "As we evaluate the legislation, our benchmark will continue to be the protection of American investors." Rep. Edward Markey (D., Mass.), who has worked closely with

Key Points

House Republican Securities Law Initiative

- Limit broker liability for investment decisions of institutional investors
- Strike down state securities law
- Undo federal disclosure laws for corporate takeover efforts
- Loosen broker margin rules for institutional investors
- Ease prospectus delivery rules

the SEC on securities matters, described the SEC's view in more blunt terms. At a briefing yesterday, he said, SEC officials were "extremely distressed" with Mr. Fields's bill.

Under the bill, state securities laws will be eliminated. While state regulators could still bring enforcement actions and require companies to register and pay fees to the state, they would be restricted to enforcing federal laws. Essentially, this provision would strike down 51 separate sets of state securities laws (including the District of Columbia) and would greatly reduce corporate compliance costs.

"It usurps states' rights," Mr. Page said. "Some of the major customer abuses of recent times would never have been uncovered or prosecuted as vigorously under this kind of rule."

One good example, he said, is the limited-partnership claims against Prudential Securities Inc., the brokerage unit of Prudential Insurance Co. of America. "The 50 states were a major factor in seeing that the biggest retail fraud of our

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time was corrected," he said.

Securities lawyers also said striking down state securities laws would greatly hamper investor efforts to bring fraud claims. Under federal securities law, investors can bring fraud claims, at most, three years after they are notified of the alleged fraud. But, under state law, the statute of limitations for fraud claims is much freer, allowing investors to bring claims even 10 years after they are alerted to fraudulent activity. Under the GOP bill, "many investors would not have any claim at all," said John Coffee, a securities law professor at Columbia University.

The bill will also restrict the recourse that institutional investors like Orange County, Calif., and the State of West Virginia have for losses they suffer as result of what they claim were "unsuitable" investments. One of the key provisions of Rep. Fields's bill is that it limits brokerage-firm liability for the investment decisions of institutional investors that hold marketable assets of \$10 million or more, unless the broker signs an agreement assuming that liability or if fraudulent activity has occurred.

Brokerage industry executives were delighted with the provision.

"There isn't an inalienable right not to lose money," said Joseph Grano, president of PaineWebber Inc., the brokerage unit of PaineWebber Group Inc. "We, as an industry, have to support efforts that say that there is responsibility on the other side of the desk."

But institutional investors weren't so sanguine. "The only thing that drives disclosure is liability. That's the only thing that makes people wake up," said Roland Machold, director of New Jersey's Division of Investments. "I think the treasurer of Orange County needs protection, too, under the law."

One provision of the bill likely to generate considerable debate is the easing of prospectus-delivery rules for initial offerings of stocks. GOP lawmakers believe the SEC puts too much emphasis on investor protection and does not consider the costs of capital raising. Rep. Fields's bill pro-

poses dropping a requirement that investors get a prospectus before buying a security. The bill would also make it easier for on-line services to deliver prospectuses.

But that measure didn't generate much enthusiasm among individual investors. Disclosure "gives us little fellows an idea of what the big guys are doing," said Bill King, a retired electronic engineer in Bishopville, S.C., and the secretary of the South Carolina Council of the National Association of Investors Corp.

Meanwhile, some securities industry analysts say that while the SEC is looking at the idea of eliminating prospectuses for seasoned companies that want to tap the capital markets, they think the Republican bill may go just too far.

Still, the idea of doing away with some of the burdensome disclosures involved in taking a company public had some appeal among corporate treasurers.

The bill "sounds as if it may be a net positive for the corporate sector in that it may streamline the IPO process," said Thomas Logan, a director at the Treasury Management Association, a group representing corporate treasurers.

Even Mr. Logan, though, wasn't excited about all aspects of the bill.

One area that concerns him is a provision that would dismantle federal laws requiring SEC filings whenever investors take large stakes in companies.

Though Mr. Logan said he lacked details on the proposal, he said it "might ultimately harm shareholders where a significant interest was acquired without it being known that this was taking place."

But even this proposal sparked differences of opinion among corporate executives. "In as much as we are acquiring a lot of companies, we are in favor of that," said Mr. Aquila of Thomas & Betts.

Also included in the Republican bill is a measure calling for looser margin rules for institutional investors and permitting brokers to borrow against margin stock from any lender. Currently, brokers may only do such borrowing from banks.

Back to a 'Big Stick' Foreign Policy

By FAREED ZAKARIA

The air in Washington is thick with cries of "isolationism"—principally directed by President Clinton against his Republican adversaries. But while understandable politically, those charges are wrong historically. Isolationists haven't been a major political force in this country since World War II. The real post-Cold War debate will not be between isolationism and internationalism but between two versions of internationalism identified with two great American presidents—Woodrow Wilson and Theodore Roosevelt. It is Wilsonianism that is in trouble, not internationalism.

Woodrow Wilson believed that America should transform international politics rather than engage in it. The goal of American foreign policy, he explained, was "the creation of a universal dominion of right." Such a world would be governed by international laws and arbitration boards. A moralist rather than a strategist, Wilson believed America had interests in every corner of the globe. "Nothing that concerns humanity," he said, "can be foreign or indifferent to us."

Wilsonianism is an inspiring but impractical way of looking at the world. When Wilson tried to sell his grand scheme, the League of Nations, to his own countrymen in 1919, they balked. The Senate properly reasoned that membership in the League would mean that the U.S. could be drawn into a war without the sanction of Congress. When the League was tried in

Europe, it failed. What later rescued Europe from tyranny was not Wilson's collective security system, but rather old-fashioned balance-of-power politics. A decade after Wilson's death, Wilsonianism was a failed ideology.

But the Cold War turned foreign policy into a moral struggle that could end only in a total victory for one side.

American foreign policy was properly aimed at the transformation of the Soviet Union, because the Soviet Union was not a normal great power playing by normal rules. This peculiar situation meant that Wilsonianism fit nicely with U.S. foreign policy.

Now the Cold War is over. The U.S. is still the strongest nation in the world, but it cannot transform every regime it dislikes. The Clinton administration's initial attempts to conduct foreign policy along Wilsonian lines, and the failure of that effort from Bosnia to China, has led to the realization that America cannot implement a Wilsonian policy.

This may return us to an older tradition of American statecraft forged by Wilson's great rival, Teddy Roosevelt. The world in which Roosevelt came to power in 1901 has many things in common with the world to-

day. It was characterized by peace among the great powers and an ever-widening zone of liberty. Even some of the specifics were the same: a rising Japan in the East, a newly unified Germany in Europe, and a Russia obsessed by its internal troubles. Economically, America, then as now, was the greatest of the great powers, with 20%-25% of world economic output.

TR's great challenge was to bring the U.S. onto the world stage. He believed that America, like Britain before it, had to play a role as an offshore balancer, ensuring that the crucial power centers of the world—Europe and East Asia—stayed peaceful and prosperous and did not fall prey to any one power. Thus, he brokered a peace in the Russo-Japanese War of 1905, in which neither side triumphed.

Roosevelt believed, above all else, in national power. He dismissed the possibility of "establishing any kind of international power... which can effectively check wrong-doing," and he regarded as "abhorrent" the "Wilson-Bryan attitude of trusting to... all kinds of scraps of paper without any backing in efficient force."

TR believed that the maintenance of ready power was not just a useful tool but a great deterrent. "The most important service that I rendered to peace," he once explained, "was the voyage of the battle fleet round the world." Roosevelt also believed that America was a special country

and that its foreign policy should help promote its principles. He did not, however, believe that this could be accomplished by a moralistic foreign policy. He never made threats or promises he would not honor. Recall his famous phrase, "Speak softly and carry a big stick."

In a sense, Roosevelt had greater confidence in American ideals than Wilson did. Roosevelt believed that the progress of civilization was ongoing, that "History" was on his side. The greatest service the U.S. could do to promote liberty in the world was to ensure great power peace and the resulting spread of prosperity.

At the turn of the 21st century, as at the turn of the 20th, the U.S. must conceive of a foreign policy that first and foremost protects its interests with power, not paper. It must continue to promote American ideals but without messianic crusades, which are unnecessary and expensive. More is gained, for example, by creating a climate in which a country moves uneasily toward greater economic and political freedom than by hectoring its regime to release a handful of prisoners. The latter is certainly a more rewarding experience psychologically, but the former is the more sober form of idealism.

Thus, Teddy Roosevelt's conception of America's place in the world provides the most sensible guide for American foreign policy in the future. It is a post-Cold War internationalism that America needs and can well afford.

Mr. Zakaria is managing editor of Foreign Affairs. A version of this essay appears in the Summer issue of the World Policy Journal.

Learn the Inner Workings of Outplacement

Despite dismal war stories from terminated workers entering the new Darwinian job-market jungle, outplacement can still work efficiently and cost-effectively for your organization and former employees if you keep the following in mind:

- **Use outplacement services that are now deliverable electronically.** They enjoy substantial cost-benefit advantages over traditional methods. In a matter of hours or days, a terminated employee in your organization can seek greener pastures using a

mechanic how to resolve any technical problem that may arise. Outplacement firms have the equivalent of both.

- **Decide whether you want internal or external outplacement, or both.** Are the numbers of your layoffs large enough, and steady enough, to warrant setting up an in-house outplacement operation? Can outside outplacement firms, or your own human resource department, bid against each other for the privilege? Are the bids clear about the costs and benefits of each service delivered?

- **Consider dividing the work between several outside outplacement firms.** They vary in size, technical capabilities and outplacement technologies (such as job databases, software and career management "tools"). Some firms specialize in high-level executives, others in middle-management, and still others in factory, clerical, legal or technology workers.

- **Get competing bids.** It's a lot like buying a sophisticated computer and software system: Features, costs, trade-offs and follow-up support materials and service systems are rapidly changing; *caveat emptor*. If you have the luxury of time, a slow-motion decision will drive competing bids downward.

- **Take apart their numbers.** Objective analysis means you compare what the bidders say you need with your actual need. Do the bids refer to unlimited—or to a specific number of—individual or group sessions with all terminated employees, or with your highest level departees only? Are the bids a percentage of salaries, an hourly rate, a group rate? How many days is each group program? How many participate in each group? Is the outplacement activity performed on your premises? New developments allow remote delivery of these services. Dollar costs per employee range from hundreds to many thousands.

- **Query the principals.** Will they be working on the assignment? Which parts? How long? Who supervises the raw data and summarizes results? Who deals with problem cases, quality control? Does the terminated engineering employee, for example, have the opportunity to work with an outplacement professional who is demonstrably expert in getting jobs for engineers, attorneys, MBAs or scientists?

- **Supervise the relationship.** Encourage a close working relationship between your organization and the outplacement firm. Proper supervision of the outplacement firm cannot be ignored. Moreover, such scrutiny will identify those employees who are excessively angry or depressed and require additional support and attention.

- **Evaluate progress and results.** Ask the outplacement firm to furnish to you evaluation and progress forms for each client and step of the outplacement process. These forms should objectively measure their hiring rate over time.

The claimed standard in the outplacement industry used to be that about half of the job seekers got hired in four to eight months, depending on the economy and their motivation, and that one month of job seeking is normal for every \$10,000 of salary. These tightly held, often "elastic" numbers are now wandering upward. Unfortunately, "creative accounting" can operate when all the raw data are confidential. If possible, independent verification of placement results with client organizations, and with terminated employees, would be useful ways to evaluate the outplacement firm's performance.

Mr. Rosen is chairman of the New York-based Science & Technology Advisory Board and a consultant to downsizing technology companies. Ms. Paul heads a New York-based career management firm.

Manager's Journal

By Stephen Rosen
And Celia Paul

combination of proprietary telephone, software, and—most recently—online-outplacement services.

- **Make as much use as possible of "self-directed" and "guided" career management.** Many career management books and career advice articles are readily available. What was once state-of-the-art or expert knowledge is now virtually common sense, and cost-benefit analyses should reflect these new developments. However, what's missing is the assignment of the critical outplacement activities—who does what best. Because highly self-motivated job searchers who rapidly land new jobs bring outplacement costs down, the employer, employee and outplacement firm should negotiate the apportionment of job-search tasks.

- **Review the "owner's manual" and the "workshop manual."** New cars come with an owners manual, explaining key features to the driver. For an extra cost, an owner can acquire a detailed technical workshop manual, which tells the garage

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Why Congress Took Over Bosnian Policy

Some of the more jaded Potomac pundits see all actions of Washington's decision makers as cynical plays for political advantage. Hence, the Senate seizure of U.S. policy toward Bosnia last week was accompanied by frequent reminders that Bob Dole is the leading Republican candidate to run against Bill Clinton next year.

Only a dolt would deny that gamesmanship is committed with some frequency in the U.S. capital. But it isn't entirely fair toward politicians to accuse them of unbridled and uninterrupted op-

Global View

By George Melloan

portunism. They do have serious and principled moments, and last week's Senate vote on Bosnia would seem to have been one.

Consider how dangerous it was for Bob Dole, in a purely political sense, to lead an overthrow of White House foreign policy. He put Bill Clinton in a position to blame whatever new horrors come down the road in Bosnia, as they surely will, on Bob Dole. Indeed, Mr. Clinton immediately positioned himself to do just that by declaring that the Senate vote was a big mistake that would "Americanize" the war.

Not that it was a great honor to the Commander in Chief to be relieved of duty on one of his watches. In a parliamentary system, an overwhelming no-confidence vote of this type would in test-vote circumstances bring down a government. In the U.S. system, it was merely a strong reproof, the message being that over two-thirds of the members of the U.S. Senate think the administration is making a hash of Bosnian policy.

Presidents are seldom censured on for-

eign policy by a bipartisan vote this powerful. Congress kibbitzes a lot but usually honors the constitutional prerogatives of the President for the conduct of external relations. The Founding Fathers recognized that only the Chief Executive can give consistency and coherence to America's contacts with other governments. While State Department's fussiness about treaty observances and policy coordination often bogs policy down in procedural gavottes, it is of some importance for the U.S. to uphold an international rule of law and to try to keep its relationships as stable as possible.

Yet Congress certainly is entitled to challenge the President when it detects a pattern of drift. And that is what happened last week. The Senators seemed less motivated by opportunism than by simple disgust. Serbian brutalities in Srebrenica had been the last straw. Perhaps emotion should not guide public policy to this extent but neither can public policy be emotion free. One of America's strengths, relative to older civilizations, is that its people still have a capacity for moral outrage. There also is, as it happens, a strong intellectual case to be made against the U.S. handling of Bosnia.

That case begins with the Bush administration's decision to hand off the problems of ex-Yugoslavia to "Europe," thereby ridding itself of a difficult responsibility. The one thing wrong was that there is no such thing as "Europe" in any true political sense. Bureaucrats at the European Commission in Brussels have conjured an illusion of a unified Europe and have even institutionalized it by changing the name of the European Community to "European Union." But real political power remains in the hands of national capitals and there certainly has been no unity on how to deal with Yugoslavian fission. So early on ex-Yu-

goslavia was consigned to that great dumping ground for rat nests, the United Nations.

The U.N. "solution" was to embargo arms shipments, thereby putting the poorly armed Bosnians at a military disadvantage to the Serbs, and to send in "peacekeepers" that the Serbs could use as hostages to discourage any stronger action against them by the western powers. The French and British, the two "union" states that took the lead in sending in troops, became, either unwittingly or wittingly, defenders of Serbian aggression. The U.N.

Bill Clinton was censured by the U.S. Senate for in essence preserving fictions and illusions.

sought to cover up its errors with elaborate and unworldly partition plans to separate the combatants and they were presented periodically by the so-called "contact group." The Serbian thugs laughed and went on with their plunder.

While the Clinton administration has participated in this charade, Bosnian Muslims have been systematically driven from their homes, slaughtered and abused. The Clintonites now and then put up a "get-tough" front, but then nothing happens. The latest get-tough step was a NATO meeting in Brussels that wrested control over NATO air strikes in Bosnia away from U.N. Secretary General Boutros Boutros-Ghali and put that authority in the hands of the French commander of the U.N. forces, General Bernard Janvier. But if General Janvier has any strong measures in mind, they certainly aren't evident at this point.

Bill Clinton was censured by the U.S. Senate for, in essence, preserving fictions and illusions. The question now is whether the Senate is ordering something real or simply creating a separate illusion of its own. The huge 69-29 vote was for a bill that would remove the U.S. from any role in the U.N. arms embargo after withdrawal of peacekeeping forces or within 12 weeks of any Bosnian government request that those forces be withdrawn. The President could waive any unilateral U.S. action, however, for an unlimited number of 30-day periods if he could make a case to Congress that abandoning the embargo would endanger the U.N. troops.

That's not exactly a powerful mandate and it is by no means clear yet that it will force the governments that have U.N. forces in Bosnia to pull them out. If they remain there, in harm's way, it is unlikely there will be any strong western response to Serbian efforts to roll up those parts of Bosnia they haven't already captured, including the major cities, Gorazde and Sarajevo. Bob Dole would like to have the U.N. forces out to clear the decks for strong action, but the difficulty of legislating an important foreign policy initiative in the absence of presidential leadership is made evident by the ambiguities of the Senate bill. There also still is some doubt whether the Congress can override a threatened Clinton veto of whatever bill the House and Senate agree upon.

One thing the Senate vote did accomplish, however, is to suggest that America as a whole, if not its President, remains capable of righteous anger. It has emboldened Muslim states to openly renounce the U.N. embargo. Turkey says it will give Muslims help with their "defense industry." Considering the crimes of the Serbs, that's not much. But it is something.

Jim Hoagland

Make War, Or Make Way

Bosnia policy is the number one oxymoron in world politics today. The West has no policy for Bosnia, only wishful thinking and good intentions. The United Nations and NATO must now face up to the failure and incoherence of their misconceived joint mission in the Balkans: They must radically transform that mission or abandon it. They must make war, or make way.

For three years, America and its European allies have substituted hope for strategy in Bosnia. Unwilling to help the Bosnian government regain the territory grabbed on the battlefield, they have been also unwilling to let the Serbs win the war outright. NATO governments and others have put their troops under the U.N. flag and into harm's way, then sought to muddle through without strategic goals.

The Bosnian Serbs showed where muddling through gets you off a battlefield by grabbing 350-plus U.N. soldiers as human shields and hostages in response to a NATO bombing raid. The Serbs did so confident that the world's most influential politicians, diplomats and generals had not thought through the next move. The plan that NATO carried out with U.N. approval was this simple: Let's bomb the main Serb ammo dump and see what happens.

The purpose was to send a signal, not to achieve a military objective. The Serbs sent a far clearer signal back: They are at war. The Serbs are willing to kill many more and to die in far greater numbers for their goals than the blue-helmeted outsiders are. They will escalate beyond any price the West will pay.

The hostage stalemate emphasizes how badly miscast both the United Nations and NATO are in this Balkan tragedy. It also makes clear that this joint venture has now become untenable.

The United Nations is good at providing humanitarian help and peacekeepers to separate forces that are ready to be separated by a politically neutral force. But the world organization is in Bosnia primarily as political cover, to take the heat off the NATO governments that want to affect the outcome without becoming directly involved there. These governments essentially want nobody to win in Bosnia and no outside power to become too involved.

Having to seek U.N. approval for air strikes lets NATO tie its own hands when it wants its hands tied. Organized and trained to repulse Soviet invasion, the 16-member defensive alliance exposes itself to international ridicule with on-the-job training to become a U.N. subcontractor.

NATO's European members pro-



REUTERS

vide the majority of the 22,000 soldiers operating under the U.N. flag in Bosnia. NATO warplanes carry out sporadic, ineffective air strikes to

*The Serbs will
escalate beyond
any price the West
will pay.*

send signals. Alliance warships enforce an international embargo against ex-Yugoslavia.

NATO is not a peacekeeping organization. It is a war-making organization. Political neutrality is not a cause for which NATO soldiers should be asked to die. Political neutrality—evenhandedness between aggressor and victim—is the antithesis of the spirit, meaning and function of NATO.

That is why I was discomforted a few days before the hostage crisis erupted to hear British Foreign Secretary Douglas Hurd deliberately castigate both the Muslim-dominated Bosnian government for "using the United Nations as a shield behind which they prepare attacks on their opponents" and the Serbs for using "U.N. peacekeepers as hostages."

Hurd was surprised at the surprise I expressed to him. He pointed out, correctly, that the Bosnian government had "taken the offensive" three times in recent months, breaking cease-fires,

embarrassing the United Nations and escalating the war.

Of course they have. The Bosnian government, a U.N. member recognized by the United States and its major allies, fights to regain its own territory. The Bosnians are victims, the Serbs are aggressors. While there are no angels in this war, there is a right side and a wrong side. There is a side with legitimate war aims. It is the Bosnian side.

The choice comes down to this: If the NATO command is to stay involved, it should take charge of member-country troops and commit them to not being neutral. Those troops should protect themselves, and protect the territorial integrity of Bosnia, with all war-fighting means available. Other U.N. troops should leave.

Hurd's comments suggest the Europeans, who have put the only ground troops that count into ex-Yugoslavia, are not prepared to go this far, and I sympathize. Without U.S. leadership and combat involvement—a political impossibility under this president—the Europeans will not take up this burden.

That means the time has come for them to get out of the way and join the United States in forcing a lifting of the U.N. embargo against the Bosnian government. The newest Serb outrage produces a new dynamic in the constantly changing Bosnian war. The Serbs threaten not only the lives of U.N. soldiers but also international order. They have knocked away any comfortable, fence-sitting option in this conflict.

Jeane Kirkpatrick

Why Foreign Policy Gets No Respect

"Our foreign policy should flow from our domestic society, from the needs and values of the American people," writes Ronald Steel in the current *Atlantic Monthly*. That being the case, Steel observes, it is to be expected that Americans who were willing to give foreign policy the top priority during the long Cold War are now treating it and policymakers with less deference, especially since the sensibilities and priorities of a majority of Americans often differ from those of foreign policy elites. I agree.

Now the Republican majorities in the House and Senate, frequently joined by congressional Democrats, are treating policies tolerated during the Cold War with no deference at all. We should not be surprised that this is happening.

But while the pressures and disciplines of the Cold War have been removed, the agencies and the specialists who peopled them remain. These agencies have expertise and a vested (but not sinister) interest in the U.S. government's broad involvement (or, to use the currently preferred word, "engagement") in the world. Inhabitants of these bureaucracies constitute an informal but active and influential lobby for the preservation of many agencies that are Cold War artifacts.

This lobby is now fully mobilized to defeat the Republican House and Senate efforts to reorganize foreign policy agencies, eliminate departments and overhaul many aspects of the conduct of foreign affairs. Both the House and Senate have adopted bills that eliminate the Agency for International Development, the U.S. Information

Agency (USIA) and the arms control agencies, and that make deep cuts in foreign aid. They also seek to give the administration some specific instructions about what to do and not to do in foreign affairs.

For instance, do let President Lee Teng-hui of Taiwan visit the United States and his alma mater, Cornell University. Do recognize Tibet as an independent country and appoint an ambassador to deal with it. Do ban the importation of goods made by forced labor (a human rights violation of which China is frequently accused). Do provide political asylum to women subject to forced sterilization or abortion—another practice charged to China's government.

Meanwhile, don't further or normalize U.S. relations with Vietnam unless that country accounts for all American POWs. Don't spend U.S. moneys on a policy of forced repatriation of Cubans. Don't give U.S. assistance to any country (such as Russia) that sells or provides weapons to any "terrorist" country (such as Iran), and so forth.

All these specific provisions are seen by the Clinton administration and much of the foreign policy elite as extremely objectionable efforts by Congress to micromanage foreign policy. Secretary of State Warren Christopher called it "an onslaught on the president's authority to manage foreign policy" and has said he would recommend that the bills be vetoed, which Bill Clinton has already threatened to do, declaring this "the most isolationist proposal in 50 years."

But these issues of "micromanagement" involve much more than "isolationism" vs. "internationalism." They are matters on which there are large gaps between the views and values of the American public and those of the foreign policy elite, whose preferences are also those of the Clinton administration.

The issues involving China and Taiwan involve different evaluations of how important it is for the U.S. government to respect the sensibilities of the (Communist) Chinese People's Republic (PRC), and also how important it is for the United States to respect the successful development and democratization of Taiwan, which is also a major U.S. trading partner. Views on this matter do not split cleanly along party lines.

Historically, Republicans have been more favorably disposed than Democrats to Taiwan. But organized labor raises the strongest objections to importation of the products of prison labor. And strong supporters of Tibet are found in both parties—as likely to be liberals as conservatives.

It was argued, and believed by many, that Cold War considerations required swallowing moral concerns about China's treatment of dissidents, use of forced labor, repression of Tibet and a "population policy" that features forced abortion and sterilization.

Most foreign policy professionals probably still believe that China's geopolitical importance should outweigh human rights and concerns. Most human rights advocates disagree.

There are also deep splits between those supporting one or more of the agencies slated for disappearance, and between those who believe initiatives in foreign policy should always be left to the president and executive departments.

I, personally, was deeply embarrassed when President Lee was not permitted to set foot on the soil of Hawaii and when he was denied permission to visit Cornell to receive an honorary degree. I am offended as well by the PRC's practice of forced sterilization and abortion, its mistreatment of dissidents, its practices of forced labor and its brutalization of Tibet. My sensibilities have been offended by the State Department's habit of shrugging off such practices. So have many other Americans in Congress and out.

I think it is an important mistake to eliminate U.S. support for USIA and the freedom radios. They are the best purveyors of the message of freedom, the cheapest, safest and most effective instrument of foreign policy. So I hope Congress will change its mind on this.

I also believe it is clear that the Constitution gives Congress a significant role in the conduct of foreign policy. All of us associated with the Reagan administration learned to defer to the often arbitrary micromanagement of Democratic congresses. The Constitution and precedent alike divide powers in this as most other policy domains between the president and Congress, and constitute an "invitation to struggle."

THE PRESIDENT HAS SEEN
THE PRESIDENT HAS SEEN

Asia First: A Foreign Policy

By Michael Lind

The United States is approaching the year 2000 with a grand strategy designed for 1950. Although America spends almost as much as the rest of the world on defense, neither party is seriously questioning the continuing need for alliances designed for the cold war.

With the illusion of the "last superpower" long shattered, we have to think about American interests in terms of four other great powers: Japan, China, Russia and Germany. And for the next century, we must concentrate on Asia. It contains most of the world's population and much of its industry, and Japan and China are the only powers with the potential to be formidable rivals.

An "Asia first" foreign policy would entail maintaining an economic and military balance between Japan and China, ending America's military agreement with Japan, increased cooperation with Russia on Asian affairs, forcing open Japan's and China's markets to U.S. goods, and dismantling NATO.

In the very long run, China may be the greatest threat to our interests. A China with only a quarter of America's per capita income would surpass us as the world's largest economy and, perhaps, as the pre-eminent military power. It has already replaced the Soviet Union as the major military supplier for anti-American regimes, and is insisting on great-power hegemony over the South China Sea.

Seeing Japan's success in exploiting the open U.S. market while placing barriers on foreign investment at home, China is building up a huge bilateral trade surplus. Americans who hope that capitalist development will inspire a democratic and peaceable China will almost certainly be disappointed: after all, it took military defeat and occupation to bring democracy to capitalist Germany and Japan.

History warns us, however, against overestimating China's potential — and underestimating that of Japan. Japan's economy is superior to ours in many areas of finance and technology. If it chose to, Japan could become a high-tech military superpower overnight.

Ominously, many Japanese politicians and intellectuals are taking the line that the East Asian model of capitalism — stressing national community and strong government at the expense of individualism — is superior to "decadent" American liberal democracy. "This is a nation of Asian people with Asian blood," Shintaro Ishihara, one of many Japanese politicians arguing for a "re-Asianization" of Japan, has said. Reversing the 19th century slogan "Datsu-ah, ny-o" ("Leave Asia, enter the West"), many Japanese leaders now recite the trendy slogan "Datsu-o, nyu-ah" ("Leave the West, enter Asia").

Those who argue that the U.S. can best restrain Japan by continuing to insure its military security must answer an obvious question: what do we get in return? As the Asian market becomes more important than ours for Japan, our leverage with Tokyo in trade talks will continue to diminish, no matter how many troops we have there. Why should U.S. troops serve indefinitely as the security guards of a latter-day Greater East Asian Co-Prosperity Sphere from which many American products are effectively excluded?

Besides, in the event of American-Chinese conflict, Japan is more likely to act as an opportunistic intermediary than a local ally, if its recent record of undercutting U.S. positions on human rights and arms proliferation in China and North Korea is any indication.

It is too early to tell whether Japan or China will be a greater challenge. The most prudent policy would be for the U.S. to keep its distance from both, weighing in on the side of the weaker whenever one grows overly strong.

In the interim we should remove most of our troops from Japan and replace the U.S.-Japan security treaty with more flexible agreements. Japan should assume responsibility for its own defense, with the two

nations cooperating with others on regional security (U.S. forces should remain in South Korea, however, until peaceful unification). Treating Japan as an equal, not a dependent, may also mean pushing for it to be given a permanent seat on the United Nations Security Council and allowing it to develop a nuclear weapons program if it seeks one.

A new realism in our Asian policy would mean rejecting the counsel of those who would continue to appease Japanese mercantilism on the theories that an overvalued yen or a domestic consumer revolt will soon eliminate its trade surplus. Our deficit with Japan is really worse than it appears, because Japanese subsidiaries in other Asian countries are exporting to the U.S. The problem has festered for so long only because many of America's Asian experts and policymakers are supported by Japanese business interests and U.S. companies with stakes in Asia. (The second largest "soft money" contributor to the Republican party in the first two months of 1995 was the United States Asia Commercial Development Corporation).

The Clinton Administration should follow up its successful tough line in trade talks with China by giving Japan a stark choice between opening its market to the estimated \$50 billion in American imports that is lost every year and our setting up equally restrictive barriers. The Administration should also begin negotiations

Disband NATO, exit Japan, help Russia, beware China.

with the European Union to form a trans-Atlantic common market limited to industrial countries that practice liberal capitalism and two-way trade.

Although our foreign policy should focus on Asia, we of course cannot ignore Europe's great powers, Germany and Russia. Fortunately, neither are strong enough to be world-class threats.

Economists predict that by the year 2020, there will be one German pensioner for every German worker. Countries with low birth rates do not engage in conquest, for lack of cannon fodder. The European Union's inability to set a common policy toward the Balkans, though tragic, should reassure Americans worried about the emergence of a German-dominated superstate.

The Russian Republic combines a population only slightly larger than Japan's with a third world economy, an enfeebled Government, an insubordinate military and chaos on its borders. Eventually, no doubt, some regime, more likely authoritarian than democratic, will forge some degree of order and prosperity. A hostile Russia with nuclear weapons would be a threat — but more like a large Iraq than another Nazi Germany.

Yet it is in America's interest for there to be a moderately strong Russia to act as a military counterweight in Asia to Japan and China. We should continue to support Russia's territorial integrity and give it economic aid.

We cannot expect Russian cooperation in Asia, however, if we antagonize Russia by extending NATO into Eastern Europe. Thus we should replace NATO with a pan-European security organization that includes Russia and the U.S. The Western Europeans as a group, or the Germans independently, would assume separate responsibility for their own defense, permitting the U.S. to pull out most of its troops and end its implausible nuclear guarantee of Europe.

"The commonest error in politics is sticking to the carcasses of dead policies," wrote the Marquess of Salisbury, one of Britain's greatest statesmen, in 1877. "When a mast falls overboard, you do not try to save a rope here and a spar there, in memory of their former utility; you cut away the hamper altogether." The United States-Japan alliance and NATO have been rendered irrelevant by cold war success. The new slogan in Tokyo ought to be adopted in Washington as well: "Leave the West, enter Asia." □

Michael Lind is a senior editor of Harper's Magazine.

Offer Russia A Peace of Vienna

By Fareed Zakaria

America's relations with Russia have veered off the promising path set by Presidents Ronald Reagan and Mikhail Gorbachev as they ended the cold war. The United States, alarmed by the violence in Chechnya, is eying its former adversary warily. Russia is equally alarmed by the threat of NATO's expansion to its borders. President Clinton can begin to move this critical relationship back on course when he meets with President Boris Yeltsin today.

By 1988, once it became evident that a Soviet surrender in the cold war was imminent, President Reagan made it clear the Soviet Union would have to abandon military and political expansionism. In return, he indicated, the U.S. would help the Soviet Union in its transformation and give it the respect due a great power.

The strategy, as continued by President George Bush, worked superbly. The Soviets acquiesced as Eastern Europe liberated itself and Germany unified within NATO. They agreed to reduce their nuclear arsenal by almost 75 percent and to eliminate their stock of intercontinental missiles armed with multiple warheads. Boris Yeltsin dismantled the Soviet Union itself, allowing the 300-year-old Russian empire to disintegrate without resistance.

In return, the U.S. and its allies sent food, money and business and political know-how to Russia, and cut back their military forces substantially. They welcomed Russia at meetings of the Group of Seven industrial countries — a classic example of the Reagan strategy. Russia is, of course, not a legitimate G-7 country but it wants to be treated like one.

Over the last year, however, Russia's behavior has led many thoughtful people to wonder about its intentions. In addition to its ruthless war in Chechnya, it has pursued a nuclear reactor deal with Iran and its diplomats have spoken warily about arms control treaties that Russia has signed.

For its part, the U.S. has given Russia less aid than was promised, has increasingly criticized its halting economic and political reforms and has begun to deal with it less as a great power than as a burgeoning threat. A competitive, almost combative, tone now marks both sides' rhetoric. Can this downward spiral be arrested?

The first issue President Clinton should raise in Moscow is Russia's

Moscow abandons
imperial dreams.
We treat it like a
great power.

commitment to arms control treaties it has signed. The second strategic arms limitation treaty — START II — faces rejection in its Parliament. Russia must ratify the treaty and observe it strictly.

Russia has also raised objections to the treaty in which both sides agreed to reduce their conventional forces. Some of these claims may be legitimate, such as troop limitations on Russia's southern border. The treaty was negotiated in 1990 when the Soviet Union existed and Central Asia was part of it and stable.

The discussion of these treaties is Mr. Clinton's opportunity to press Mr. Yeltsin to end the campaign in Chechnya. Although Chechnya lies within Russia's borders, Russian actions there — the leveling of towns and the killing of tens of thousands of civilians — raise a legitimate international concern. If these are the methods that Russia will use to "stabilize" the Transcaucasian and Central Asian republics, then America must cannot assist by renegotiating the conventional forces treaty.

But if Russia demonstrated that it would assert its interests in a more civilized way — using carrots not just sticks in its rebellious regions — it can make the case for a renegotiation of the conventional forces treaty.

For its part, the U.S. must temper its belligerent calls for the expansion of NATO. True, expanding NATO to include Poland, the Czech Republic,

Slovakia and Hungary could reinforce European stability. But antagonizing Russia in the process would create the problem expansion seeks to solve. As a global power, the U.S. has concerns in Europe as well as East Asia. Russia sits astride both crucial power centers. We must develop a strategic relationship with it that secures our interests in both

places. While Central Europe is important, it cannot constitute the be-all and end-all of American strategy. It has become fashionable to say that Russia should not have a veto over American foreign policy; of course it should not. Neither should Poland.

There is an easy compromise. As it acts to expand NATO, the U.S. should simultaneously propose a special treaty of cooperation with Moscow confirming that NATO will not plan maneuvers against the Russian Army and that its troops will not be deployed into any of the new member countries. Mr. Clinton should also guarantee that only Poland, the Czech Republic, Slovakia and Hungary would be admitted. (The other aspiring members — notably the Baltic republics — are militarily indefensible.)

America's cold war victory was total — far more so than any cold warrior could have imagined. American security is vastly improved and, since 1987, the U.S. has spent hundreds of billions of dollars less on defense than it would have had the cold war persisted. New antagonism with Russia would not lead to a new cold war — Russia's defense budget this year is only \$15 billion, less than 10 percent of America's — but it would lead to a world marked by great-power tension that would only increase as Russia recovered economically and psychologically.

Historically, there are only two durable strategies to secure peace. The first was exemplified by the peace of Carthage. At the end of the Third Punic War, in 146 B.C., Rome razed Carthage and, according to legend, sowed its fertile lands with salt; thus the opposing great power was destroyed and its source of power crushed. The second model was the peace of Vienna. At the Congress of Vienna in 1815, a vanquished France was welcomed into the Concert of Europe and became a normal great power. The Peace of Versailles after World War I, by contrast, did neither, leaving an angry but potentially powerful Germany in the heart of Europe.

The first method obviously does not apply to Russia. We must therefore fashion the best "Viennese" peace we can, one requiring that, in return for a place at the table of the principal powers, Russia will abandon any lingering dreams of empire. Membership in the G-7 and the Organization for Economic Cooperation and Development would be granted in return for arms reductions and peaceful conduct. The U.S. and Russia will always disagree on many issues, but so will the U.S. and France. The trick is to help make Russia into another France.

Ronald Reagan and Winston Churchill, each a leader who who ended a war, were of like minds on how former adversaries should be treated. Mr. Reagan explained on this page in June 1990 that "even though we see ourselves as victors, we must not humiliate the other side." Churchill composed a four line "moral of the work," which precedes his magisterial 6-volume history of World War II. "In War: Resolution/ In Defeat: Defiance/ In Victory: Magnanimity/ In Peace: Goodwill."

There will be time enough for resolution. Let us now remain magnanimous. □

Fareed Zakaria is managing editor of Foreign Affairs.

On My Mind

A. M. ROSENTHAL

Naming the Enemy

In the 1930's the Socialists and Communists of Europe had a unity slogan — "no enemies on the left."

It was not comradeship that made the non-Communist left decide that the Communists could not be enemies. It was fear — fear of the rising Hitler and of the support he was getting from the non-Nazi conservatives of Germany.

That decision could be defended as emergency anti-Fascism. But over the years it became built into the non-Communist left and muted criticism of Communist dictatorships — from Stalin's to Castro's. The failure to recognize that long term the Communists were enemies of freedom became the intellectual and political graveyard of the non-Communist left.

This reminder comes from Jeffrey Herf of the Institute for Advanced Study in Princeton. I pass it on for the urgent attention of American conservatives. God save them and the country from the attitude that is creeping over mainstream American conservatism — no enemies on the right.

One important result of Oklahoma, whoever is found guilty, is that it forced America to see and smell the bands of armed bigots that infest the country, preaching hatred of American society and warfare against the laws that bind it together.

But listen to what so many conservative Republican politicians and like-minded journalists have been saying after the bombing — and for what they do not say.

They were shocked. But, snap, they found something that seemed to shock them as much. The target of choice became not the hatred behind the bombing, but President Clinton for his denunciations of those who spread hatred and for suggesting — too briefly — that some of it came over the airwaves. Ooh, horror, they shouted, he is destroying the First Amendment — as if it outlawed criticism of those who live to destroy it.

Now we hear something more dangerous — attempts to rationalize the nastiness in American life brought to logical result by the bombing and represented by the militias and their supporters.

We are treated to lectures and columns about how we city folk must *understand* the fears in Rural America, how angry they are out there at law enforcement officials who get in their hair, how important are the memories of Waco.

Representative Newt Gingrich is one of the important Republicans who tells us all that. Certainly there's

some truth in it. But because of what he and other Republicans do not say, the lecture becomes not insight but a classic case of the disease of moral equivalence — equal weight to good and evil, truth and myth, or reality and nightmare, without drawing the line between them.

They do not say that the fear is deliberately fed and spread by the bigotry brigades, that although hearings on Waco are justified, equating law enforcement with spreading gunpoint hatred is shameful, and that American citizens must learn the difference between the two.

Are the votes conservatives may get from evading the truth about the far right so completely overriding to them that they are doing what the moderate left did in Europe when it allied itself with Communists, what American liberals did when they

Time for conservatives to speak.

abandoned the anti-Communist cause, what the German conservatives did when they decided that the world had to *understand* the Nazis?

Let's investigate Waco, conservatives should be saying now. But only if they add: at the same time we should investigate, fast, whether the U.S. has the right to allow these private armies to exist, when the Supreme Court has ruled that all military operations should be under government control — and what legal steps we can take to put them out of operation.

Otherwise, conservatives will be opting out of a critical moral struggle, and out of historic reality. Daddy, what did you do when the militias were growing?

Republican politicians should be out there doing their job, which becomes more important the more that Americans lean toward conservatism. They should be drawing clear differences between conservatism that Americans should vote for and right-wing hate peddling that they should be fighting as enemy to conservatism and the country. Else they betray themselves, and all Americans who believed in the essential decency of mainstream conservatism, and still do. □

Lee H. Hamilton

In Bosnia: No Peace, No Peacekeepers

Bosnia is once again at a turning point. The United States and its allies are mired in the conflict. Western diplomats are weary and frustrated as they contemplate the onset of a fourth, futile year of war.

The present situation is unacceptable in all respects. A diplomatic solution remains distant. The current cease-fire has been shattered, and the parties are preparing for further war. The conflict is likely to continue indefinitely and could intensify. The Balkan leaders seem to want to keep fighting. There is a high risk of American involvement as the parties try to draw the United States into the conflict.

For all these reasons, we need some fresh thinking.

The absurdity of the situation is reflected in the most recent round of what passes for diplomacy in this conflict. Leaders of Croatia, Bosnia and Macedonia issued "ultimatums" to the United Nations demanding a renegotiation of terms under which U.N. troops (UNPROFOR) would remain in their respective countries.

It was as if the countries hosting the UNPROFOR forces were doing the United Na-

tions, and those nations providing troops a favor by letting them stay.

The United States and its allies are also frustrated over the issue of sanctions against Serbia. International mediators are trying to find a formula that will allow the suspension of economic sanctions against Serbia, in return for Serb recognition of Bosnia and Croatia. Yet the Serb leaders are cynically moving the goal posts to avoid a result that seemingly is in their interests.

The dynamic of this diplomacy is all wrong—and demeaning. We should not beg the warring parties in former Yugoslavia to allow us to keep troops on the ground in their countries. We should no longer plead with them to compromise.

Instead, we should tell them that our patience and the length of our commitment are limited. At this point, the United States and the international community simply do not have the will or the power to resolve this conflict without the cooperation of the parties themselves. We must make clear once and for all the limits of our involvement.

For nearly four years we have tried hard to

stop the wars in the former Yugoslavia. Many U.N. and other personnel have died or been injured trying to carry on a humanitarian mission under difficult conditions. The United States and its allies have been criticized for not being forceful enough, yet it is undeniable that the work of UNPROFOR in the former Yugoslavia, flawed as it may be, has saved literally hundreds of thousands of lives.

What we need is a new approach that will get the attention of leaders of the region, some of whom have grown rich and powerful during this war while their people suffered. This new approach must be one that the Balkan leaders cannot misconstrue or ignore: an ultimatum of our own.

The United States should immediately begin discussions with its allies in the contact group—those whose troops make up the backbone of the UNPROFOR force—to set a final deadline for the continuation of UNPROFOR in Croatia and Bosnia.

The deadline should stipulate that all UNPROFOR troops, or at least those from NATO countries, will be removed from both countries

THE PRESIDENT HAS SEEN

4/17/95

at the end of the next U.N. mandate, Nov. 30, unless:

- All parties have agreed to an open-ended cease-fire and cessation of hostilities and have begun to implement them.

- All parties have reached agreement on an overall political framework for resolution of the conflict, be it the contact group plan, the Zagreb-4 plan for Croatia or some other plan.

Troops removed from Bosnia and Croatia should be redeployed, as necessary, along international borders with the former Yugoslavia, but only to prevent spill-over of the conflict.

Some will caution that the removal of UNPROFOR and a wider war within former Yugoslavia will simply lead to civilian casualties and refugees. Yet this bad option is better than an indefinite continuation of the Yugoslav wars. The longer the current, unproductive dynamic continues, the more likely that leaders in the region will keep fighting—and try to draw us into their conflict.

We must impress upon the leaders of the former Yugoslavia that we will be manipulated no longer. They know full well they have benefited from the U.N. presence and will

suffer if it leaves. If they are intent on continuing the carnage, they will be doing so on their own.

I am not advocating the immediate withdrawal of UNPROFOR. It is far better if UNPROFOR can stay—both to accomplish its indispensable humanitarian mission and because President Clinton has committed U.S. troops to help if UNPROFOR must leave.

Yet I fear that the United States and its allies may be trapped indefinitely in the former Yugoslavia. This compels me to advocate this new approach to break the cycle of violence.

If the leaders of the region are convinced that the threat of a U.N. pullout is for real—that the international community is ready to give up and leave them to their own bloody devices—they may be more amenable to making peace. To paraphrase Samuel Johnson, the prospect of an all-out war may be the only way to concentrate the parties to negotiate a comprehensive peace.

The writer, a representative from Indiana, is ranking Democrat on the House International Relations Committee.

LETTERS TO THE EDITOR

South Africa: Not Apartheid in Reverse

As a black South African and leader of a development organization formed by the U.S. Agency for International Development, I feel compelled to reply to Paul Taylor's front-page article "Aid to South Africa Assailed as Tilted Toward Blacks" [March 27].

Today South Africa is enjoying the first fruits associated with a democratically elected black-led government. AID is playing a significant role by funding projects involved in implementation of the government's Reconstruction and Development Program. The strategy of empowering black-led development organizations is consistent with the philosophy of the reconstruction program and supported by a majority of South Africans. To suggest this approach is apartheid in reverse demonstrates an inability to appreciate South Africa's political history. The

refusal to be granted access to decent housing, education and health care under apartheid systematically eroded black people's self-esteem and dignity. Providing vital social services through programs managed by white-led organizations only continues the wrong.

The article also describes the AID mission policy requiring higher education contracts to go to black American colleges and universities. This issue is inconsequential for South African blacks. While we value the experience brought by African Americans, who also have suffered from oppression, what is more important is the hand that guides the project. And that hand must belong to a black South African.

RAMS RAMASHIA

Co-Director
Private Agencies Collaborating Together/South Africa
Johannesburg

Hard to Get on Board

I live near the intersection of Wisconsin Avenue and Jenifer Street NW. For this reason, boarding the subway system is a simple matter for me; the Friendship Heights entrance is just a short distance south of the intersection. However, acquiring a senior citizen farecard is a different matter: I must go halfway around the block and ascend a fairly steep stairway before I can arrive at the office where senior citizen farecards are sold.

One of the drawbacks of being a senior citizen is that many of us suffer from arthritis and other muscular complaints, and hence senior citizens and the disabled are that section of the subway-riding

public most inconvenienced by the extra steps required to get special farecards.

The citizen purchasing a standard farecard is not exposed to this inconvenience. He can pick up his farecard right in the Friendship Heights station, from a vending machine just in front of the turnstiles.

The solution is simple: Move the office that now distributes cards for senior citizens and the disabled from its present location to the Friendship Heights station. There is plenty of room right next to the machine dispensing standard cards.

MARY VILLAREJO
Washington

Jack Valenti's Picture of Free Speech

Jack Valenti's selective disregard for the First Amendment ["Campaign Finance Disease," op-ed, March 25] is remarkable in light of his position as head of the Motion Picture Association of America. In equating campaign spending with "flesh-eating bacteria," Mr. Valenti brings to mind the constitutional spigot that allows the movie industry to spew forth toxic cultural pollution. Some think that speech should be limited. A constitutional amendment modeled on the Valenti proposal, giving Congress the "right to make reasonable regulations" in regard to sex and violence in media, could have a culturally cleansing effect of its own.

With the First Amendment thus constricted in accordance with the Valenti model, Congress could require that all movies adhere to a uniform "G-rated" standard. However, that still leaves the question of unequal speech quantity.

Mr. Valenti launches class warfare against the Supreme Court's 1976 *Buckley v. Valeo* decision that gave campaign spending First Amendment protection from arbitrary caps, since such spending is primarily for the purpose of communicating with voters. Extrapolating from Mr. Valenti's contention that disparity in campaign spending means some people have "more" freedom of speech than others, perhaps Congress should rectify the fact that celebrities have more speech power than unknowns. It is unfair that Barbra Streisand's political ruminations are widely disseminated and that Mr. Valenti's writings are printed in a manner that is denied to the average American. In the same vein, it is unfair that large movie companies can crank out more "speech" (i.e., movies) than small movie companies simply by virtue of their wealth. A

simple Valenti-style constitutional amendment could empower Congress to make America one big, level playing field—speech-wise. But then America would not be very free.

Perhaps Mr. Valenti would not advocate such a Draconian action if he examined his underlying premises more carefully. He asserts that candidates spend "80 to 90 percent of their time" fund-raising. Such hyperbole is unsupported by the facts. Federal Election Commission reports reveal that in a six-year Senate election cycle, more than 80 percent of reelection funds are raised in the final two years. In fact, fund-raising is not the day-in/day-out all-consuming chore that Mr. Valenti describes.

Mr. Valenti throws out terms such as "humiliate," "pleading," "cajoling" and "coarse" to describe the act of fund-raising. His observations are certainly not an accurate assessment of the process for credible candidates with any semblance of self-respect. In any event, nothing "forces" people to run for office. However, I will grant that fund-raising was a lot easier in the old days when Mr. Valenti's boss, Lyndon Johnson, was not constrained by contribution limits and the Federal Election Campaign Act of 1974. Campaigns also were less expensive because broadcast advertising was less expensive and because electorates were smaller and less dependent on expensive media for information.

Times have changed, but the value of the First Amendment remains constant. It should not be eviscerated because Mr. Valenti's movie industry offends some people, or some people's fund-raising offends Mr. Valenti.

MITCH McCONNELL
U.S. Senator (R-Ky.)
Washington

From: Tom Donilon
To: Todd Stern
Re: Secretary's Harvard Speech
Date: January 21, 1995

Secretary Christopher asked that you pass this text on to the President for his reading.

Thank you very much.

DISPATCH

Secretary Christopher Principles and Opportunities For American Foreign Policy

Address before the John F. Kennedy School of Government, Harvard University, Cambridge, Massachusetts, January 20, 1995.

America stands today at the threshold of a new century and faces a challenge that recalls the opportunities and dangers that confronted us at the end of the First and Second World Wars. Then, as now, two distinct paths lay before us: either to claim victory and withdraw, or to provide American leadership to build a more peaceful, free, and prosperous world. After World War I, our leaders chose the first path and we and the world paid a terrible price. No one will dispute that after the Second World War, Harry Truman, George Marshall, Dean Acheson, Arthur Vandenberg—and most of all the American people—wisely chose the other path.

That same farsighted commitment to American leadership and engagement must guide our foreign policy today. The Soviet empire is gone. No great power views any other as an immediate military threat. And the triumph of democracy and free markets is transforming countries from Europe to Latin America, and from Asia to Africa. We now have a remarkable opportunity to shape a world conducive to American interests and consistent with American values—a world of open societies and open markets.

In the past year, we helped persuade Ukraine, Kazakhstan and Belarus to give up nuclear weapons on their territory. Nuclear warheads and missiles from these states and Russia are being dismantled. Russian troops are out of the Baltic States and Germany. We have begun to build a new European security architecture. We helped to launch regional security dialogues in Asia. We negotiated a Framework with North Korea that freezes and will ultimately eliminate its nuclear weapons program. We reached an agreement with China that will sharply limit its missile exports. And we stopped Iraqi aggression against Kuwait dead in its tracks.

We also contributed to historic progress in resolving conflict, backing democracy, and promoting development in countries around the world. We fostered agreements between Israel and the PLO, and the peace treaty between Israel and Jordan. We restored the democratically elected government in Haiti—and we are going to do our part to make sure that achievement endures. In long troubled regions like Northern Ireland, South Africa and Cambodia, the United States contributed to extraordinary advances toward peace and reconciliation. And at the historic Cairo Conference, we restored American leadership on the critical issues of population and development.

Finally, we have taken giant steps to build the open trading system of the next century, with America at its hub. We won bipartisan support for the GATT agreement and led the way for its approval around the world. We helped to forge commitments to eliminate trade barriers in the Asia-Pacific region by 2020 and to negotiate free trade in our own hemisphere by 2005. And we made important progress in widening access to Japan's markets.

These are significant accomplishments. But we must not rest on our laurels. Aggression, tyranny and intolerance still undermine political stability and economic development in vital regions of the world. Americans face growing threats from the proliferation of weapons of mass destruction, terrorism, and international crime. And a number of problems that once seemed quite distant, like environmental degradation, unsustainable population growth, and mass movements of refugees now pose immediate threats to emerging democracies and to global prosperity.

In meeting these opportunities and dealing with these dangers, our foreign policy is driven by several principles.

First, America must continue to engage and to lead.



U.S. Foreign Policy

Second, we must maintain and strengthen our cooperative relationships with the world's most powerful nations.

Third, it is essential that we adapt and build institutions that will promote economic and security cooperation.

Fourth, we must continue to support democracy and human rights because it serves our interests and our ideals.

The imperative of American leadership, the first principle of our strategy, is a central lesson of this century. It is sobering to imagine what the world would have been like without it in the last two years alone. We might now have four nuclear states in the former Soviet Union instead of one. We might have a full-throttle nuclear program in North Korea. We might have no GATT agreement or NAFTA. We might have brutal dictators still terrorizing Haiti. And we might very well have Iraqi troops back in Kuwait.

As a global power with global interests, the United States must not retreat from its leadership role. It is our responsibility to ensure that the post-Cold War momentum toward greater freedom and prosperity is not reversed by neglect or by short-sighted indifference. Only the United States has the vision and the capacity to consolidate these gains.

As our recent accomplishments suggest, American leadership requires that we be ready to back our diplomacy with credible threats of force. And to this end, President Clinton is determined that the U.S. military will remain the most powerful and effective fighting force in the world—as it certainly is right now.

When our vital interests are at stake, we must be prepared to act alone. Our willingness to do so is often the key to effective joint action. The recent debate between the proponents of unilateral and multilateral action assumes a false choice. Multilateralism is a means, not an end. Sometimes, by mobilizing the support of other nations, by leveraging our power and leading through alliances and institutions, we

will achieve better results at lower cost in human life and national treasure. That is a sensible bargain I know the American people support.

Leadership also means focusing international attention on emerging global problems. That is why we have given new and enhanced attention to global issues like the environment, population, and sustainable development. They deserve a prominent place on our foreign policy agenda, and as long as I am Secretary of State, they will have it.

Just as our nation must always maintain its military readiness, so we must be ready to advance our political and economic interests around the world through diplomacy. That requires highly trained men and women. It requires modern communications technology. And it requires adequate resources.

The second tenet of our strategy is the central importance of constructive relations with the world's most powerful nations: our Western European allies, Japan, China and Russia. These nations possess the political, economic, or military capability to affect—for good or for ill—the well-being of every American. The relatively cooperative relations that these countries now have with each other is unprecedented in this century, but it is not irreversible.

Our strategy toward the great powers begins with Western Europe and Japan. We must revitalize our alliances with this democratic core. We must also seize the opportunities to build constructive relations with China and Russia, countries that were not too long ago our fiercest adversaries. Both are undergoing momentous, though very different, transformations that will directly affect American interests.

Our partnership with Japan is the linchpin of our policy toward Asia, the world's most dynamic region. This Administration has placed Asia at the core of our long-term foreign policy approach. Realizing President Clinton's vision of a stable and prosperous Pacific Community will continue to be a top priority. Asia figures prominently in many of our central areas of emphasis for 1995.

It is also imperative that we reinforce our security and political ties with Japan—as well as with South Korea and our other treaty allies in the Pacific. It is equally essential that the strength of our economic ties with Japan matches the overall strength of our relationship. During this year that marks the fiftieth anniversary of the end of World War II, we will highlight and heighten our close cooperation on regional and global issues—while continuing to press for greater access to Japanese markets.

Our success in Asia also requires pursuing constructive relations with China, consistent with our overall interests. We welcome China's participation in regional security and economic organizations. We support its accession to the World Trade Organization on proper terms. And we will work hard to gain its cooperation with global non-proliferation regimes. In China's own interest, and consistent with its increasing role in the world community, it needs to demonstrate greater respect for human rights and the rule of law. China's recent crackdown on dissent is disturbing and incompatible with realizing the full potential of our bilateral relations.

Our relationship with Russia is central to America's security. It has been a key foreign policy issue for this Administration. Its importance is reflected in my meetings in Geneva this week with Andrei Kozyrev, where for more than eight hours we discussed a broad array of common challenges and concerns. The United States has an enormous stake in the outcome of Russia's continuing transformation. A stable, democratic Russia is vital to a secure Europe, to resolve regional conflicts, and to fight proliferation. An unstable Russia that reverts to authoritarianism or slides into chaos would be a disaster—an immediate threat to its neighbors and, with its huge nuclear stockpile, once again a strategic threat to the United States.

That is why the Clinton Administration has been unwavering in our support for Russian reform. Despite the setbacks that we knew Russia

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might encounter during this historic and difficult transition, our steady policy of engagement and cooperation has paid off for every American—from reducing the nuclear threat to advancing peace in the Middle East. That is why President Clinton reaffirmed last week in Cleveland his determination to maintain our substantial assistance for democratic and economic reform in Russia.

We are deeply concerned about the conflict in Chechnya. It is a terrible human tragedy. The way Russia has used military force there has been excessive and it threatens to have a corrosive effect on the future of Russian democracy. That is why I emphasized so strongly to Foreign Minister Kozyrev this week that the conflict must end and that a process of reconciliation must begin, taking into account the views of the people of Chechnya and the need to provide them with humanitarian assistance. What we do not want to see is a Russia in a military quagmire that erodes reform and tends to isolate it in the international community.

The third principle of our strategy is that if the historic movement toward open societies and open markets is to endure, we must adapt and revitalize the institutions of global and regional cooperation. After World War II, the generation of Truman, Marshall, and Acheson built the great institutions that gave structure and strength to the common enterprise of western democracies: promoting peace and economic growth. Our challenge now is to modernize and to revitalize those great institutions—NATO, the UN, the IMF and the World Bank, the OECD, among others. And we must extend their benefits and obligations to new democracies and market economies, particularly in Central and Eastern Europe.

At the President's initiative, our G-7 partners agreed that in Halifax next July, we will chart a strategy to adapt the post-war economic institutions to a more integrated post-Cold War period. We are also helping regional institutions and structures such as the Organization of American States, ASEAN, and the Organization of African Unity to promote peace and

democratic development. As we go forward into the next century, we will find ourselves relying more and more on these regional institutions.

As a fourth principle, this Administration recognizes the importance of democracy and human rights as a fundamental part of our foreign policy. Our commitment is consistent with American ideals. It also rests on a sober assessment of our long-term interest in a world where stability is reinforced by accountability and disputes are mediated by dialogue; a world where information flows freely and the rule of law protects not only political rights but the essential elements of free market economies.

In the new year, in 1995, as we follow these basic underlying principles, I intend to focus on five key areas that offer particularly significant opportunities: advancing the most open global trading system in history; developing a new European security order; helping achieve a comprehensive peace in the Middle East; combatting the spread of weapons of mass destruction; and fighting international crime, narcotics, and terrorism.

Open Trade

First, we must sustain the momentum we have generated toward the more open global and regional trade that is so vital to American exports and good jobs for Americans. A core premise of our domestic and foreign policies is that our economic strength at home and abroad are mutually reinforcing. I believe that history will judge this emphasis to be a distinctive imprint and a lasting legacy of the Clinton Administration.

We will implement the Uruguay Round and ensure that the new World Trade Organization upholds vital trade rules and disciplines. We will work with Japan and our other APEC partners to develop a blueprint for achieving open trade and investment in the Asia-Pacific region. We will begin to implement the Summit of the Americas Action Plan. And we will also begin to negotiate Chile's accession to NAFTA.

Let me add a word about something on all our minds today: Mexico, and our effort to address the economic crisis of confidence in that country. The President has demonstrated vision and leadership in assembling the package of support necessary to help Mexico get back on track. The package of loan guarantees has the backing not only of the Administration, but the bipartisan Congressional leadership and the Chairman of the Federal Reserve Board, as well as the international financial institutions. This package contains tough but fair conditions to protect U.S. interests and to ensure the guarantees are used wisely and well.

As the President has said, we should resist the temptation to load up this package with conditions unrelated to the economic thrust of our effort. Let me say this to the Congress and the American people: This package is in the overriding interest of the United States. It should be acted upon quickly and favorably.

European Security Architecture

In our second area of opportunity, we will take concrete steps to build a new European security architecture. We understand that deep political, military, economic, and cultural ties make Europe's security and prosperity essential to ours. It has been so for at least half a century. Our efforts will focus on maintaining strong relations with Western Europe, consolidating the new democracies of Central Europe and the former Soviet Union, and engaging Russia as a responsible partner.

NATO remains the anchor of American engagement in Europe and the linchpin of transatlantic security. NATO has always been far more than a transitory response to a temporary threat. It has been a guarantor of European democracy and a force for European stability. That is why its mission has endured, and that is why its benefits are so attractive to Europe's new democracies.

In earlier years, NATO has welcomed new members who shared its purposes and who could add to its strength. Under American leadership,

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the Alliance agreed last December to begin a steady, deliberate process that will lead to further expansion. We have already begun to examine with our Allies the process and objectives of expansion. We intend to share our conclusions with the members of the Partnership for Peace by the end of this year.

As we move toward NATO expansion, we will also bolster other key elements of the new European security architecture: a vigorous program for the Partnership for Peace, which now includes 24 nations, a strengthened Organization for Security and Cooperation in Europe, and a process for enhancing the NATO-Russia relationship.

The tragic war in Bosnia underscores the importance of building an effective new architecture for conflict prevention and resolution in Europe. Together with our partners in the Contact Group, we are seeking a negotiated solution in Bosnia because only a negotiated solution has any chance of lasting and of preventing a wider war. What we must not do is to make the situation worse by unilaterally lifting the arms embargo. We have always believed that the embargo is unfair. But going it alone would lead to the withdrawal of UNPROFOR and an escalation of violence. It would Americanize the conflict and lead others to abandon the sanctions on Serbia. It would undermine the authority of all UN Security Council Resolutions, including resolutions that impose sanctions on Iraq and Libya.

Middle East Peace and Security

Our third area of opportunity is advancing peace and security in the Middle East. We have witnessed a profound transformation in the landscape of the Arab-Israeli conflict—one that would simply not have been imaginable just a few years ago.

Of course, there are still many difficulties. But despite those difficulties, we must not let this remarkable opportunity slip away. On the Israeli-Palestinian track, we must continue to

make progress in the implementation of the Declaration of Principles. I was encouraged by yesterday's meeting between Prime Minister Rabin and Chairman Arafat and by the serious efforts both sides are making to work out the complex issues in the next phase, where there will be self-government for the West Bank. Each side must see the benefits of peace. Israelis must gain security. Palestinians must achieve genuine control over the political and economic decisions that affect their lives. Each must build the trust and confidence of the other—especially at a time when those opposed to peace seek to destroy mutual confidence.

The negotiations between Israel and Syria are entering a very crucial phase. The parties are serious and some progress has been made in narrowing the gaps. If a breakthrough is to be achieved in the next few months, critical decisions must be made and the process must be accelerated. I assure you that President Clinton and I will do all we can to support these efforts.

As we promote peace in the Middle East, we must also deal with the enemies of peace. Iraq's massing of troops at the Kuwaiti border last October underscored the danger Iraq poses to regional security and peace. It is my conviction, and that of all the leaders with whom I have talked in the Middle East, that Saddam Hussein's regime cannot be trusted. Full compliance with all relevant UN obligations is the only possible basis on which to consider any relaxation of sanctions.

Another rogue state, Iran, now leads rejectionist efforts to kill the chances for peace. It directs and materially supports the operations of Hizballah, Hamas and others who commit atrocities in places like Tel Aviv and Buenos Aires. It sows terror and subversion across the Arab world. Those industrialized nations that continue to provide concessionary credits to Iran cannot escape the consequences of their actions: They make it easier for Iran to use its resources to sponsor terrorism and undermine the prospects for peace.

Today Iran is engaged in a crash effort to develop nuclear weapons. We are deeply concerned that some nations are prepared to cooperate with Iran in the nuclear field. I will not mince words: These efforts risk the security of the entire Middle East. The United States places the highest priority on denying Iran a nuclear weapons capability. We expect the members of the Security Council, who have special responsibilities in this area, to join with us.

Non-Proliferation

Our fourth area of emphasis for 1995 is to take specific steps to stop the spread of weapons of mass destruction and their means of delivery. With the demise of the Soviet Union, the proliferation of these weapons poses the principal direct threat to the survival of the United States and our key allies. Our global and regional strategies for 1995 comprise the most ambitious nonproliferation agenda in history.

The centerpiece of our global strategy is the indefinite and unconditional extension of the Non-Proliferation Treaty (NPT), which is up for renewal this year. The treaty's greatest achievement is invisible—weapons not built and material not diverted. But the impact of the treaty is clear: The nightmare of a profusion of nuclear weapons states has not come to pass. I think that history will record that the NPT is one of the most important treaties of all time.

Our global strategy also includes a moratorium on nuclear testing as we negotiate a Comprehensive Test Ban Treaty; a global ban on the production of fissile materials for building nuclear weapons; ratification of the Chemical Weapons Convention; and strengthening the Biological Weapons Convention.

With the agreements President Clinton signed last December in Budapest, we can now begin to implement the START I nuclear reduction treaty. Later this month, I will be the Administration's lead witness in urging the Senate to promptly ratify START

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II. Finally, we will continue to support the Nunn-Lugar program, which has been so important in providing the funds to help dismantle former Soviet nuclear weapons and which counters would-be nuclear smugglers by improving security at vulnerable facilities.

When this Administration took office, North Korea had an active nuclear program. Left unchallenged, it was poised to produce hundreds of kilograms of plutonium that could be used in nuclear weapons. The stage was being set for a crisis that would imperil security throughout Northeast Asia and undermines our entire global nonproliferation effort.

Last fall, the United States concluded an Agreed Framework with North Korea that freezes its nuclear program, provides for its dismantlement, and puts the whole issue on the road to resolution. The Framework has the strong support of Japan and South Korea—key allies whose security it will protect and who will finance most of its implementation. Of course, we are under no illusions about North Korea. Implementation of the Framework will be based upon verification, not trust. We are determined to ensure that North Korea fulfills every obligation at every step of the way.

Those who oppose the Framework with North Korea have a heavy responsibility to offer an effective alternative that protects our interests and the interests of our allies in Northeast Asia. They have not done so.

We also have an aggressive strategy with respect to conventional arms and missiles. We will seek to broaden the Missile Technology Control Regime. We will push for a global agreement to control the export of antipersonnel landmines, one of the real scourges of the world, and work bilaterally to remove the millions of mines still in place. We are also seeking to establish a COCOM successor regime, which will restrain trade in arms and sensitive technologies to the pariah states.

Crime, Terrorism, and Drugs

Turning to our fifth area of emphasis, international terrorists, criminals and drug traffickers pose direct threats to our people and to our nation's interests. They ruin countless lives, destroy property, and siphon away productive resources. They sap the strength of industrialized societies and threaten the survival of emerging democracies.

That is why in 1995 we plan to implement a comprehensive strategy to combat these threats. The State Department is working on this plan in close and urgent cooperation with the Departments of Justice, Treasury, and other law enforcement agencies. The strategy on international crime and terrorism will include several vital steps:

- First, we will insist that other countries fulfill their obligations either to extradite or prosecute international fugitives, and ensure that convicted criminals serve tough sentences;
- Second, we will work with other governments to develop and implement tough asset forfeiture and money laundering laws to attack international criminals in a vulnerable place—in their pocketbook. Unfortunately, many countries have very weak laws as far as asset forfeiture and money laundering goes.
- Third, we will toughen standards for obtaining U.S. visas to make it more difficult for international criminals to gain entry to this country;
- Fourth, we will propose legislation to combat alien smuggling and immigration fraud by providing increased penalties and more effective investigative tools; and,
- Fifth, the Clinton Administration is planning new steps to expand the use of U.S. law against terrorists and against funding for their worldwide activities.

I have discussed five key areas of opportunity for American foreign policy in 1995. I also want to underscore that our foreign policy will continue to address a whole range of issues important to our interests, such as promoting stability and democracy

in Asia, Latin America, and Africa; meeting humanitarian needs around the world; fighting environmental degradation and addressing rapid population growth.

As I conclude, let me note that since my first week in office, I have consulted closely with both parties in Congress on every important issue on our agenda. We have gained bipartisan backing for key objectives of our foreign policy, including our approach on the Middle East peace process, our landmark trade agreements, such as NAFTA, GATT, and APEC, and denuclearization in the former Soviet Union.

The recent elections changed the balance of power between the parties. But they did not change, indeed they enhanced, our responsibility to cooperate on a bipartisan basis in foreign affairs. The election was not a license to lose sight of our nation's global interests or to walk away from our commitments in the world. Leaders of both parties understand that well, and I am glad to tell you that my extensive meetings with the new Republican leadership give me great confidence that we will be able to sustain the bipartisan foreign policy that is America's tradition.

Bipartisan cooperation has always been grounded in the conviction that our nation's enduring interests do not vary with the times. President Harry Truman had it right 40 years ago: "Circumstances change," he said, "but the great issues remain the same—prosperity, welfare, human rights, effective democracy, and above all, peace."

With the Cold War behind us, the United States has a chance to build a more secure and integrated world of open societies and open markets. We are the world's largest military and economic power. Our nation's founding principles still inspire people all over the world. We are blessed with great resources and resolve. We will continue to use them with wisdom, with strength, and with the backing of the American people. ■

Guess Who's Coming to St. Patrick's Day

By GEOFFREY WHEATCROFT

Today is St. Patrick's Day, and at the White House President Clinton is giving a reception to honor Gerry Adams, leader of Sinn Fein. This has caused a tiff between the British and American governments, but the Adams visit goes beyond diplomatic disagreements. There is a serious moral issue at stake here.

Sinn Fein is the "political wing" of the Irish Republican Army. It uses the rhetoric of Marxist revolution. For the fashionable international left, the IRA has become one of a revered trinity of initials, along with the ANC and PLO; for them the Gerry Adams visit is a cause of celebration. Those who aren't Marxists might point out, in defense of today's reception, that the white regime in South Africa finally talked to the ANC and the Israelis to the PLO.

But these comparisons are absurd. Whatever was thought of those other organizations' use of terrorism, Nelson Mandela undoubtedly spoke for more than 20 million disenfranchised people, as the first universal elections in South Africa proved. Yasser Arafat also speaks (or spoke; the Israelis are learning to their chagrin that the past tense may be in order) for many Palestinians. At the least, it was hard to deny either man's claim absent elections.

By contrast, we know exactly what Sinn Fein's political support is. For all the undoubted injustices that the Catholic minority there has suffered, Northern Ireland is part of a country with a constitutional government, universal suffrage, and free elections. At the last such general election, Sinn Fein won 78,291 votes, 9.5% of votes cast in Northern Ireland.

So why is Sinn Fein now in a sense the most important party in Ireland, and Mr. Adams courted on all sides? He has achieved his position of strength through a formidable campaign of terrorist violence in which more than 3,000 people have been killed in Northern Ireland. And if that doesn't sound like very many, keep in mind that, as a proportion of respective populations, it is equivalent to 500,000 Americans, or more than eight times as many Americans as were killed in Vietnam. By some trick of willful blindness or psychological denial, this is overlooked in the U.S., a country whose politicians and commentators affect great indignation at terrorism elsewhere.

In the New York Times last week, Anthony Lewis harrowed us with the death of a seven-year-old Bosnian boy at the hands of Serb terrorists. Some of us were reminded of other deaths, of other children. On the Shankill Road in Belfast in October 1993, an IRA bomber killed nine innocent people, all Protestants; in a deliberate act of ethnic terror. Two of those killed were girls, of seven and 13. The bomber also killed himself inadvertently. At his funeral, as seen in the nearby picture, his coffin was born aloft by Gerry Adams in a conscious act of celebration.

Or of homage to a fallen comrade, one might say. For some years now, Mr. Adams has been chairman of Sinn Fein and removed from the everyday nitty-gritty. That was not always so. The British press has widely reported that in 1971-72, at a high point of the violence, Mr. Adams commanded units of the IRA. Mr. Adams re-



Gerry Adams at the funeral of an IRA bomber in 1993.

portedly rose to be "chief of staff" of the IRA in 1978. And while Mr. Adams has protested these charges, he has never directly refuted them.

But now comes the fascinating contrast. The Serbs are universally and rightly execrated. And yet, within months of the Shankill killing and the killer's funeral, President Clinton had granted Mr. Adams permission to visit the U.S. He was warmly greeted by leading politicians, was genially interviewed on television, and received not one but two flattering profiles in Mr. Lewis's newspaper. Now comes his apotheosis as he goes to the White House and meets the president. It doesn't seem fair to Radovan Karadzic. Of course, it may be that, if there were only a few Irish-Americans but 40 million Serb-Americans, it would be Mr. Adams who was execrated and Mr. Karadzic who got to shake hands with President Clinton and got the fawning profiles.

To justify this glorification of Mr. Adams, it is said that he is now a "peace-maker." It is true the IRA has called a cease-fire. And yet, the cease-fire was called only because Sinn Fein-IRA had been given to understand that many concessions would be made to them. That has proved to be the case, up to the recent "framework document" that, though promising half-heartedly to respect the wishes of the majority, clearly adumbrates the united Ireland that is the IRA's dream and the Unionists' dread.

At the same time, British Prime Minister John Major made specific reciprocal demands: that the IRA should declare its cease-fire permanent and unconditional, and that it should give up its weapons. Nothing of the kind has happened, in either case. What has happened instead is that, in a rather humiliating striptease, the British have gradually dropped their own demands. This

reached the point where Sir Patrick Mayhew, the Northern Ireland secretary, intimated recently in Washington that Sinn Fein need only give up "some" arms before it earns the right to meet British ministers, in flat contradiction to what he had said before.

On Tuesday, the White House said that it too had asked Sinn Fein for an assurance on the decommissioning of arms, as the phrase now goes. It is hard to see how this can be given. Sinn Fein and the IRA have achieved what they have thanks to the use of violence. If they were really to renounce "the armed struggle" permanently and to surrender all their arms, Sinn Fein would be one party among many, and not at all an important one.

In Boston at the end of September, Mr. Adams warned that, if the cease-fire failed, bombing would begin again. This is simply the language of the protection racketeer, or the rapist: Do just as I say and don't struggle, and you won't get hurt. And this is the man whose hand the president will shake today.

Mr. Wheatcroft is an English journalist.

Stabilize Prices, Not the Dollar

By MARTIN FELDSTEIN

The recent fall of the dollar could add nearly one percentage point to inflation over the next 12 months. To prevent that from happening, the rate of increase in the prices of services and nontradable goods must be slowed to offset the more rapid rise in the prices of imports and other tradable goods that the dollar's decline will cause.

Unfortunately, however, the dollar's fall comes at a time of increasing tightness in domestic labor and product markets that will by itself increase inflation. Private employment has risen at the rapid pace of more than 300,000 jobs a month since November with no offsetting decline in the average number of hours worked per week. Capacity utilization increasingly exceeds the 85% level that has been a prelude to inflation in the past.

Although the expansion won't continue at last year's rapid pace, the slowdown projected in the current consensus forecast isn't enough to stop inflation from rising this year and in 1996. To prevent the higher inflation, the Fed should raise short-term rates at least once more this spring and be ready to do so again later this year.

It would be wrong, however, to use monetary policy to try to reverse the dollar's decline or even to prevent it from falling further. The Federal Reserve's responsibility is to defend the purchasing power of the dollar for American consumers at home and not the international value of the dollar. Although a falling dollar adds to inflationary pressure, a stable dollar is not necessary to achieve a low rate of inflation. Even during the dollar's sharp 35% fall from 1985 to 1988, the rate of inflation was only 3.1%, actually less than it had been in the three prior years when the dollar rose by 23%.

An Inevitable Response

The dollar's decline over the past decade has been a natural and inevitable response to the persistent U.S. trade deficit. Because a dollar decline does not induce an equally large offsetting rise in the prices of American tradable goods, a lower dollar makes American products more competitive in world markets and thereby helps to shrink the U.S. trade deficit. In 1986 our current account deficit exceeded 3.5% of gross domestic product. The dollar's decline after 1985 cut that GDP share in half by 1990.

Although the current account deficit remains relatively smaller than a decade ago, it rose to \$150 billion in 1994. The dollar continues to decline because financial investors around the world are not willing to go on financing such a large U.S. trade imbalance. Those who say that the dollar's decline is inconsistent with economic fundamentals ignore the basic fact that the U.S. still has a massive trade deficit that requires a capital inflow of more than \$12 billion a month. The lower dollar, by cutting future trade deficits, reduces the amount of foreign capital that will be needed.

The Mexican crisis that began three months ago is the primary reason for the dollar's recent accelerated fall. Because the Mexicans can no longer attract large inflows of private capital, Mexico must now cut its imports by more than \$20 billion a year. Since about two-thirds of Mexican imports come from the U.S., our exports to Mexico will decline by about \$12 billion a year. If nothing else changed, that would increase our global trade deficit by an equal amount. Since foreign investors are unwilling to finance such an increase in our trade deficit, the dollar must decline to shrink our trade deficit with the other countries of the world. In this way, the fall in the dollar causes the world as a whole to share in the reduced Mexican demand for imports from the U.S.

The U.S.-IMF package of help for Mexico, by reducing the extent to which Mexi-

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Those who say that the dollar's decline is inconsistent with economic fundamentals ignore the fact that the U.S. still has a massive trade deficit that requires a capital inflow of more than \$12 billion a month.

can imports must fall, implies a stronger U.S. dollar than would otherwise emerge. Far from dragging the dollar down, as some opponents of our aid package have claimed, our assistance to Mexico has helped to prevent an even larger fall of the dollar.

There were, of course, also temporary psychological factors that contributed to the dollar's fall. Alan Greenspan's testimony at the end of February hinted that the Fed's next move might be to ease monetary policy. The collapse of the balanced-budget amendment suggested that Congress was adrift. But Mr. Greenspan has since clarified the Fed's commitment to inflation-fighting, and market participants have had time to recall that the fundamental impact of a larger budget deficit is likely to be higher interest rates and a stronger dollar, just as it was in the 1980s. The dollar could therefore temporarily reverse direction and offset some of the speculative decline. Yet the collapse of Mexican imports and the persistence of our trade deficit with the rest of the world are likely to mean that the dollar will remain significantly lower than it was last year.

Because the dollar's decline is driven by our trade imbalance, the dollar's real value cannot be stabilized by monetary policy or by exchange market interven-

tion. The underlying cause of our trade imbalance is the excess of domestic spending over production. Only by reducing private or public spending through a higher saving rate, a smaller budget deficit, or a lower rate of investment in equipment and buildings can we free up the resources to shrink the trade deficit.

If we don't do it by higher saving or smaller budget deficits, the falling dollar and shrinking inflow of funds from abroad will cause domestic interest rates to rise and investment in equipment and construction to fall. The resulting decline in economic growth should of course be blamed on the low rate of domestic saving and not on the falling dollar.

A lower real value of the dollar does mean that the U.S. receives less in foreign goods and services for the products that we send abroad. Since foreign trade represents about 11% of GDP, a 10% decline in the dollar's real value reduces the value of what we as a nation receive in exchange by about 1.1% of GDP. This adverse effect of a lower real dollar on our standard of living is the primary reason to dislike a decline of the dollar, not the much touted fear that the dollar's role as a reserve currency will be diminished or that New York City will lose financial-sector jobs.

Retained Its Role

As long as the Federal Reserve keeps inflation under control, foreign governments will continue to use the dollar as a reserve currency. The dollar has retained its role as the world's primary reserve currency even though the dollar has fallen by more than 50% relative to the yen and the mark since the system of floating exchange rates began in 1973. Moreover, the entire U.S. gain from being a reserve currency is only about \$10 billion a year, the government's interest saving that results because foreign governments hold reserves in short maturity securities.

New York's role as a key financial center also does not require a strong dollar. Although the British pound has fallen by more than 60% relative to the German mark since 1973, it is London and not Frankfurt that is the premier financial center of Europe. Technology and legal rules rather than currency strength determine where financial markets prosper.

The Federal Reserve and the administration have been wise to limit their exchange rate actions to pronouncements in favor of a strong dollar and to a token amount of exchange market intervention aimed at reinforcing the message that the dollar's recent decline is not a goal of U.S. policy. Monetary policy cannot reverse the dollar's inevitable real decline. But the Fed should make sure that the dollar's fall does not exacerbate domestic pressures and cause higher inflation in the months ahead.

Mr. Feldstein, former chairman of the president's Council of Economic Advisers, is a professor of economics at Harvard.

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STATEMENT BY
SECRETARY OF STATE
WARREN CHRISTOPHER
BEFORE THE
SENATE APPROPRIATIONS SUBCOMMITTEE
ON COMMERCE, JUSTICE
AND STATE

Wednesday
March 1, 1995

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Good morning. I am pleased to appear for the first time this year before the Senate Appropriations Subcommittee on Commerce, Justice, and State. I am here to provide you with an overview of our proposed fiscal 1996 budget, and to highlight the foreign policy objectives the budget supports -- in particular those areas under this Subcommittee's jurisdiction.

The American people justifiably expect that their government will do what it must to protect our nation's interests in the world. At the same time, the American people rightly demand that we apply the most rigorous standards when we decide how to spend their tax dollars. We have been tough-minded in putting together what is an austere budget.

The International Affairs budget represents only 1.3 percent of total federal spending. It has absorbed substantial real cuts in the last several years, and is now 45 percent lower in real terms than it was in 1984. Despite the extraordinary challenges we face, our 1996 spending request is essentially what we are spending in the current fiscal year. Indeed, the resources we are requesting are the rock bottom minimum we need to advance our nation's vital interests.

Consider what the world would be like if we had not had the resources we needed to sustain American leadership and protect American interests in the last two years alone. We would have four nuclear states in the former Soviet Union instead of one, with Russian missiles still targeted at us. We would have a full throttle nuclear program in North Korea. We would have no GATT agreement to expand world trade. Brutal dictators would still terrorize Haiti, and more people would risk their lives and wash up on our shores. Very likely, Iraqi troops would be back in Kuwait. And an unaddressed Mexican economic crisis would threaten instability along our border.

Last November's elections certainly changed a great deal. But they were not a license to lose sight of our global interests or to walk away from our commitments in the world. This budget advances our interests and maintains our commitments. Approving it will be a test of our willingness to dedicate the resources necessary to protect the security and prosperity of the American people. It will be a stern test of the first principle guiding our foreign policy: a test of our commitment to lead.

Our foreign policy strategy is driven by four principles: that we continue to engage and to lead; that we maintain effective relations with the world's great powers; that we adapt and build institutions that will promote economic and security cooperation; and that we continue to support democracy and defend human rights. Today, I would like to devote particular emphasis to the first: American leadership.

The end of the Soviet empire removed the central threat to American security, but it did not eliminate our vital stake in international engagement. A clear-eyed assessment of our interests makes it plain that American leadership remains essential.

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The spread of open societies and open markets offers an unprecedented opportunity to advance our interests. Our former adversaries in Europe are becoming our partners in diplomacy and trade. Dynamic growth will help fuel our economy well into the next century. These developments matter for every American community. Millions of American workers will clearly benefit from the market-opening agreements we helped forge, like NAFTA and the Uruguay Round of the GATT. Just as important, they will benefit from our support for economic development, democratic government, and political stability-- the conditions upon which key new markets in Latin America, Southeast Asia, and Central Europe depend.

But we must not be complacent. Aggression, intolerance, and tyranny still challenge the march of democracy and threaten our interests in many regions of the world. Problems like nuclear proliferation, terrorism, and environmental degradation pose growing dangers to our nation. The security of nuclear stockpiles in the former Soviet Union, for example, and the possibility that rogue states like Iran or Iraq might acquire nuclear weapons, are matters that directly affect the security of each and every American.

As we address these opportunities and threats, we must set strict priorities that are consistent with our interests. But we also know that we cannot assure our security and prosperity by building a wall around our nation and abandoning the instruments of global leadership. The world looks to us to lead. More important still, the American people expect no less.

Today America faces a choice: between engagement and retreat; between the concrete benefits of integration and the illusion of isolation; between sharing burdens and responsibilities with others and shirking them altogether.

We are the nation that spent trillions of dollars to defend the free world during the four decades of the Cold War. It would be a historic mistake if America now refused to spend a fraction of that amount to consolidate those remarkable gains.

Of course there is room to differ on specific issues -- on the best ways to make peacekeeping more effective, for example, or the best possible targeting of our assistance programs. But I believe that the wholesale rejection of all the instruments of our engagement would undermine America's ability to lead.

Those who say they are for a strong America have a responsibility to help keep America strong.

We cannot have it both ways. We cannot be the world's most powerful nation if we do not marshal the resources to stand by our commitments. We cannot lead if we do not have all the tools of leadership at our disposal. Preventive diplomacy is often the first line of defense. Those who would undermine our diplomatic capacity threaten our national interest at a vital stage in the process when peaceful solutions are still possible.

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We obviously cannot lead if others do not join us -- and our friends and allies will not be there when we need them if we are not constant in meeting our commitments. We cannot take our friends and allies for granted.

As several of our recent accomplishments suggest, maintaining American leadership requires us to be ready to back our diplomacy with the credible threat of force. And when our vital interests are at stake, we must always be prepared to defend them alone. Yet no American believes that our soldiers should have to take all the risks, or that our taxpayers should have to pay all the bills, when the world responds to crisis. That is why leveraging our resources through institutions like the United Nations is a sensible bargain the American people support. In this budget, we are requesting \$445 million for our fiscal 1996 assessed share of UN peacekeeping operations. In addition, we are seeking a supplemental appropriation of \$672 million for peacekeeping arrearages.

During the Cold War, peacekeepers kept a lid on regional disputes that might have led to superpower confrontation. Since the Cold War ended, the UN has helped to resolve conflicts in places like Afghanistan, Cambodia, El Salvador, and Nicaragua, where, in one way or another, the United States had once been engaged. Everyone acknowledges that some missions have failed. But no one would deny that many missions have succeeded, even under the most difficult circumstances.

There is no question that the UN can be and must be more effective. We are committed to the reform and reinvention of the UN system. Some progress is being made and we will press for more. But some people argue that we should back away from the UN entirely. I think that would be a terrible mistake for the United States and the world.

In the last two years we have developed clear peacekeeping guidelines designed to ensure that tough questions are answered before any new missions are approved and that money is not wasted. And we are improving our consultation with Congress at every step.

As a result, there have been fewer new missions and better management of existing ones. The UN has established an independent office with the functions of an Inspector General to sharpen oversight. And the UN's new Under Secretary-General for Administration and Management, Joseph Connor, the former head of Price Waterhouse, is aggressively pursuing a broad agenda for reform.

But two weeks ago, the House of Representatives passed legislation -- the so-called National Security Revitalization Act -- which, intentionally or not, would end over four decades of U.S. support for UN peacekeeping. That would violate a solemn treaty commitment -- something that the United States as a great nation should not do. If our NATO allies and Japan were to adopt similar policies, UN peacekeeping would end overnight.

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If peacekeeping were no longer an option, we would lose a tool that every American President since Harry Truman has used to advance American interests. Peacekeepers and monitors would have to be withdrawn from vital trouble spots around the world, including the Golan Heights between Israel and Syria, the Iraq-Kuwait border, and Cyprus. That would be an invitation to aggression and disorder.

The United States would then be left with an unacceptable choice whenever an emergency arose: a choice between acting alone and doing nothing.

Our request for peacekeeping, Mr. Chairman, is a small price to pay to gain international participation and financing for objectives the United States supports. It allows us to deal with threats to peace without having to deploy American troops every time. As the President has made clear, we will vigorously oppose any efforts to curtail this commitment.

The second principle driving our overall strategy is the central importance of constructive relations with the world's most powerful nations: our Western European allies, Japan, China and Russia. These nations have the economic or military capacity to have an impact -- for good or for ill -- on the well-being of every American. The relatively cooperative relations that these countries now have with us and with each other is unprecedented in this century, but not irreversible.

Our strategy toward the great powers begins with Western Europe and Japan. We must revitalize our alliances with this democratic core. We must also seize the opportunities to build constructive relations with China and Russia, countries that were not too long ago our greatest adversaries. Both are undergoing momentous, though very different, transformations that directly affect American interests.

Our partnership with Japan is the linchpin of our policy toward East Asia, the most dynamic and fastest-growing region in the world. This Administration has placed the Asia-Pacific region at the core of our long-term foreign policy approach. Realizing President Clinton's vision of a stable and prosperous Pacific community will continue to be a top priority. Moreover, the region figures prominently in many of the central areas of opportunity that we are pursuing in 1995.

It is imperative that we reinforce our security and political ties with Japan -- as well as with South Korea and our other treaty allies in the Pacific. Our alliance with Japan, based on shared democratic values and a common commitment to peace and stability, is central not only to our strategic position in the Asia-Pacific region but to the resolution of key security issues such as the North Korean nuclear program, to developments in regions such as the Middle East, and to the effective management of global economic and political issues in the G-7 and at the UN.

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It is equally essential that the strength of our economic ties with Japan matches the overall strength of our relationship. During this year marking the fiftieth anniversary of the end of World War II, we will highlight and heighten our close cooperation on regional and global issues -- while continuing to press for greater access to Japanese markets.

With China, we are pursuing constructive relations that are consistent with our global and regional interests. The President's strategy of comprehensive engagement is designed to maintain our overall momentum in advancing a broad agenda with Beijing. We want China to be fully integrated into the international community. For that to happen, it must accept the obligations that come with membership in international institutions and adherence to international norms.

We are encouraging China's participation in regional security and economic organizations. We are supporting its accession to the World Trade Organization on commercially acceptable terms. We are seeking its full commitment to global nonproliferation regimes. We are encouraging China to demonstrate greater respect for human rights. And we have just achieved an important success in gaining China's agreement to demonstrate greater respect for intellectual property rights.

President Clinton had made it clear that the widespread pirating of computer software, videotapes, and compact discs in China is unacceptable to the United States and incompatible with China's responsibilities as an emerging economic power. He outlined a course of action that the United States would be prepared to follow if progress was not made. The agreement reached last weekend in Beijing shows that we can work together toward common goals. It includes specific steps to stem Chinese copyright violations and to improve market access for information and entertainment products. China must now act to implement the agreement, and we have a detailed protocol designed to ensure that will happen. For our part, we will provide technical assistance to help China establish effective enforcement regimes, especially in its customs capabilities.

This agreement will help American and other foreign firms gain fair treatment in the world's fastest growing market. It will reinforce the strength of a global trading system in which markets are increasingly open and rules are rigorously observed. It will also advance our goal of encouraging China to exercise its full international responsibilities. At the same time, as President Clinton emphasized on Sunday, "Greater respect for the rule of law and greater access to intellectual property products both promote a more open Chinese society."

We will continue to work with China on issues such as North Korea and other proliferation threats, Cambodia, and the control of narcotics. Success will not come overnight. But our goal remains a broad and full relationship with a strong, stable, open and prosperous China that is a full and constructive member of the international community.

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The United States, of course, has an enormous stake in the outcome of Russia's continuing transformation. A stable, democratic Russia is vital to a secure Europe and a stable world. An unstable Russia that reverts to dictatorship or slides into chaos would be an immediate threat to its neighbors and once again a strategic threat to the United States. We have no illusions about how difficult that transformation has been, and how hard it will continue to be.

There is little doubt that the conflict in Chechnya has been the most serious crisis for reform in Russia since the Soviet Union collapsed. We have been profoundly concerned about the excessive and indiscriminate use of force, and the corrosive implications that has for Russia's future as a democratic, multi-ethnic state.

We have emphasized strongly to the Russian government that the fighting must end. A process of reconciliation must begin that takes into account the views of the people of Chechnya and that validates Russia's commitment to democratic principles. We also call upon the Russian government to support fully the efforts of the Organization for Security and Cooperation in Europe (OSCE) to hasten an end to the conflict and to facilitate delivery of humanitarian relief to its victims. We especially support the call of the OSCE Chairman-in-Office for a continuous OSCE presence in Chechnya.

The tragedy of Chechnya has not altered our interest in helping Russian reformers build a nation that is finally at peace with itself and its neighbors.

Our assistance to Russia remains important because it advances that interest. It supports the safe transport and dismantlement of nuclear weapons and materials. It provides seed money for small business development. It supports the development of a free press, and backs solemn commitments the United States has made to encourage Russian troops to leave the Baltic states.

Most assistance is distributed through private organizations, in areas outside Moscow. And of our total assistance to the former Soviet Union, more than half goes to newly independent states like Ukraine, Kazakhstan and Armenia. Cutting assistance now would hurt the friends of democracy in Russia -- the very forces that have been most critical of the Chechnya operation.

At the same time, let me stress that the pace, depth, and substance of Russia's dealings with the United States, as well as with institutions like NATO and the G-7, will depend in large measure on the pace, depth, and direction of Russia's transformation. To the extent the Russian government upholds international norms in its internal and external policies, the cause of Russia's integration is bound to advance. Further violence in Chechnya can only set back that cause.

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The third principle guiding our overall strategy is that if the historic movement toward open societies and open markets is to advance, we must adapt and revitalize the institutions of global and regional cooperation. After World War II, the generation of Truman, Marshall, Acheson, and Vandenberg built the great institutions that gave structure and strength to the common enterprise of western democracies: promoting peace and economic growth.

Now, as President Clinton told the Canadian Parliament last week, "we must adapt the institutions that helped us to win the Cold War, so that they can serve us well in the 21st Century." At the President's initiative, we and our G-7 partners will chart a strategy in Halifax this June to adapt the post-war economic institutions to the more integrated post-Cold War world.

Our 1996 budget includes \$934 million in contributions to the UN and to other important international bodies. We are also helping regional institutions and structures like NATO, the OAS, and APEC to promote peace and development. Our support advances our interests around the world, from defending human rights and the rule of law to promoting economic growth to settling disputes peacefully to encouraging nuclear safeguards. It enables us to influence the development of international standards to support international trade, transportation, telecommunications, and intellectual property protection. And it strengthens cooperation in areas such as the environment, agriculture, technology, and health.

Our fourth principle is the fundamental role that democracy and human rights have in this Administration's foreign policy. Our commitment is consistent with American ideals. It also rests on a sober assessment of our long-term interest in a world where stability is reinforced by accountability and disputes are mediated by dialogue; a world where information flows freely and the rule of law protects not only political rights but the essential elements of free market economies.

One month ago, the State Department issued its 19th annual report on human rights practices worldwide. The first reports were prepared under my direction in 1977 during my first year as Deputy Secretary of State. Those early reports were small in scale and narrow in scope compared to today's effort. The Country Reports help us to shape our diplomacy, assistance and trade policy. They are also important in their own right, because they shine a bright light on human rights violations that might otherwise be shielded by a veil of secrecy and indifference.

Our budget also requests \$1.3 billion for the United States Information Agency -- a reduction of \$123 million from 1995 levels. USIA plays a unique role in strengthening pluralism, supporting the free exchange of news and ideas, and broadening the dialogue between Americans, their institutions, and their counterparts abroad.

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From public diplomacy to international broadcasting through the Voice of America, Cuba broadcasting, and Radio Free Europe/Radio Liberty to educational and cultural exchange programs, USIA brings America's message to the world. We are all familiar with the educational exchange program that bears the late Senator Fulbright's name. The thousands of Americans who have studied abroad, and the thousands of foreign students who have studied here, all carry with them a Fulbright legacy: International understanding is indispensable in an interdependent world.

USIA has been at the forefront of the streamlining effort initiated by the National Performance Review. Its consolidation of all U.S. Government non-military overseas broadcasting will generate savings of \$400 million by 1997.

As part of the USIA request, we are seeking \$34 million for the National Endowment for Democracy. Since its creation under President Reagan, the NED has played a critical role in fostering democratic development around the world. Its programs have assisted political parties, human rights organizations, free trade unions, business associations, civic education groups, and others working to strengthen the roots of civil society. The NED is an important vehicle for advancing America's interests and ideals.

Mr. Chairman, let me add just a few words on Cuba. The Summit of the Americas last December showed that the nations of this hemisphere have committed themselves to democratic institutions, respect for human rights, and free markets. Today, only Cuba stands in defiance of those goals.

The fundamental aim of our Cuba policy is a peaceful transition to democracy, respect for the human rights of the Cuban people, and an open economy with opportunity for all. This Administration is committed to a vigorous pursuit of that objective. We believe the best means of achieving this goal is the course outlined by the Cuban Democracy Act. The CDA maintains firm pressure on Cuba for peaceful change by denying legitimacy and resources to the Castro regime through the embargo, while reaching out to the Cuban people through humanitarian donations and enhanced communications. As part of our USIA budget, we are requesting \$26 million for Radio and TV Marti to continue providing the Cuban people uncensored news and commentary on internal and international events.

OPPORTUNITIES FOR 1995

Guided by these basic principles, in 1995 I am focusing on five key areas that offer particularly significant opportunities: advancing the most open global trading system in history; developing a new European security order; helping achieve a comprehensive peace in the Middle East; combatting the spread of weapons of mass destruction; and fighting international crime, narcotics, and terrorism.

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Open Trade, Exports and Jobs

First, we must sustain the momentum we have generated toward the increasingly open trading system that is vital to American exports and American jobs. A core premise of our domestic and foreign policy is that our economic strength at home and abroad are mutually reinforcing. I believe that history will judge this emphasis to be a distinctive imprint and a lasting legacy of the Clinton Administration.

This year, we will take steps to implement the Uruguay Round and ensure that the new World Trade Organization upholds essential trade rules and disciplines. We will work with Japan and our other APEC partners to develop a blueprint for achieving open trade and investment in the Asia-Pacific region. We will begin to implement the Summit of the Americas Action Plan for open trading in our hemisphere. And we will start negotiations for Chile's accession to NAFTA.

At the same time, American companies and workers must be in a position to take advantage of the opportunities that these negotiations are helping to create. That is why this Administration is sparing no effort to make sure that our companies can compete on a level playing field. That is why I continue to sit behind what I call the America Desk at the State Department, and why I am determined to keep economic and commercial diplomacy at the core of the Department's work.

We have really changed the culture of the State Department in this respect. I am pleased to see CEOs quoted in national publications saying that they have never seen the State Department and our Ambassadors more supportive of American business.

Our embassies around the world are working harder than ever to help win contracts, safeguard investments and support American firms and American jobs in every way they can. This Administration has achieved an unprecedented degree of focus and coordination in our export promotion efforts.

Exports have been the driving force in our economic recovery. They must remain the driving force for long-term growth. Over the past two years, our export promotion efforts have created more than one million high-paying American jobs. Our budget request for FY 1996 will help sustain that performance.

Let me add a word about an issue that I referred to earlier in the context of fundamental interests that compel American engagement and leadership in the world: the Mexican financial crisis. Our interests are crystal clear: the prosperity of our people, the security of our borders, and the stability of our closest Latin neighbor and of other emerging markets in which we have a growing stake in American jobs, exports and investment.

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In light of delays in the legislative process, the President announced on January 31 that the situation had to be addressed immediately. With the full support of the congressional leadership of both parties, he put forth a package of support. Under the U.S.-Mexico Framework Agreement that Treasury Secretary Rubin and Mexican Finance Minister Ortiz announced on February 21, the United States will make available up to \$20 billion from the U.S. Treasury's Exchange Stabilization Fund. Our support will be complemented by increased commitments now totalling \$17.8 billion from the International Monetary Fund and \$10 billion from the Bank of International Settlements.

Let me emphasize that our support is in the form of short and medium term currency swaps and loan guarantees. Mexico will pay all costs. As difficult as it will be, Mexico has a responsibility to implement the strict policies needed to stabilize its economy. Mexican oil and oil product revenues will serve as assurance of repayment. These funds will help the Mexican government move aggressively to resolve the current crisis. Its ability to do so quickly is in the overriding interest of the American economy and the American people.

European Security Architecture

In our second area of opportunity, we are taking concrete steps to build a new European security architecture. Deep political, economic, and cultural bonds continue to make Europe's security and prosperity essential to ours. We are focusing on maintaining strong relations with Western Europe, consolidating democracy in Central Europe and the former Soviet Union, and engaging Russia in promoting European security.

We are pursuing these goals through continued development of NATO and its outreach to the east, strengthening the Organization for Security and Cooperation in Europe, building our relationship with the European Union, and developing a cooperative NATO/Russia relationship.

NATO remains the anchor of American engagement in Europe and the linchpin of transatlantic security. NATO has always been more than a transitory response to a temporary threat. It has been a guarantor of European democracy and a force for European stability. That is why its mission has endured, and why its benefits are so attractive to Europe's new democracies.

NATO has previously welcomed new members who shared its purposes and who could add to its strength. With American leadership, NATO agreed last December to begin a steady, deliberate process that will lead to further expansion. We have already begun to examine with our Allies the process and objectives of expansion. We intend to share our conclusions with the members of the Partnership for Peace this fall so that at the December Ministerial we can evaluate the results of our consultations and be ready to consider next steps.

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Our strategy encourages new democracies to become responsible partners in a new European security order. The Partnership for Peace is a critical tool for cooperation between NATO and partner states. It is also the best path to membership for countries wishing to join the Alliance. The President's budget request meets the commitment he made in Warsaw last July to help the states of Central and Eastern Europe participate in the Partnership for Peace, and to help potential members prepare for the obligations they will assume if they join NATO.

Our step-by-step approach to NATO expansion is designed to ensure that each potential member is judged fairly and individually, by its capacity to contribute to NATO's goals and the strength of its democratic institutions. By following this approach, we give every new democracy a powerful incentive to consolidate reform. We remain convinced that arbitrarily locking in advantages for certain countries, or setting specific timetables, could discourage reformers in countries not named and foster complacency in countries that are.

The tragic war in Bosnia underscores the importance of building a more effective architecture for conflict prevention and resolution in Europe. Together with our partners in the Contact Group, we continue to seek a negotiated solution. The Contact Group plan with its 51/49 territorial division must be the basis for a settlement, and Bosnia's territorial integrity and independence must be respected.

As you know, the parties entered into a ceasefire and a cessation of hostilities last fall. But we are entering a very precarious stage of this crisis. In the coming months, we face a real risk of renewed and more destructive conflict not only in Bosnia but in Croatia and perhaps elsewhere in the Balkans.

We have used every opportunity during this period to intensify our diplomatic efforts to bring an end to the war. Last month in Munich, Defense Secretary Perry and Assistant Secretary of State Holbrooke met with Bosnian Muslim and Croat leaders to bolster support for the Federation. At a meeting in Paris on February 14, the Contact Group discussed an initiative, backed by Bosnian President Izetbegovic, to gain President Milosevic's recognition of Bosnia and other former Yugoslav republics, as well as his agreement to implement tougher sanctions enforcement against the Bosnian Serbs.

I remain convinced that only a negotiated settlement has any chance of lasting. I am committed to pursuing that goal. What we must not do is to worsen the situation by unilaterally lifting the arms embargo. We have always believed the embargo is unfair and worked to end it multilaterally. But going it alone would lead to the withdrawal of UNPROFOR and more violence. Such a course would leave Sarajevo and the enclaves extremely vulnerable to Serb offensives. It would effectively Americanize the conflict, and lead others to abandon the sanctions on Serbia. It would undermine the authority of all UN Security Council Resolutions, including resolutions that impose sanctions on Iraq and Libya.

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Middle East Peace and Security

The third area of opportunity is advancing peace in the Middle East. Our budget allocates \$5.24 billion to sustain our efforts at a decisive moment for the peace process.

Over the past few years, we have seen an extraordinary transformation in the landscape of the Arab-Israeli conflict -- one of the century's most intractable. Clearly, however, there are still many horrible vestiges of the past that must be eradicated. The terrorist outrage in Israel on January 22 is only the most recent, painful reminder.

The United States will stay the course to ensure that the forces of the future triumph over the forces of the past. Toward this end, I will be traveling to the region next week to consult with the key parties about how best to move the negotiations forward. I do not want to underestimate the challenges we face. At the same time, we must not underestimate the opportunities we have for working toward a lasting comprehensive peace.

President Clinton and I are determined to do all we can to sustain the momentum and to support those who are willing to take risks for peace. I believe the unprecedented meeting at Blair House on February 12 helped to improve the atmosphere between the parties and to get negotiations back on track. Ministers from Israel, Egypt, Jordan, and the Palestinian Authority identified a series of cooperative goals that must be met in four key, related dimensions: the peace process, security, economics, and people-to-people. And in their declaration, Israel and the Palestinians vowed that there could be no turning back in the peace process. The Palestinian Authority underscored its commitment to preempt terror, punish those responsible and deny safehavens to those who plan and carry out terror.

For our part, President Clinton proposed that the United States extend duty free treatment to products from future industrial zones on the West Bank and Gaza and free trade zones in Taba, Eilat, and Aqaba. This proposal can probably do more over time to help the region's struggling economies than any aid program. We look forward to further consultations with the Congress on this important matter.

Israel's negotiations with Syria are also entering a crucial phase. We have made progress in narrowing the gaps between the parties. But if a breakthrough is to be achieved in the next few months, critical decisions must be made and the process must be accelerated. President Clinton and I will continue to do everything we can to help the parties reach such a breakthrough.

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Non-Proliferation

The fourth area of emphasis is to intensify our efforts to stop the spread of weapons of mass destruction and their means of delivery. We face a year of decision for global nonproliferation. Indeed, our global and regional strategies for 1995 comprise the most ambitious nonproliferation effort in history. We will carry out that effort in close consultation with the Congress.

The centerpiece of our strategy is to obtain the indefinite and unconditional extension of the Non-Proliferation Treaty, which is up for renewal this year. I note that this Sunday marks the 25th anniversary of the entry into force of the NPT, which I believe history will record as one of the most important treaties of all time. Achieving this objective is a key priority of our diplomacy around the world -- a point that President Clinton will stress in his speech at the Nixon Center this evening.

With the agreements President Clinton signed last December in Budapest, we can also begin to implement the START I nuclear reduction treaty. Prompt Senate ratification of START II will in turn enable us to complete the work we began with START I. Its elimination of missiles with multiple independently targeted re-entry vehicles will further enhance stability and lower the chances of a massive nuclear conflict. At the same time, it will enable us to retain a strong and capable deterrent.

North Korea is also central to our non-proliferation objectives. Let me emphasize that we have stressed to the North Koreans the need to resume North-South dialogue. This is essential to full implementation of the Agreed Framework. We are holding talks with North Korea to ensure implementation of the Framework. In these talks, we have made clear to the DPRK that South Korean light-water reactors are the only financially viable option if the light-water reactor project is to proceed.

As we implement the Agreed Framework, we will continue close consultations with our allies. I met three weeks ago with the new Foreign Minister of South Korea. Assistant Secretary Lord has just had productive consultations in Seoul. The South Koreans, including President Kim, have reaffirmed their determination to move forward. We all agree that we must remain vigilant. But we also agree that careful implementation of the Agreed Framework is far preferable to the alternatives we were facing: a North Korea going forward with its nuclear program, a return to the Security Council for sanctions, and a costly military build-up.

Our 1996 budget dedicates \$166 million to meet proliferation threats. Of this sum, \$76.3 million will go to the Arms Control and Disarmament Agency (ACDA) to support its important role in arms control policy, implementation, negotiation, and verification.

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ACDA's core budget is less than 1 percent of the total 150 function. The \$22.3 million increase over the FY 1995 appropriation is related to ACDA's new responsibilities in verification of the START treaties, implementation of the Chemical Weapons Convention, and coordination of federal research and data on arms control.

Our budget also provides assistance to the International Atomic Energy Agency -- an organization vital in our non-proliferation efforts and especially in the implementation of the Agreed Framework with North Korea. And it replenishes the Non-Proliferation Fund we use to combat nuclear smuggling, enforce export controls, and ensure missile dismantlement.

Crime, Terrorism, and Drugs

The fifth area of opportunity for 1995 is combatting international terrorists, criminals, and drug traffickers. This Administration is aggressively fighting these threats at home. But we recognize their global dimensions, and we are actively mobilizing other nations to help us defeat them.

Our budget request would more than double our funding to fight international crime. And it will support a comprehensive global strategy that we are developing with our colleagues at Justice, Treasury, and other law enforcement agencies.

This strategy will include intensive diplomacy to ensure that other nations fulfill their international obligations; broader international cooperation in asset forfeiture and money laundering; and consideration of tougher requirements for obtaining U.S. visas. The Department's own border security initiative, funded through the collection of a \$20 applicant fee for machine readable visas (MRVs), will substantially improve our information systems and help ensure that criminals and fraudulent visa applicants are kept out of the United States. We have already installed the MRV system at 136 of our busiest non-immigrant visa posts, which handle 70% of the non-immigrant visa workload worldwide. And, as the President recently announced, the Administration will be proposing legislation to combat alien smuggling and illegal immigration. We will be consulting closely with Congress as we put the final elements of this strategy together.

We have made substantial progress against international terrorism in just the past few weeks, from the President's Executive Order freezing the assets of certain terrorist groups to the spectacular arrest of Ramzi Yousef, the alleged mastermind of the World Trade Center bombing. Our budget will sustain that momentum. We know that resources for even the most modest initiatives, like printing matchbooks with photographs of terrorist suspects, can make a vital difference for our nation's safety. Last month, the President transmitted to the Congress our proposed Omnibus Counterterrorism Act of 1995, which would give the Executive Branch new tools to improve prevention, investigation, and prosecution of terrorism.

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Beyond these five key areas of opportunity for 1995, I want to stress that we will continue to address many other issues important to our nation's interests and to this Congress, such as promoting stability and democracy in Asia, Africa, and Latin America. American engagement in the world is also reflected in our willingness to take on global challenges that call for international partnership, but require the leadership that only the United States can provide.

We can no longer escape the consequences of environmental degradation, unsustainable population growth, and destabilizing poverty beyond our borders. Increasingly, they threaten not just our continued prosperity but our security. Countries with persistent poverty, worsening environmental conditions, and feeble social infrastructure are not just poor markets for our products. They are likely victims of conflicts and crises that can only be resolved by costly American intervention. That is why the Clinton Administration is dedicated to restoring America's leadership role on sustainable development. We are requesting resources for sustainable development, including funding for the multilateral development banks, the IMF, the Peace Corps, and other small agencies, and our bilateral and multilateral assistance programs.

The FY 1996 budget also harnesses the will and capacity of our nation to respond to famine, natural disasters, and the displacement of peoples from their homes. Our request for humanitarian assistance is integral to our overall development strategy because it not only provides relief, but helps victims of violence and disaster return to the path of recovery and sustainable development.

State Department Operations

The ability of the United States to achieve success in the five areas of opportunity that I have identified for 1995, as well as the other objectives of our foreign policy, depends on providing adequate resources to the dedicated men and women who serve our nation's international affairs agencies.

At 266 diplomatic posts overseas, these men and women help American companies open markets and create American jobs. They help keep our borders secure and keep drugs off our streets. They protect their fellow citizens overseas. They help ensure timely assistance to refugees and disaster victims. They promote American culture and values abroad. They help American families adopt foreign children. They even, on occasion, provide assistance to Congressional delegations. Putting a dollar value on their work is difficult, but I believe with the greatest conviction that their daily efforts pay lasting dividends for the American people.

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It is essential to the vital interests of the United States that we equip our international affairs personnel with the skills and resources they need. Just as we must maintain the best prepared armed forces to meet challenges to our nation's security, we must also maintain the best prepared diplomatic service to address the threats and opportunities that affect the well-being of each and every American.

I know that every member of this subcommittee and indeed of the Congress is committed to America's defense readiness. I believe that we must ensure the same level of diplomatic readiness -- as one of the most effective ways to avoid having to call upon our armed forces.

Our diplomatic and foreign affairs personnel are truly the front-line sentries of America's security. They must be equipped to do their jobs. They must have access to modern information technology. They must work in facilities that help, not hinder, their productivity. They must be trained in essential diplomatic disciplines, from foreign languages to commercial promotion to the growing imperative of fighting international crime, terrorism and narcotics.

Moreover, our foreign affairs agencies must be able to meet the challenges presented by the end of the Cold War. In the last few years, for example, we have opened 12 new embassies strung across the 11 time zones of the former Soviet Union. All told, the number of new embassies that we are supporting has risen by 30 since 1991 -- and we have had to support these facilities without additional resources. In addition to conducting the normal business of bilateral relations, our embassies around the world play pivotal roles in advancing diplomatic initiatives, from the search for peace in the Middle East to the recent Summit of the Americas. And working with other government agencies, we have responded promptly and effectively to the crises in Haiti, Rwanda, Cuba, and Bosnia.

As we meet these challenges, we have a continuing obligation to make our operations as efficient as possible. As you know, Vice President Gore has been heading up a major effort to reinvent government. I have taken the strong position that the foreign affairs agencies are not exempt from that process. Each of the foreign affairs agencies is proceeding vigorously with streamlining efforts. I also support the Vice-President's decision that each of these agencies, ACDA, AID, and USIA, has a distinct mission that can best be performed if they remain distinct agencies.

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At the State Department, we have been involved in the National Performance Review since the outset. In the last two years, we have closed 17 posts overseas. We have 1,100 fewer people at State than when I arrived in 1993. We have abolished 30% of our Deputy Assistant Secretary positions and Ambassadors-at-Large. We have absorbed a 26% increase in passport workload with no increase in staff. We have reduced total senior officer positions to the point where we will meet Congressional targets ahead of schedule. We have reduced overseas allowances and eliminated cash awards for senior officers.

After four years of essentially flat budgets, this year's request of \$2.6 billion for State Department operations represents a significant decrease in real terms when uncontrollable costs such as inflation and currency fluctuations are taken into account.

Pushing for greater efficiency and higher productivity in the management of our foreign affairs is a personal commitment of mine. I am working on a strategic plan to change the way we do business.

The strategic plan will streamline our overseas missions. We will close 15 more posts. It will push decision-making and responsibility downward by a further reduction in mid-level managers. It will significantly cut back on administrative overhead. It will expand the use of teams to better coordinate policy development at the Department and among different agencies in Washington. And it will better focus our reporting and analysis to be sure we are not duplicating information available from other sources.

But Mr. Chairman, I would be neglecting my responsibility as Secretary if I did not tell this Subcommittee that some of the recent budget cutbacks have taken a toll on our readiness. Without adequate funding for language training, 50% of our language-designated positions are filled below their established competency levels. Almost 75% of the telephone systems serving our overseas posts are outdated -- so outdated that when we needed repairs in our vital 24-hour operations center, the AT&T repairman had to consult with Bell Labs on how to service the antiquated equipment. Almost 80% of our automated data processing equipment is obsolete -- so old that we can't get maintenance contracts or locate spare parts.

That is why our FY 1996 request supports a modest \$32.8 million Capital Investment Fund. This will be used to upgrade information systems, replace overseas telephone systems, and purchase a classified mainframe computer. It will improve our efficiency and productivity, reduce our maintenance costs on antiquated equipment, and help us continue to do more with less.

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Mr. Chairman, I began by noting that the United States enjoys remarkable opportunities in the post-Cold War world. It is important to remember that most of these opportunities are themselves the product of many years of American leadership on behalf of peace and stability, open trade, and political freedom.

Most of our closest allies and friends are nations that we helped rebuild after the second World War. The structures through which we advance our interests, including NATO, the GATT, the UN, and the Bretton Woods institutions, were created largely by American leadership. And consider our most promising new export markets, countries like South Korea, Brazil, Poland, and the Philippines. All these countries have benefited from our support for open trade, economic development, and democratic institutions.

In short, Mr. Chairman, the United States is one of the few countries on earth with the ability to create its own opportunities. As the most successful and powerful member of the international community, we have both an interest in maintaining the health of that community and the strength and vision to do so. With your support, Mr. Chairman, and the necessary foundation that this budget provides, we will continue to use that strength to build a world in which America's interests and values will flourish -- a world of open societies and open markets.

THE PRESIDENT HAS SEEN

10/10/94

REMARKS

BY

VICE PRESIDENT AL GORE

CENTER FOR NATIONAL POLICY'S

DISTINGUISHED PUBLIC SERVICE AWARD DINNER

WASHINGTON, D.C.

SEPTEMBER 29, 1994

It is a great honor to receive this award from the Center, which has played such an important role in the debates that take place in our Nation, in this City and in the Democratic Party. Whether through "Squaretable" panel discussions or Symposium or studies or task forces or briefings for Members of Congress, CNP has become a critical forum for debate and discussion on the pivotal issues of our time.

This is where you learn a lot about issues, sometimes even before they happen. The last time I spoke here was about health care reform. I thought it was going to happen before now. We are still working very hard and we still plan to continue.

I do appreciate that video, Mark Twain once said you can live for a month on one compliment -- I think I am now set for the rest of my life after that.

Tonight I would like to use this opportunity to share a few words with you on something that is quite important to me. Almost exactly two years ago, I came here to this very hotel to speak to the Center for National Policy on the foreign policy of the last administration. And tonight I would like to talk about the foreign policy of this administration over the past two years. What we are trying to do. What we have started. The progress that we have made.

Now here is a reason why I want to talk about it. It has suddenly become fashionable in many quarters in the news media to say "you know President Clinton's domestic policy is an awful lot better than people have been giving him credit for. Just look at the record. But boy, I'm not sure about his foreign policy."

And well they might well begin to acknowledge the record on domestic policy. Just as an aside, in twenty months time we've seen the creation of 4.3 million new jobs. A rate of job creation seven times faster than during the previous four years. The new jobs have wages half again higher than the average jobs in the economy. And contrasted with the reality that existed twenty months ago, instead of a triple-dip recession, we now have a strong sustainable economic recovery. Thanks incidentally to President Clinton and the finest economic policy team this Nation has ever seen.

I am a little fired up about this because I just read the reports of the Republican press conference. You know they just put out a contract on America's future. They have such audacity, such gall, the very idea -- I'll say this with all due acknowledgment of the fact that there are some Republicans here tonight, I hope you'll forgive me, but I want to say to my Democratic friends here -- I think it is time we start fighting back hard!

Leon (black) (65)
This is very
good - I think we
have got to get this
message out
more
clearly
to the
public

The very idea of a group posing as fiscal disciplinarians, that presided over the quadrupling of the national debt in only a dozen years, proposing another trillion dollar debt for the next four years. When they left, our Nation was losing 10,000 jobs per week, now we are gaining 30,000 jobs a week. That's a contrast.

Unemployment has gone way down, from 7.6 to below 6.0. Inflation is at historically low levels. Bankruptcies and bank failures are down. The Help Wanted Index is way up, so the people who need jobs are finding it easier to get jobs. And we have changed the nation's priorities. You may remember the cover of one of the weekly news magazines that had Ronald Reagan's picture turned upside down, right after the economic plan passed by the narrowest of margins, thank you very much.

What we did, is we said look: those who disproportionately received the huge tax cuts, aimed at the wealthy during the previous twelve years, should pay a little bit more of their fair share. And yes, for the wealthiest 1.2 percent tax rates went up. That group is well represented in this room, and we appreciate the leadership that you're showing in supporting what it is good for the country.

But for every family in that wealthy 1.2 percent that received a tax rate increase, there were 14 working families that got a tax cut. Now it doesn't necessarily make news when that family is struggling to get above the poverty line gets an extra \$100.00 in the paycheck every two weeks. It may not make news but it makes a difference to that family and it makes a difference to our country because it lifts the economy up! That is why the economy is recovering!

And it makes a difference when their kids are better able to get college loans. It makes a difference when they have family and medical leave protection if they have to be with a sick or injured child.

We are trying to fix the way the government operates as well. A reference was made earlier to the reinventing government project. We're downsizing the federal government, in the way it should be downsized, and within three years we will have created the smallest bureaucracy in federal government since John Kennedy was President. We're saving the money and using that to finance the Crime Bill which now enables Americans to roll up their sleeves and start fighting back against crime in their communities..

We want to fix the government. And it makes a difference what kind of approach you take. As Ned McWerter says in Tennessee, it's like the story about the veterinarian and the taxidermist who went into business together and put up a sign that said "Either way you get your dog back." We want to fix the government not kill it and put it in the wall as a trophy.

So now because of this record, because of the fact that President Clinton has made an excellent start at solving the problems that face ordinary Americans: fighting crime, getting a good job, getting a better standard of living, getting a college loan, we have made a good start in helping to improve the prospects in the lives of ordinary Americans. And because of all this the pundits are now saying "Well, you know, actually when you look at the record, things really are a lot better. But what about that foreign policy?"

OK. -- Let's talk about it.

We've been in office for a little more than a year and a half. We have pursued a policy based on beliefs that have characterized this country since our beginning and in particular since the beginning of this century. Americans believe in the possibility of a world in which power is governed by law and law is informed by respect of the dignity of peoples. Both collectively and especially individually.

We believe in a world of open markets, whether for physical goods or the equally vital spiritual goods represented by the contrasting beliefs and intellectual constructs of other countries and societies.

Our message is one of profound hope that denies fatalism about the nature of history. It asserts the power of human beings, both individually and as societies, to transcend their worst impulses. It asserts that we are all on the planet for the purpose of moving toward the light, however distant it may seem. Let there be no mistake, this administration sees clearly the fixed stars by which we must make that journey. We approach it guided by principals of right conduct. We believe, for example, that even the most disparate governments and societies on the face of the earth today are aware of the urgent need to protect our environment.

Applying these principals will not always be easy, we understand that quite well. But in the last 20 months President Clinton has fashioned these principles into a foreign policy that will enable America to lead the world into the next century. Let me be concrete.

First, President Clinton has met the most dramatic challenges to security by forging new links with both former adversaries and allies that will allow us to lay the foundation for a post Cold War age.

Over the last three days for example, during intensive meetings with Boris Yeltsin, President Clinton continued his historic effort to ennoble and save and invigorate the historic movement by Russia toward Democracy and free markets. This bilateral relationship is now on a very sound footing.

I remember well the day when the constitutional crisis in Russia began about one year ago. Within thirty seconds after the end of the speech on worldwide television signaling the beginning of that crisis, within thirty seconds, President Bill Clinton had sent out the word for all of his foreign policy advisors to assemble and begin intensively analyzing what we must do. And many voices were raised saying, "Boris Yeltsin is finished, why are you betting your chips on this person? Why should we continue to try to work with this Russian government?" But President Clinton steadfastly organized a world-wide rescue of the prospects for Russian democracy.

And all the nay-sayers and cynics who claimed reform was dead in Russia, that their commitment to both free markets and democracy was waning have been proven wrong because the United States of America under the leadership of President Clinton has created a new relationship with Russia. Some of the fruits are already evident.

The two way trade between our countries is now growing dramatically. Privatization is growing rapidly there. Reform is continuing swiftly. Business investment there is helping to deepen the roots of free markets. And for the first time in my lifetime, because of President Clinton's negotiations, no Russian missiles are targeted on any American cities! A small but significant step.

Let me continue. Because of President Clinton, the world's third, fourth and fifth largest nuclear powers have now agreed to completely give up all their nuclear weapons. Ukraine, Khazakstan and Belarus are becoming non-nuclear countries. And because of the new agreement President Clinton has negotiated between Russia, Ukraine and the United States, Ukraine is transferring all of the missiles back to Russia.

In Europe President Clinton has launched the historic new venture known as the Partnership for Peace, and will soon begin the delicate and significant discussions about the expansion of NATO. Twenty-one nations have joined the Partnership for Peace.

In September, troops once under the command of the Warsaw Pact have held training exercises jointly with NATO forces in Poland, and indeed, U.S. and Russian forces have just concluded joint training exercises on the soil of Russia itself. These are the foundation stones of a new era for American security.

And, second, the President has systematically aligned America with those on the side of peace.

Who will ever forget the historic handshake between Yitzhak Rabin and Yassir Arafat presided over by President Clinton on the South Lawn of the White House? Many contributed but when the final chapter of this story is written readers will find that American diplomacy including the immense effort of Warren Christopher was indispensable in creating this achievement and the cessation of hostilities between Israel and Jordan, and the dramatic progress in the talks still underway with Syria. We now also have efforts like Builders for Peace creating the infrastructure for the West Bank and Gaza that can create prosperity for Palestinians and security for Israel.

And it is not an accident that all of the parties in Northern Ireland and Britain credit President Bill Clinton for the breakthrough that is now giving such momentum to the prospects of peace in Northern Ireland. Just today the President continued his lengthy series of meetings and negotiations on this matter as he met with the Foreign Minister of Ireland.

Now in Bosnia where the world has witnessed such tragedy for so many years, including for several years before this administration took office, we are struggling to end a savage explosion of ethnic hatred in the midst of Europe despite all the lessons of the past. We cannot expect to put out this fire ourselves. But, we continue to work in concert with others to reach a solution and a durable peace.

At the same time, third, President Clinton has promoted free markets and international economic policies that have led to prosperity around the world -- and he has succeeded where others before him failed.

For 12 long years whenever the United States met with our principal allies in the world and asked them to take steps that would ignite a global economic recovery, they always said, "Once you have the fortitude to face your budget deficits, come back and then we'll listen to what you have to say." So, never before has Japan been willing to take seriously American arguments that they should follow a more stimulative policy to increase the consumption of goods. Or, Germany, that it should have lower interest rates than they would otherwise have.

But now, because of President Clinton's historic leadership in cutting our budget deficit 40 percent in the first year and more in the second year, and in creating for the first time three successive years of deficit reduction since Harry Truman was President, and in making \$255 billion worth of spending cuts, now these other nations are listening -- and responding to U.S. leadership.

Japan just announced that its income tax cuts will not be offset for at least three years by increases in the consumption tax as had earlier been planned. And they are following a more stimulative policy. And interest rates have been more cooperative in Europe. And now the projections are that the world economy is recovering, coming back strong, creating jobs here in the United States of America. Because we put economic policy for the first time at the center of America's foreign policy.

And we plan to have GATT approved this year, to continue with the second APEC meeting this year and continue building on the success of NAFTA to open up new markets for American products. And incidentally, I just saw an article about Chevrolet moving a plant back from Canada to the United States. Because of the way NAFTA has opened the Mexican market auto sales are up 600 percent by U.S. companies in Mexico in the year since NAFTA has passed.

And speaking of promoting democracy, and our relations in this hemisphere, this year has been a watershed in our relationship with the Western Hemisphere, and in December, President Clinton will host the historic Summit of the Americas. Gathering together all the democratic nations in this hemisphere for the first time in more than three decades and it is a summit that will succeed because there are such broad areas as where we can and will be partners. A new era is dawning in this hemisphere. And now instead of 33 of our 35 nations being democracies, in a very short period of time, 34 will be democracies, because of President Clinton's deft use, in combination, of diplomacy and military strength in Haiti.

We've also taken on policies that meet global needs which have been ignored for a very long time -- including a new approach to restore U.S. leadership on issues like global climate change and the Biodiversity Convention. And just recently at Cairo, twelve years of U.S. neglect was reversed as the United States of America led the world community toward a broad consensus to form a plan to stabilize population growth in the world which many believe is the single most serious challenge the world faces in the remaining years of this century on into the next century. President Clinton did it and changed our policies and restored U.S. leadership.

When it comes to prevention, stories aren't often written in the newspapers, but they will be written by the historians. In East Africa, in the Horn of Africa, when the predictions came in about famine threatening the lives of as many of 20 million people, President Clinton immediately assembled his advisers, this time in the Roosevelt Room, and set in motion a comprehensive plan to put the supplies in place before the disaster strikes. He urged the other countries that need to join this historic effort to do so and, although it is rarely mentioned here at home, whenever we meet with leaders from that African region it is the first thing that comes out of their mouths. "Thank you President Clinton for providing the kind of leadership that the United States of America ought to provide in the world." I heard the same thing in South Africa when Tipper and I and the First Lady were privileged to represent our country at the inauguration of Nelson Mandela.

And I want to say, that when you put together this record of outstanding success in restoring U.S. leadership in the world, with the historic reversal of the economic prospects that our nation faced 20 months ago. I'm telling you here this evening, you can write it down, whatever the press says from day to day, when this record is compiled, Bill Clinton will be regarded as one of the greatest Presidents of this century for the people of the United States of America.

I would like to close, Ladies and Gentlemen, by saying that when Tipper and I and the First Lady went to South Africa it was a moving occasion. Maya Angelou who was kind enough to participate in this film, was one of the many members of the delegation. But I had a personal experience that I would like to close with.

When Nelson Mandela raised his hand to take the oath. I suddenly remembered a very personal moment four years ago when I was in our family room watching television early on a Sunday morning and world-wide coverage of the release of Nelson Mandela preempted the programming. The only other person awake at that hour happened to be our youngest child, who came and sat next to me -- he was then seven -- and he began asking me a series of questions about this event beginning with "Why?"

I gave what I thought was a very good answer and he asked "Why?" again and then I answered quite thoughtfully, I believed. And then "Why?" came back and he got on a "Why?" tear, as seven year olds can -- and I began to get frustrated.

And suddenly I caught myself and I realized how many times I had the burden with him, and with our other children when they were younger, of explaining the existence of some terrible event, explaining the existence of evil in the world, or why some tragedy was occurring. And you know children will ask, "Why Rwanda? Why are the homeless on the side walks? Why did the horrible killing take place that was covered on the evening news?" And all parents have the burden of trying to explain things that cause young children to wrinkle up their faces and contemplate the fact that this world may not be all sweetness in life.

And we have a duty to respond to those things. As John Kennedy said in his inaugural address, "On this earth God's work must truly be our own". But sometimes they just seem beyond us. Well here, on this occasion, as Mandela was being released from prison, I had the great opportunity as a parent to explain something extraordinarily good, and positive and wonderful and so I warmed to the task and recovered my stamina.

And I recalled that event as he was taking the oath, and when he finished the oath, I made up my mind that I would do my best to learn all I could about how that had come about. We had a few days to spend there. And of course many of the good reasons were well known. The courage of Mandela, the vision of DeKlerk. And yet there was one factor which had not received a great deal of attention in the news media, and it suddenly loomed as a very significant, in deed the most significant cause of the change there.

What I found was men and women, black and white -- of all ethnic backgrounds in fact -- professionals, business people, from all walks of life, who had absorbed the dire prophecies about the future of South Africa, and looked at their own families and decided, no, we're not going to let that happen. And they reached across the barriers that divided them. And they joined hands with their fellow human beings. And they made up their minds and hearts that they were going to create a future that was much brighter than anything they were ever told it was permissible for them to even dream of. And they went about the task of making it so.

We face the same choice in America in the 1990s: whether to go forward or to go back, whether to build a bright future of hope or to surrender to the forces of division and hatred and fear. To put it in another way; when our grandchildren look down at a young child who asks "Why?" Will we bequeath to them the burden of explaining why violence got worse, why racial divisions deepened, why the homeless population increased, why other problems that should have been addressed were allowed to fester, were ignored?

Or will we give them the extraordinary opportunity to explain the emergence of very positive and hopeful developments, the foundation for which was laid here in America in the 1990s? It really is up to us. To dig in to the details of what needs to be done to bring positive change to America. To keep fighting, to keep moving forward, to resist the temptations of the cynics who say "Nothing can be done." Those of you who are participating in these debates know how important they are. This Center has been a place that has enabled us to make progress. To all of you who are helping to create that kind of future in America and our world.

Thank you.

Hodges said. "I wish them well.

"In the end, you have to have people like me, stupid enough and faithful enough to do this kind of work."

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X
**Analysis: Christopher's Stature
Eroding in Carter's Wake (Washn)**

By Mark Matthews

(c) 1994, The Baltimore Sun=

WASHINGTON In the capital's zero-sum atmosphere, the big loser in the Jimmy Carter mission to Haiti is widely seen to be Warren Christopher, whose public stature hardly needed another blow.

Not only did the former president assume a high-profile negotiating role usually accorded to a secretary of state, but Christopher is depicted as having opposed the mission.

He flatly denies that, and aides say his chief pitch was to have a high-level administration official along to spell out U.S. intentions to Haiti's dictators and not leave that job up to Carter.

But the fact that he was overruled even on that point offers just the latest piece of evidence that his influence on policy and his relationship with Clinton are less than anticipated when he joined the administration.

No one expected a superstar when Clinton tapped the lawyer-diplomat, then 67, for the nation's top foreign-policy job. But he brought other qualities that were meant to boost a young president with no foreign policy experience, entering uncharted post-Cold War territory: a lustrous record as a negotiator, a cautious steadiness, decency and, above all, the president's trust.

Yet at two crucial moments on Haiti and earlier on North Korea

Clinton has turned to former President Carter as a special envoy, not to the secretary, who, when he himself worked for Carter, had secured the release of American hostages in Iran after months of tortuous negotiations.

(Begin optional trim)

The administration's foreign policy on a number of fronts has been anything but steady, alarming allies with its unpredictability. And on some key issues, Clinton has overridden his gray eminence and accepted others' advice.

When Christopher returned from Europe in the spring of 1993 after failing to persuade allies to support a lifting of the Bosnian arms embargo and air strikes against Serbs, he nevertheless believed that if the president took a strong leadership role the allies would follow.

But Clinton backed away from the plan, leaning to the advice of, among others, his longtime friend Strobe Talbott.

He opposed the Carter mission to North Korea earlier this year, arguing internally that the United States should stay on the course of seeking U. N. sanctions.

And several months ago, he also opposed granting a visa to Gerry Adams, leader of the Irish Republican Army's political wing, because Adams had not yet renounced violence.

(End optional trim)

For Christopher, a skilled lawyer who carefully marshals his facts, such setbacks are surprising, and have disappointed some State Department officials who expected him to be a more powerful champion.

Part of the reason he hasn't is the flip-side of his character. While a dogged negotiator, he's also a conciliator and consensus-builder who keeps his own ego carefully in check.

And when a decision is made, no one is a more loyal spokesman, as he was Friday in defending the Carter mission.

"I think President Carter is a particularly great national resource. He's been used very effectively. And I did not oppose his mission to Haiti," Christopher told NBC's "Today" program.

Christopher will meet with Carter in Georgia Saturday. "I think if we have a conversation, it's more likely to be private and personal than official in character."

(Begin optional trim)

His courtesy is even more apparent in private, undercutting reports of a bitter feud with national security adviser Anthony Lake. Like Christopher, Lake was a close witness to past acrimony between national security advisers and secretaries of state, and took his present job determined to avoid it.

But the severe drubbing the entire foreign-policy team has received for a record of Clinton zig-zags has taken its toll on the reputations of both men and prompted speculation of a major shake-up. When this kind of talk starts in Washington, staffs often resort to finger-pointing.

In Christopher's case, resignation talk is fueled by his wooden television performance in the age of CNN statesmen.

But it may be premature, because Christopher later this year or early next could still bring home a triumph in the form of an Israeli-Syrian deal that would drastically change the Middle East, scene of his most dogged diplomatic efforts.

(End optional trim)

Christopher's relationship with Clinton, who relied heavily on him in making early appointments, is something no one besides the two men can assess. The secretary talks to the president frequently, and often about subjects other than foreign policy.

A key question is whether even the most trusted adviser can persuade this president to stay on a steady course.

**Clinton, Democrats Facing Prospect
of Major Polling Defeat (Washn)**

By Jack W. Germond=

(c) 1994, The Baltimore Sun=

WASHINGTON With less than seven weeks until the midterm elections, President Clinton and the Democratic Party are facing the prospect of a devastating defeat that would threaten both the president's ability to function during the final two years of his term and his re-election in 1996.

Both the opinion polls and the seat-of-the-pants assessments of professionals in both parties point to a defeat far more severe than the party in the White House normally suffers in such midterm elections.

Indeed, if the election were held today, it is quite possible that the Republicans would regain control of the Senate, establish a de facto conservative control of the House and win five or six more governorships in the nation's most populous and politically important states.

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The threat to Democrats this year has been at least dimly visible for weeks as Clinton has dropped in opinion polls and evidence has accumulated that voters will turn their dissatisfaction against incumbents and the Washington political establishment dominated by Democrats.

But Democratic uneasiness has crystallized into near-panic with the results of primaries and new polling data on key races. As one leading Democratic Party official put it privately after hearing the returns from Washington state Tuesday, "You can put me down as spooked."

Democratic strategists working in the field are coming back to the capital with little but bad news. "It's very ugly out there," said Tom King, a consultant whose clients included Rep. Mike Synar of Oklahoma, who was defeated in a runoff Tuesday. "I've never seen anything like it."

The most intriguing development was the weak performances in a Washington state primary of House Speaker Tom Foley and four other House Democrats weak enough to suggest that at least three of the five will fall to Republicans in the general election.

The Democrats' concern has escalated almost daily as more evidence of potential problems surface:

In California, considered the one state Clinton must win to be re-elected in 1996, Republican Gov. Pete Wilson, written off a year ago as a hopeless case, has pulled ahead of his Democratic challenger, Kathleen Brown. Polls show Sen. Dianne Feinstein is running no better than even in her race with Rep. Michael Huffington.

In Tennessee, surveys show both the state's Senate seats in danger of switching from Democratic to Republican. For the seat vacated by Vice President Al Gore, Republican Fred Thompson has pulled even with Rep. Jim Cooper. More surprisingly, Sen. Jim Sasser, a candidate to succeed George Mitchell as majority leader, is holding only a margin-of-error lead over Republican Bill Frist.

In Massachusetts, Sen. Edward M. Kennedy is facing his first serious challenge ever, from Republican businessman Mitt Romney, who won his party's primary with 82 percent of the vote against a well-financed and ostensibly legitimate opponent.

In New York, the other leading personification of Democratic liberalism, Gov. Mario M. Cuomo, is running behind a Republican state senator, George Pataki, who was almost totally unknown four months ago.

In Texas, Gov. Ann Richards is running even with Republican George W. Bush, eldest son of the former president.

In Florida, unpublished polls now show Democratic Gov. Lawton Chiles' support leveling off after a gain from his action against more immigration from Cuba and Haiti. Surveys show his lead over Republican Jeb Bush with Democrats in central and northern Florida slimmer than needed for him to win. Bush is also a son of the former president.

(Begin optional trim)

Much of the Democratic fear is based on polls that can be volatile and suspect. Even so, the polls seem to be running in only one direction against Clinton and the Democrats. The president's approval rating is down to 40 to 42 percent nationally and is under 40 percent among white voters.

In the more conservative South and Southwest, Clinton is worse off. His approval rating in Texas is about 35 percent. In Alabama, it is 32 percent. Even in New Hampshire, which launched "the comeback kid" two years ago, Clinton's approval rating is 39 percent, compared with a disapproval rating of 51.

Another gauge of opinion the percentage of Americans who say the nation is "off on the wrong track" rather than "headed in the right direction" is discouraging for Democrats. The "wrong track" number has risen to between 60 and 65 percent; a number even as low as 50 percent is menacing to incumbents.

(End optional trim)

The election is by no means a pure referendum on Clinton. But his failure to make a convincing case for himself and his party at this point equates to a low level of enthusiasm among Democrats. "If Clinton were a great success," said a Southern party leader who asked not to be identified, "they would be motivated to turn out. As it is, of course, it energizes the damned Republicans."

No one seems to have any ideas of how the president or his party can salvage the situation. Asked if he had any ideas, Georgia chairman Ed Sims paused and then replied, "Nothing comes to mind."

Asked if he could see any bright spots in the Democratic picture, veteran poll-taker Bill Hamilton said, "I wish I could say there were, but I can't think what they are."

Mission Creep in Haiti

= (c) 1994, The Baltimore Sun=

The following editorial appeared in Friday's Baltimore Sun:

It took only a couple of days to explode the myth that the United States could intervene with 15,000 troops in Haiti and yet avoid the internal entanglements that brought it to grief in Somalia. Mission creep is unavoidable in this operation, and the administration's pretense that this is not the case will make its position only more untenable.

The spectacle of U.S. troops standing by passively while Haitian thug-police cracked the skulls of civilians brought the first quick turnabout in U.S. policy. Now American GIs can move in to stop the kind of abuses cited by President Clinton to justify his intervention provided there is no danger of American casualties. Good luck.

This, however, is only the beginning of a deeper and deeper involvement in the process of "nation building" that the White House unconvincingly vows it will avoid. Very soon, U.S. planes are likely to be flying in exiled Haitian parliamentarians so they can vote on an amnesty law that may or may not induce Lt. Gen. Raoul Cedras to leave his land something he vows he will not do. And then, what happens when exiled President Jean-Bertrand Aristide returns to take power on Oct. 15, the very day Cedras has promised to give it up?

The prospect of having these two bitter rivals on the scene simultaneously is chilling. The United States is committed to the unpredictable Aristide, whose restoration to power is supposedly what this intervention is all about. But police power will effectively remain in the hands of elements aligned with the military junta for some time to come.

Congress is demanding an explanation of U.S. policy, this on the assumption that a plausible explanation is possible. And, for the sake of posturing, it is asking for the early withdrawal of U.S. forces though this notion is far-fetched. Meanwhile, the White House twists and turns. In this bizarre renewal of the executive-legislative struggle over war powers, President Clinton holds the high cards because of the inherent nature of his position. But by dispatching forces unwisely, he is compromising his constitutional authority as commander in chief, a

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Somalia, I through a Glass Darkly

THE PRESIDENT HAS SEEN

By George F. Kennan

PRINCETON, N.J.

The following is an item, dated Dec. 9, 1992, in my personal diary, which I have kept intermittently for most of my life. I have left it unedited, exactly as then written.

When I woke up this morning, I found the television screen showing live pictures of the Marines going ashore, in the grey dawn of another African day, in Somalia. It is clear that with a very large part of the American public, but particularly with that part of the public that speak or writes on public affairs, and — not last — with the political establishment, there is general support for this venture.

There was no proper public discussion, not even a Congressional discussion, of this undertaking before the President, only a few days ago, announced his intention to launch it. It would be idle for me or for anyone else to come out publicly at this point with a questioning of the wisdom of this intervention. The action is already in progress.

Anything that might be said in criticism of its rationale would have no practical effect in any case, and, to the extent that it attracted any public attention, would be received as something tending to demoralize the forces now in action by sowing doubt as to the worthiness of the effort in which they are now involved. I see, therefore, no advantage to be gained by trying to say anything publicly about what is going on.

On the other hand, I regard this move as a dreadful error of American policy; and I think that in justice to myself I should set down at this point, if only for the diary, my reasons for this view.

The purpose of this exercise is, we are told, to take charge of the channels of transportation and to assure the movement of food to certain aggregations of starving people. The reasons why we must do this are, in the official and widely accepted view, that the people are starving; that this is outrageous and intolerable; but that food cannot be brought to them in adequate amounts because the supply lines by which it would have to be delivered are subject to harassment on the part of armed bands and individuals along the way, as a result of which much of the food is plundered and lost before it can reach its destination. How many of these congregations of starving people there are, and where they are situated, seems not to have been clearly explained; perhaps our people do not even know.

Why, then, is our action undesirable? First, because it treats only a limited and short-term aspect of what is really a much wider and deeper problem. The idea seems to be that when we have made possible the original delivery to the collection points of the food that has already been shipped or is being shipped to Somalia, our forces will be withdrawn, and the United Nations, using other forces, will assure the further supplying of these people.

This last seems to me highly uncertain, and even doubtful. The situation we are trying to correct has its roots in the fact that the people of Somalia are wholly unable to govern themselves and that the entire territory is simply without a government. The starvation that we are seeing on television is partly the result of drought (or so we are told), partly of overpopulation, and partly of the chaotic conditions flowing from the absence of any governmental authority.

What we are doing holds out no hope of coming to terms with any of those situations. If we are to with-

draw at any early date (and the President has spoken about the possibility of withdrawal before the end of January), these determining conditions will remain exactly as they were before. The marauding bands and individuals will resume their activity, and in the absence of any strong foreign military force there will be no stopping them.

Beyond that, the problem of starvation is one that reaches much farther than the aggregations of people we have seen on television. As one of the nurses pointed out, these wretched people are among the more fortunate, as is shown by the fact that they were able to walk to the places where they are collected. There are presumably, further afield, even greater numbers of people who never showed up there because they were too weak to walk at

A 1992 diary entry anticipates a quagmire.

all. They, of course, are not touched by our actions.

The fact is that this dreadful situation cannot possibly be put to rights other than by the establishment of a governing power for the entire territory, and a very ruthless, determined one at that. It could not be a democratic one, because the very prerequisites for a democratic political system do not exist among the people in question. Our action holds no promise of correcting this situation.

The upshot of all this is that what we are undertaking will assure at best a temporary relief for those people who are gathered together in the camps, and probably a relief that will not be completed before our own departure, unless we propose to keep our forces there for many months, if not years, in the future.

Secondly, this is an immensely expensive effort. What we are pouring into it must run, in the monetary sense, into hundreds of millions, if not billions, of dollars. This comes at a time when our country is very deeply indebted and where it is not even able to meet its own budget without further borrowing. This entire costly venture is then, like so many other things we are doing, to be paid for by our children — the coming generation. Meanwhile, there are many needs at home, particularly in the condition of our cities and of the physical infrastructure of our society, which are not being met, ostensibly for lack of money.

All this being the case, one is moved to inquire into the inspiration and rationale of this enterprise.

On Mr. Bush's part, one must assume that the reasons lay largely in his memories of the political success of the move into the Persian Gulf, and in the hope that another venture of this nature would arouse a similar public enthusiasm, permitting him to leave his Presidential office with a certain halo of glory as a military leader using our forces to correct deplorable situations outside our country. The action, taking during the interregnum between two administrations, obviously saddles his successor with the task of completing it, albeit without responsibility for its origin.

The dispatch of American armed forces to a seat of operations in a place far from our own shores, and this for what is actually a major police action in another country and in a situation where no defensive American interest is involved — this, obviously, is something that the Founding Fathers of this country never envisaged or would ever have approved. If this is in the American tradition, then it is a very recent tradition, and one quite out accord with the general assumptions that have governed American public life for most of the last 200 years.

I have already pointed to the absence of any prior discussion in Congress of this undertaking. This raises the question, Why, then, so suddenly and without any preparation in public or political opinion? If the President thought it wise to use our armed forces for this purpose, why did he not say so weeks or months ago and lay the question squarely before Congress and public opinion? The answer is obvious: the paralysis of government that has existed for the last six months — before and after the election. This is in itself significant.

But an even more significant question is that of the reason for the

general acceptance by Congress and the public about what is being done. There can be no question that the reason for this acceptance lies primarily with the exposure of the Somalia situation by the American media, above all, television. The reaction would have been unthinkable without this exposure. The reaction was an emotional one, occasioned by the sight of the suffering of the starving people in question.

That this should be felt as adequate reason for our military action does credit, no doubt, to the idealism of the American people and to their ready sympathy for people suffering in another part of the world. But this is an emotional reaction, not a thoughtful or deliberate one. It is one which was not under any deliberate and thoughtful control — one that was not really under our control at all.

But if American policy from here on out, particularly policy involving the uses of our armed forces abroad, is to be controlled by popular emotional impulses, and particularly ones provoked by the commercial television industry, then there is no place — not only for myself, but for what have traditionally been regarded as the responsible deliberative organs of our government, in both executive and legislative branches.

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Freedom and Its Discontents

Fritz Stern

THE TRAVAILS OF THE NEW GERMANY

IN 1983 THE PRESIDENT of the Federal Republic, Richard von Weizsäcker, published a collection of essays under the title *German History Has Not Stopped*. Even he could not have predicted the pace of progress since then. And as the process of unification has unfolded, one can see the drama of German history continue as well. The economic consequences of unity are becoming apparent; the moral and psychological consequences are harder to grasp and may prove longer lasting. It is these that this article addresses.

While the two states of postwar Germany existed, Germans could believe in the unity of their nation, of a people with a common language, a common past, even a common fate. Now unified within one state, the deep divisions among Germans are more visible. No doubt there is truth in Freud's words about "the narcissism of small differences" that divides neighborhoods and family members, and yet in 1989 there was an expectation that Germans would understand Germans. In the first flush of enthusiasm, people forgot the estrangements that had grown so strong over 40 years, as West Germans came to regard the French or the Tuscans or the Dutch as closer, and perhaps more attractive, to them than the East Germans. For their part, East Germans lived with a prescribed if gradually attenuated hostility to the Federal Republic of Germany (F.R.G.), and with a nonprescribed envy and resentment of its freedom and prosperity, witnessed

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AP/WIDE WORLD PHOTOS

The fall of the Berlin Wall, 1989

nightly on their television screens.

Visitors to East Germany, including this author, sensed the estrangement. And in the Federal Republic, for all the ritualistic invocations of German solidarity, for all the many individuals who did genuinely care about their fellow Germans in the East, one sensed an enormous, unacknowledged indifference to them. Sudden commonality, sudden huge demands, did not instantly transform indifference to openhearted solicitude.

DIFFERENT KINDS OF FREEDOM

BOTH GERMANIES GAINED greater, if sharply different, kinds of freedom after unification—and with that freedom came new uncertainties and discontents. In the East it was the freedom from the knock at the door, freedom to travel, release from a regimented, intimidating, false existence, freedom to examine one's life. But almost immediately 17 million East Germans discovered that freedom also meant freedom to face an uncertain future, freedom to lose a job, to lose support nets, however inadequate they may have been.

For 40 years, most East Germans had accommodated to life in a world of public lies and private doubts. Totalitarian regimes mobilize people into passive participation in politics. After 12 years of Nazi rule and 40 years of communist rule in the German Democratic Republic (G.D.R.), they may have survived psychologically by practicing denial, by wishing not to see.

After 1989 avoiding reality became impossible, given the economic dislocations of transforming a dysfunctional, decaying command economy into a market economy—as if there was but one type of market economy. The closing of state-run enterprises led to mounting unemployment. Moreover, economic affairs were only part of what had been prescribed under the old command economy. So much of life had been lived in the public realm. So much of it had been ordered from above or came by inherited routine. Suddenly the East Germans, released from public control, had to learn to make their own choices, think their own thoughts, find their own truths. They were indeed privatized at a time when the associational life of a civil society was being but slowly introduced.

Market economies presuppose legal structures, a system of private and public law—a legal code that has to be taught, learned and gradually assimilated. But the art of evasion also flourishes in market economies—as the 1980s so vividly illustrate. Western enthusiasts for the free market in the former G.D.R. often ignored the social costs of the transformation. Worse, the abrupt introduction of new forms of economic life also created what sociologists and Marxists have long identified with modern capitalism: alienation, anomie, insecurity. For the East Germans, the move from the rigid world of communist rule to the demands of a mobile society was hard. The very notion of planning for a market economy had an ironic ring to it. A new dependency developed. Much of life in the new eastern *Länder* of the united Germany came to be organized by Westerners who were practiced in taking decisions, in making things work and assessing the risks of the market, and who had the skills and the funds to take charge. East Germans had been taught to live and work by plans that bore little relation to reality; they had learned to suffer and endure but not to take responsibility or to live by trial and error.

East Germans hoped that the end of communism would bring instant rehabilitation as well as instant improvement in their living standard. But soon they began to think they were being “colonized”—a word commonly used that was infuriating to Western ears. Defeated, humiliated, more object than subject, many East Germans expressed their disappointment in terms of self-pity and resentment. Was there no end to their being victimized? In the early years of occupation, the Russians had dismantled and taken what was left of German industrial plants in their zone. A current estimate is that the Russians extracted some 54 billion Deutsche marks in reparations—all this while the Western zones and later the Federal Republic received Marshall Plan aid. Of course the balance sheet is far more complicated: West Germany also benefited from the huge influx of refugees from the Soviet zone and of Germans expelled by Poles and Czechs, and on the other hand, Bonn did make restitution payments to Israel and gradually gave support to the G.D.R. But East Germans believed, with some justification, that they had paid disproportionately for Hitler’s war.

SEPARATE AND JOINT PASTS

AFTER 1990 BOTH East and West Germans had to consider their separate and joint pasts. Former G.D.R. citizens had to address questions that have beset other countries at other times in the twentieth century: questions of collaboration and collusion, of culpability and trustworthiness. Which of them were so compromised that they could no longer be teachers or judges, civil servants or plant managers, professors or members of renowned academies? Who was to make these judgments, and on what basis?

West Germans, hardly at peace with their own past, seemed ready to make their judgments about Easterners. From the moment of unification I was concerned that the West Germans would be far more cheerfully, self-righteously assiduous in punishing suspected collaborators with the communist regime than their forbears had been in dealing with the servants of the Nazi regime. The very popularity of that regime had made de-Nazification difficult. Even now, West Germans with an undetected compromised past continue to flourish. Earlier this year a prominent West German physician was forced to resign from a major post in an international organization because it was revealed that he had participated in the Nazis' euthanasia program.

The Nazi past divides West Germans still, as shown by the controversy surrounding President Reagan's visit to Bitburg in 1985, by the so-called historians' debate, and by the decades it has taken to document the complicity of the German army in the atrocities on the Eastern front. To this day many Germans, in and out of uniform, choose to believe in the *Wehrmacht's* innocence. National Socialism never needed a wall; there was never a threat of a mass exodus. By comparison, millions of East Germans voted with their feet. Under the Nazis an indeterminate number of Germans had gone into "inner emigration," tried to remain insulated, to purchase peace at the price of silence. West Germans who were confounded by this past—and divided among themselves about it—were now called upon to judge fellow Germans who had lived for a further 40 years under a totalitarian regime initially held in place by foreign bayonets.

Most East Germans knew that their leaders, piously mouthing slogans of peace, had believed in violence and had no mercy. What they

could not have known, because the tape was released only last February, was that in 1982 Erich Mielke, head of the Stasi, the state security police, had told his closest colleagues that to save the lives of millions one might have to kill a bandit: "All this drivel about not executing and no death sentences, all crap, comrades."

The tone does remind one of Nazi evil. In the post-Stalinist era East German leaders, like leaders throughout the Soviet bloc, sought to replace torture with other kinds of intimidation, including the abomination of psychiatric wards. Party leaders ordered alleged enemies of the regime to be tortured, incarcerated or shot; they organized espionage and initiated or facilitated international terrorism. But these same leaders after 1970, and especially in the 1980s, garnered official recognition by other states. Chancellor Helmut Kohl received them in Bonn; Franz Joseph Strauss visited them and arranged for the G.D.R. to receive a one billion Deutsche mark credit. West German Social Democrats collaborated with functionaries of the East German Communist Party to hammer out a joint paper defining areas of agreement and disagreement. Today the former East German leader, Erich Honecker, is free in Chile, and only a few frontier guards are in prison, while tens of thousands of teachers and other East German civil servants have been suspended or dismissed.

As the communist regime crumbled, East Germans, left in their crowded, drab, decaying dwellings, saw pictures of how the *nomenklatura* had lived in insulated comfort and read about the perquisites that ranged from special medical care to Swiss bank accounts. Had they really not noticed that the much-touted egalitarianism of the first German socialist state had been traduced daily, visibly and invisibly? The apparatchiks had their own Volvos, their children had privileged access to education, and all of them could shop in the Intershops, where Western goods could be bought for Western currency. The revelations of the extent of these special benefits—petty by Western standards—enraged many East Germans. They felt betrayed. They remembered the leaders' endless invocations that, unlike the rapacious capitalist West, the G.D.R. was an egalitarian society where austerity

Questions of collaboration and collusion beset East and West Germans alike.

and sacrifice provided a psychological guarantee of a better future. But they must have had at least an inkling that their leaders had not practiced the virtues of delayed gratification that they preached.

The resultant outburst sprang from what I think was an ambivalence about deprivation. They minded it, of course, but they may have felt that austerity was virtuous—in old Germanic terms, ennobling. To have stark proof that their leaders had mocked this notion was offensive. In this largely Lutheran country, was this a distant echo of Martin Luther's attacks on a Roman hierarchy that preached poverty but lived in corrupt luxury?



THE STASI LEGACY

THE EAST GERMANS were made to realize something far worse. Their insidious, malevolent regime had managed to entrap vast numbers of them in collusion and corruption. The state security police had organized an unprecedented web of surveillance. In its final days, the Stasi consisted of 97,000 full-time employees—with perhaps as many as 140,000 unofficial collaborators, most of whom had acknowledged their commitment in writing. Only the higher ranks of society, such as professors or members of elite academies, were allowed to register their agreement orally. In addition, membership in the Communist Party rose to two million people, who were particularly vulnerable to Stasi demands. All this machinery for 17 million Germans—while the Gestapo, helped by countless voluntary informers, at the end of the Nazi regime had only 32,000 members for 80 million Germans. The Stasi files—nearly 100 miles of them—offered poisonous proof of a poisoned society.

The Stasi were the eyes and ears of a regime deeply distrustful of its own people. Born of distrust, the Stasi became an agent of distrust. In a world without laws or enforceable rights, a person searches for the like-minded, for another person to talk to, if need be in some outside place where surveillance is more difficult. West German observers thought that East Germans had managed to have closer, more trusting relationships. Some East Germans probably did have a particular affinity for trust and friendship. They invested in them as rare human goods at a time of moral scarcity. Imagine then the shock,

the retroactive dissolution of trust, when one discovered one's friend had been an informer; husbands had informed on their wives, wives on husbands, parents on children, friends on friends. Even now, as more information is divulged, the web of suspicion spreads ever wider.

During the 1970s, when the East German regime gradually replaced physical terror with calculated intimidation, the Stasi, like other secret police, learned to play with fiendish aptitude on people's vulnerabilities, operating an ever more elaborate system of carrots and sticks. The rewards for being an unofficial collaborator varied—advancement in a career, travel to the West; the sticks were more formidable, often involving the punishment of children for the alleged sins of their parents. The Stasi also resorted to more lethal methods, such as efforts to bring about “personal destabilization,” including undermining marriages—a whole array of Iago-like villainies aimed at destroying trust among friends and potential critics.

Stasi revelations have threatened some of the most promising political careers in the new *Länder* of the united Germany. Two examples may suffice: Lothar de Mazière, the first vice chancellor of the unified Germany, resigned when it was said that he had had Stasi contacts; and insinuations continue to be made against the only socialist minister president in the new *Länder*, Manfred Stolpe of Brandenburg. Stolpe had worked in and with the Protestant churches and had helped them to help victims of the regime. He had regular contacts with the Stasi—how else to aid people entrapped by them? Knowledgeable defenders of Stolpe and others similarly accused insist that any responsible person who tried to help people who had fallen afoul of the regime had to deal with the Stasi. But critics claim that even talking to Stasi officials was to take the first steps on a slippery slope. Others, myself included, might argue that in a tyrannical system only absolute immobility can protect one from the dangers of that slope. Once upon a time the Stasi oppressed a people. Its legacy has been to demoralize them and perhaps to deprive them of the few good political leaders they might have had.

|| Opposition to the G.D.R. regime was feeble compared to that elsewhere in the Soviet bloc. After the one great outburst of June 17, 1953, when East German workers took to the streets to defy their ever more demanding and repressive regime and were crushed by Soviet tanks,

there was apparent conformity. Not in East Germany the repeated uprisings or the great alliance of workers and intellectuals as in Poland's Solidarity Party, or in the Hungarian rebellion of 1956, or in the Czechoslovak Spring of 1968. It has often been said that Germans are somewhat untutored in civic courage. They have the word but not the all-essential practice. Albert Hirschman once wrote of moral resources, including civic spirit and trust: "These are resources whose supply may well increase rather than decrease through use . . . like the ability to speak a foreign language or to play the piano, these moral resources are likely to become depleted and to atrophy if not used."

The Ulbricht-Honecker regime, mixing German traditions with Soviet models, had time to promote a separate cultural life in the G.D.R. They wanted to create athletes of the spirit, writers and artists who could dazzle the outside world and satisfy at least some aspirations of their own people. As the East German molecular biologist and admirable citizen-thinker Jens Reich makes clear in a new book,

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the regime sought to implicate the entire intelligentsia—technicians as well as poets—and to a devastating degree it was successful. For many reasons the samizdat literature that flourished in Poland, Czechoslovakia and Russia did not exist in the G.D.R. In the early years of the regime, writers like Robert Havemann were imprisoned and gifted irri-

tants like Wolf Biermann were expelled. This last decision prompted East German writers to protest for the first time. But by and large the limits of state tolerance for dissent were rarely, if ever, tested.

Gradually the demands for socialist realism were relaxed. Other kinds of art were allowed. The novelist Christa Wolf was able to depict life in the G.D.R. with some degree of candor. Writers jostled with censors, and parodists ventured the occasional mischief, as when the writer Heiner Müller said, "We are the most progressive state ever: 95 percent of the people are against it, such a thing has never happened before," or when he sang, "The Stasi is my Eckermann." Now come the revelations that these writers, too, were once part of the Stasi net. In the late 1950s and early 1960s Christa Wolf was an unofficial informant, unbeknownst even to her husband. Decades lat-

er she described at length how she too came under Stasi surveillance. As the most prominent of East German writers, she has been denounced and defended. She illustrates how easy it was under that regime to move from being accomplice and perpetrator to victim, and how difficult it is to judge the conduct of people enmeshed in a system with so many visible and invisible tentacles.

There is at present a great controversy about the conduct of East German authors and the intelligentsia. Some West German critics express outrage, and there is a danger that in time the work of these writers might be altogether forgotten. This would be a distortion and a loss. Some of them were guarded witnesses to life under dreadful conditions. Now, in the unified Germany, West Germans who were spared anything like these terrors have assumed a leading role in decision-making, in dismissals and recruitments throughout the eastern *Länder*. Their work is officially subsumed under the term *Abwicklung*. This sanitized bureaucratic term, once used by the Nazis, suggests legal procedures or business liquidations. It bespeaks distance and condescension; it is unattuned to tact or compassion.

The question of judgment is inherently difficult. In the case of many of the accusations against former East German citizens, one must ask: How reliable are the Stasi files, and how often were they slanted by inferiors trying to curry favor with their superiors? Finally, as Jens Reich has implicitly warned, the Stasi could easily become a scapegoat for the G.D.R. regime. The greater villains were the party and state functionaries; the Stasi were not autonomous villains, and some of their collaborators may have had mixed or honorable motives. Only the clearest picture of life in the G.D.R. can help to render humane judgments. There may be good reason to sympathize with those West Germans of an impeccable past who say of all these leaks and revelations: "Enough"—an "enough" that has been much heard in the countries of Eastern Europe.

LIVING WITH HISTORY

IN THE YEARS to come Germans of both East and West will continue to find it difficult to deal with the history of the 40 years of the G.D.R. and F.R.G., two entities that lasted almost as long as the Bis-

marckian Reich. Polemical, divisive arguments have already begun about who supported whom and when, who promoted unification and who opposed it. Right-wing Germans or newborn nationalists are already accusing the old Federal Republic's left of national neglect, of having slighted the goal of national unity, of having collaborated with the Communist Party or of having been "soft" on East German criminals or collaborators. In time, after the calumnies and the memories are extinguished or transformed, later generations may "bracket out" the G.D.R.'s history—as Germans call such a deletion—while finding that it remains hard to expunge the Nazi past. As President Weizsäcker has said, the G.D.R. neither started a war nor committed genocide. It may gradually fade from historical consciousness, be dismissed as a Soviet satellite, an alien excrescence of something called the Cold War. West Germans' earlier indifference to the G.D.R. will facilitate so convenient a lapse of memory. But the G.D.R. in all its ambiguity needs to be remembered and in some way integrated into the history of Germany and Europe in our century.

The beginnings of the G.D.R. are most likely to be forgotten, the time immediately after the war when in the Soviet zone of occupation a so-called socialist state was gradually established, expropriating the large estate owners and nationalizing what was left of German industry. In the baggage train of the conquering Red Army arrived Moscow-trained German communists—many of whom had been tortured in Nazi camps—determined to forge a union between socialists and communists and create what they called a great antifascist bloc, a bulwark against a revived German fascist-type nationalism. True socialists, remembering how at the end of the Weimar Republic communists had in fact aided the rise of Nazism, defied communist pleas and demands; men like Gustav Dahrendorf and Kurt Schumacher never had any doubts about the true nature of communism. A few socialists in the Soviet zone believed that the Communist Party was genuinely antifascist, that it would radically purge all former Nazis and would recruit its own cadre, mostly of young, untrained people from the unpropertied classes. The claim that the German Democratic Republic, formally established in 1949, would become the first socialist state in German history, that by its extrusion of Nazis and dismantling of capitalism it was cleansing German soil of Nazi

poison, that out of devastation it was building up an egalitarian society—all had a certain appeal, particularly for writers and intellectuals. Bertolt Brecht, long the lyricist of a proletarian culture, happily left his American exile, with its capitalist culture and McCarthyite hysteria, to win honors and his own theater in East Berlin. Lesser writers followed. Thomas Mann accepted an honor from the new state—though he decided to settle in Switzerland, spiritually equidistant from both Germanies. In the G.D.R., as elsewhere at the time, communists had the inestimable advantage of claiming to be the vanguard of a new culture; judge us by some distant future, they said, not by the bleak present. Intellectuals, once committed to the faith, found it hard to break with it, to confess to themselves their error.

In the last few months an old German word has reappeared over and over again in books and articles. Although there is no English or French analogue, *Lebenslüge* roughly means the lie that is life-giving, the lie that is essential to a particular life, the lie that a person or a people may know to be false but without which a person or state would perish. The G.D.R. was saddled with one *Lebenslüge* from the start: the fundamental insistence that the Soviet Union was at once liberator and fraternal master and model. The East Germans sensed the travesty of truth. They knew that the Red Army had raped and looted. They knew that the Soviets had despoiled their country, and they sensed as well that their rulers, at least in the beginning, were servile instruments of Soviet masters. One of the many East German witticisms—the one commodity in which they outperformed the West Germans—insisted that the Russians were indeed brothers with whom one had indissoluble fraternal bonds: friends one chooses, brothers are unalterably inflicted. Gradually the antifascist principle, the G.D.R.'s sole threadbare claim to legitimacy, lost its credibility as well: to call the Berlin Wall the great antifascist wall was too grim an absurdity.

The Soviets and the G.D.R.'s rulers needed each other. For the former, East Germany was the frontier state, the most important defense post with the greatest arsenal of weapons. For the rulers of the G.D.R., the Soviet presence constituted the ultimate reserve army against their own people. The Federal Republic, its own legitimacy accepted by its people, had tied itself to the West, but these attach-

ments enhanced security and prosperity and corresponded to the wishes of most of its people. In the 1980s the East German regime, encouraged by the Federal Republic's ever more enterprising Ostpolitik, sought to gain some greater room for maneuver, some independence from Moscow. Characteristically, Honecker's greatest moment of independence came at the end, when he banned Soviet publications carrying Gorbachev's liberalizing message. To the end, Honecker remained a German Leninist—German because there was a tinge of sentimentality to his inhumanity. He and his closest advisers, most of them ardent believers in the powers of repression, ignored younger members of the *nomenklatura* who understood the need for reform in East Germany. Their day came too late. The G.D.R. was founded on deception, on various *Lebenslügen*, and its end was hastened by the self-deception of its aged leaders.

The G.D.R. leaves an ambiguous legacy, as does the Federal Republic; the difference is that the institutions of the old F.R.G. have not ended but are in the process of having to adopt to different conditions. The old political culture of the Federal Republic is being tested and, in part, measured by Eastern ideals. In the historic rivalry between communism and social democracy, the former by its very collapse has scored a major triumph. Many people, especially on the political right, rejoice in confounding communism and socialism, interpreting the dismal failure of the one as irredeemably discrediting the other as well. The historic task of democratic socialism has been to correct the most grievous, ruthless qualities of what Jacques Delors once called "*capitalisme sauvage*." It is doubtful that this task will ever be totally completed.

The G.D.R. is dead, and some East Germans already have their nostalgic moments. Disappointed in the present, prompted by a selective memory, they ask: "Was everything wrong in the last 40 years?" And they tend to erase from memory the hopelessness of the old regime and remember that at some level of subsistence, however drab and uniform, even ordinary citizens could count on the essentials of life: housing, however wretched, food, however meager, medical care, however inferior and indifferent. They remember that in the old G.D.R. there was no crime, no drugs, no pornography. The communist rulers of the G.D.R. could have echoed President Nixon's

boast: "We have taken crime off the streets." The government had assumed a monopoly on crime.

Citizens remember the much vaunted *Kinderkrippen*, a grandiose term for child-care centers to which working parents could send their children. The memory of the *Kinderkrippen* evokes the G.D.R.'s traditional concern for family life, for women's rights, including the non-traditional right of abortion, for social welfare—all this in contrast to the cold life in unified Germany, where the cash nexus rules all. These *Kinderkrippen* have become a kind of symbol for the better side of G.D.R. life. People forget that these benefits were palliatives for deeper pain. The *Kinderkrippen* were the decorous part of a controlled society that violated the home it pretended to protect.

MORE DIVIDED THAN BEFORE

ON SOME DEEP psychological level the unified Germany is more divided than before; the physical wall has been internalized. Where once had been the untroubled hope that at some future date the division of the country, unnaturally maintained, would be healed, there are now painful inequalities of power, wealth, experience and assertiveness. The living standard of East Germans is still much lower than that of West Germans; wages are lower and unemployment is at least three times higher. Economic inequalities heighten psychic discontent: East Germans are given to self-pity, West Germans to arrogance and exasperation. Some West Germans themselves complain of Western self-righteousness. Both sides deserve understanding. There are many Germans who demand solidarity not in words but in deeds, but their pleas are lost on pusillanimous politicians who, in confusion, think mostly of the next election.

In March 1993 the Bonn parliament finally approved a solidarity pact that has brought some predictability into the economic picture. It provides for new taxes to fund specified payments to the new *Länder*. Approximately seven percent of GNP will be transferred to the East over the next decade—roughly one trillion Deutsche marks. In July even the European Community agreed, reluctantly, to provide 27.5 billion Deutsche marks over the next six years to the new *Länder* out of its regional assistance funds. The strains are clear: Germany as a whole

is in a deep recession, with continued negative growth; according to many observers, it is the most serious recession since the founding of the Federal Republic. Hence the great unease pervading both parts of Germany. Still, the solidarity pact affords real chances for the new *Länder*, as Kurt Biedenkopf, minister president of Saxony, made clear in a speech to the Saxon parliament in mid-March—a candid speech that exemplified the possibilities of democratic leadership.

The old Federal Republic has also gained greater freedom in 1989, but a very different kind of freedom from the East Germans'. Unification has fulfilled the old national dream and attenuated—even on some level removed—Germany's dependency on its Western allies. From the beginning of the Federal Republic, it needed Allied protection, most clearly in the ever vulnerable city of Berlin. For 40 years this dependency dictated the parameters of choice. Now questions about German national interest and purpose reemerge in full force. In the ongoing debate there are some who demand greater German assertiveness, who have grown tired of being held hostage to the memory of the Nazi past. That sentiment is so strong that Jürgen Habermas has warned against yet another *Lebenslüge* for Germany, the *Lebenslüge*, as he puts it, "of us being a normal nation." How understandable the wish of so many Germans to be liberated of the burden of the past, to "relativize" Nazi crimes, to seek a retrospective moral equality. How understandable, and probably how unattainable.

It is one of the tragic ironies of the 1989 revolutions that they coincided with deepening crises in the West. The newly liberated countries reached out for a market economy at a time of worldwide recession. They sought to embrace democracy when the democratic countries had plunged into scandals of corruption and a general paralysis of leadership. They looked to Europe just as the hopes of Europe 1992 faded in the post-Maastricht malaise and when the term "democratic deficit" seemed to have resonance beyond the internal arrangements of the European Community.

Germany's unanticipated unification, with its staggering demands, came at a time when the old Federal Republic was already experiencing mutually reinforcing pressures. The West German economy—in the past the guarantor of West German democracy—was slowing down. The capitalist world was not at its most dynamic, or at what

Joseph Schumpeter defined at its most destructively creative, when East Germans clamored for a free market and the many gurus of the market economy urged instant transformation. West Germans, including leading politicians, were not immune to the greed and corruption of the Reaganite 1980s. Faith in the political system was shaken. Put differently, the twin miracles of Bonn's beginnings, the economic miracle and the political miracle—that is, the emergence after the devastation of the Nazi years of unprecedented political leadership—had come to an end. Germany faces its gravest crisis since the end of World War II.

A new and ultra-right-wing party, the Republicans, has scored impressive victories. It is doubtful that the massive increase in asylum seekers between 1987 and 1992—an increase of some 800 percent—is solely or even primarily responsible for the dissatisfaction that this party exploits. People in all parts of Germany feel an imbalance between the economic and moral requirements of the newly unified state and their political response. There has hardly been a time in which the political classes were held in such low esteem—as is true in the rest of Europe. The present uncertainties prompted Marion Countess Dönhoff, Helmut Schmidt and a few like-minded citizens to issue a manifesto in November 1992 under the title “Because The Country Must Change.” Or consider Jens Reich’s fears of future unrest “when I observe our dance around the golden calf, called property, prosperity, consumerism . . . which we hold sacrosanct. Even now I see the coming disgust and the helpless failure of the putative victors. Late socialism clung to the illusion of eternal growth and progress. We should not succumb to it under a different guise.”

The eruption of xenophobic violence, the killing of Turkish women and children, has horrified the world. Hundreds of skinheads are supported by thousands of nationalist, perhaps even neo-Nazi, sympathizers, while millions of Germans organize silent marches to protest this ugliness, a demonstrative solidarity never before seen in Germany. To some, the very silence of these marches, however impressive in themselves, is disturbing. Germans need speech, thought and moral authority, charged questions about asylum seekers

On some deep psychological level the unified Germany is more divided than before.

and fiscal measures that would grapple with the needed transfer payments to the east. All these need public argument. Over and over again in the last few months Chancellor Kohl has been admonished to "tell the truth."

In all parts of Germany there is a palpable deficit of trust—trust in leaders, trust in almost all aspects of life. The English philosopher John Dunn has spoken of trust as the core element of democracy. And while trust is in short supply in all countries, its steady decline in Germany is alarming. Degrees of trust cannot be quantified, unlike the interest rates of the Bundesbank—yet the two are linked. The Deutsche mark remains the symbol and instrument of Germany's economic stability, and the unarticulated incantation could be "In the Deutsche mark we trust." In a decade or so that same Deutsche mark will—by the painful transfer of some thousand billion Deutsche marks—transform the new *Länder*, especially Saxony, into the most modern region of Europe; the moral-psychological recovery and unity will take much longer.

I say this with a certain sadness, sadness that the promise of 1989, or what I thought of as Germany's second chance in this century, has been trapped in pain and disappointment. Once again Germany's history did not have to be like this; there was nothing inevitable about it. More truth, better leadership and greater tolerance would have made a difference. Even now the pessimists see a political system without leadership—and see a repeat of Weimar. The optimists see the possibility of rejuvenation and reciprocal learning, of which there has been too little.

To seek freedom in defiance of the state is not part of the German political tradition, as it is of the English, Dutch, French and American traditions. And yet twice in the last half century Germans defied a tyrannical state: on July 20, 1944, a few Germans tried to overthrow Hitler—they failed, and the two Germanies have had a difficult time assimilating or celebrating their memory; and in the fall of 1989, hundreds of thousands of East Germans successfully defied their regime, admittedly at a time when neighboring countries had already thrown off the communist yoke; it was nonetheless a momentous achievement in German history. Their leaders have already sunk into oblivion, and the memory of those great days has faded. People refer to

Freedom and Its Discontents

these events as *die Wende*, the turn, thus transforming what had been dramatic and heroic into something prosaic and bureaucratic. For all the disappointments that have followed, we should celebrate not merely the collapse of the Berlin Wall, but the men and women who by their demand for a better and freer life made that collapse one of the great moments in their history and ours.

The revolutions of 1989—however darkened in the meantime by the return of barbarism in many parts of the world—have given us an opportunity to live in trust and truth, to validate the hopes of Vaclav Havel. ②

Still A U.S. Invasion. Still Wrong.

The State Department is asking Americans to believe something ridiculous. That is the proposition that an agreement this week by four Lilliputian Caribbean armies to take part in a U.S.-led invasion force signifies regional support for an armed strike against Haiti's military regime.

Appending 266 soldiers from Barbados, Belize, Jamaica and Trinidad to an American army of at least 10,000 cannot hide the fact that an invasion, if it comes, would be a foolish and unnecessary act driven solely by the Clinton Administration.

By the same token, the escalating rhetoric issuing from Deputy Secretary of State Strobe Talbott and Deputy Secretary of Defense John Deutch cannot disguise the lack of a necessary political consensus at home, as quick rebuttals from Senator Richard Lugar and former President Bush have already made clear. Even Congressional Democrats are divided, with many endorsing an invasion only out of misplaced fealty.

Unfortunately, what all this new public posturing does do is squeeze another droplet from the Administration's almost empty vial of foreign-policy credibility. That can only narrow even further the range of choices Mr. Clinton has left for himself, choices that some of his advisers want to reduce to (a) invade or (b) give up.

Gen. Raoul Cédras and his cronies in the Haitian military leadership are practically daring the Administration to act. They have no claim to international legitimacy, having shot their way into power at the expense of a Government that won two-thirds of the vote in a democratic election. They have defiantly rejected all diplomatic entreaties from the United States and the United Nations. They have looted a wretchedly poor economy and brought international sanctions down on their fellow citizens.

Every day they prolong their thuggish rule brings the wanton and brazen murder of still more defenseless Haitian civilians.

But as morally and legally reprehensible as their actions have been, the United States has no calling to invade countries in the absence of any clear threat to vital American interests or to international peace.

True, the United Nations Security Council a month ago declared the Haitian regime a threat to international peace. But that was a peculiar exercise in circular logic that is hard for anyone to take seriously.

Washington felt it could not invade without U.N. authorization. The U.N. charter only permits such authorization when there is a threat to international peace. Therefore, a threat was duly declared, founded in large part on the supposedly destabilizing dangers of a continuing flow of refugees throughout the region.

How can the Administration morally justify launching the mighty American war machine and getting Americans and Haitians killed because it finds the arrival of miserable refugees so politically inconvenient that it has asked other countries to provide them with temporary shelter?

While restoring the democratically elected Government of Haiti is a legitimate aim of U.S. foreign policy, military force is, at this point, an inappropriate means for accomplishing it. Sanctions and diplomacy should be the principal policy tools, even though these have not achieved their aims so far, and possibly may not achieve them before President Jean-Bertrand Aristide's term runs out in 1996.

Unless and until the American people and others throughout the hemisphere are more willing than they are now to bear the risks of an invasion and its likely sequels, including prolonged occupation and deadly clashes with civilians, invading Haiti is a bad idea.

Even with an international brigade of 266 Barbadians, Belizeans, Jamaicans and Trinidadians trailing along, the large U.S. force will be asked to do the biggest share of the fighting and, inevitably, the dying.

The Real Truth of Poverty

Demonizing welfare mothers has become political sport, with politicians everywhere blaming them for moral decline, budget deficits and even poverty itself. A report this week by New York's CitizensBudget Commission challenges this stereotype in useful and enlightening ways. It shows that women on welfare make up a far smaller percentage of the poor than popular wisdom would have it. It also confirms what previous studies have shown: Medicaid, not welfare, is the prime source of runaway spending on poverty.

Welfare mothers are routinely portrayed as slackers who make up the bulk of the poor and soak up more money every year. The fact is that only one in four poor households in New York City is headed by a single parent; welfare payments, when adjusted for inflation, have actually declined by 30 percent since 1972.

The poor in New York are also more ethnically diverse than commonly supposed. Among the elderly, for example, nearly half of all households in poverty are headed by whites. Like earlier studies, the commission's report suggests that the failure of welfare payments to keep pace with inflation contributes to homelessness.

For years, Gov. Mario Cuomo has proposed that New York State assume the share paid by local governments for Medicaid, the program of medical insurance for the poor. That is because New York is one of the few states that makes local governments pick up part of the tab for Medicaid. The Governor's plan foundered partly because he would take back

local sales or income taxes in exchange for picking up Medicaid, a prospect that worried many suburban legislators.

Medicaid siphons off money that might be devoted to education, training, infrastructure. Because it has a large poverty population, New York levies onerous state and city taxes that become a major factor in persuading businesses to locate elsewhere. This, over time, erodes the tax base.

New York City will spend about \$2.5 billion on Medicaid in 1995. It ought to pay nothing. The nation's poor should be a national responsibility, with Washington paying the entire tab. Short of that, the state should pay Medicaid bills for all its poor citizens.

The commission's report provides a fresh rationale for a state takeover of Medicaid. Medicaid, it says, is the "largest and most rapidly growing expenditure for the poor." Again, welfare mothers and their children account for far less spending than one might think. The elderly and disabled make up less than a quarter of New York's Medicaid population but account for nearly 60 percent of total Medicaid costs.

New York City taxpayers have been hit hard by the need to pay for programs that cater to a large poverty population. But welfare mothers are not breaking the city's back. The costs of providing housing, education and police protection to an economically disadvantaged population are huge — as are the runaway costs of health care for the elderly and disabled.

The Difference a Dime Makes

By Al Kamen
Washington Post Staff Writer

The Clinton administration has picked longtime numbers cruncher **Robert Greenstein**, executive director of the Center on Budget and Policy Priorities, to be deputy director of the Office of Management and Budget.

That was the job **Alice Rivlin** held before **President Clinton** elevated her to replace now White House Chief of Staff **Leon E. Panetta**.

Greenstein, who came from the ranks of the anti-hunger lobby, was in the Agriculture Department in the Carter administration, where he was heavily involved in food stamp reform initiatives, coming down on the liberal side of the debates.

He then headed up the newly created budget center, which quickly established itself as a valuable information resource for journalists and Democrats who wanted numerical ammunition to attack the Reagan budget cutbacks on social programs.

Greenstein's hallmark was "fast response," always instantly ready with facts and analysis to dispute Reagan assertions that the cuts wouldn't hurt the poor.

Sources said a lower-ranking job at OMB was available then but he decided to stay put.

It is unclear whether Senate Republicans may want to try to rough him up at confirmation time. On the other hand, since there's hardly a discretionary dime left in the budget, they may figure even a staunch liberal can't do too much harm.

Sen. Craig's Version of Endangered Species

■ "Free white human beings" are an "endangered species" in New York City, says Sen. **Larry E. Craig** (R-Idaho). Waxing philosophical, the state's senior senator told the Chamber of Commerce in Twin Falls, Idaho, Wednesday that "the only person there isn't a law protecting today is the white Anglo-Saxon human being."

Craig's remarks, quoted in yesterday's Twin Falls Times-News, came as he blasted East Coast environmentalists who involve themselves in western environmental issues. Craig, who often does battle with the enviros, is a fierce critic of the Endangered Species Act.

"It isn't a New York City problem," he said. "The only endangered species in New York City is probably a free white human being."

Craig, asked if his remarks might be offensive to minorities, said, "if they are, I apologize immediately, and if you want to put that in writing, please do so. I don't go around intentionally and purposefully offending racial groups."

Death Row, an Untapped Asset

■ Speaking of speaking, there was Supreme Court Justice **John Paul Stevens** back home addressing a group of civil rights lawyers. Stevens, according to an account in the Chicago Daily Law Bulletin, told the group he has been thinking of ways to make an asset out of prisoners on death row.

"Conceivably, there might be people on death row who would voluntarily take marijuana or cocaine to

get more information on the harm caused by illegal drugs," he said, "to discourage their use."

He also suggested using "hypnotism or other means" to study why prisoners end up on death row. Maybe cause they killed somebody?

Whitewater Claims GOP Casualty

■ Congressional bickering over Whitewater led to the withdrawal yesterday of Ohio banker **Anne Hall**'s nomination for a Republican seat on the Federal Deposit Insurance Corp. Hall's nomination was approved in February by the Senate Banking Committee, then was delayed on the floor over Republican demands for full Whitewater hearings. She told Reuter that for professional reasons she couldn't wait longer.

The Senate also is holding up **Ricki Tigert**, the administration's nominee to chair the FDIC, but Tigert says she is not withdrawing and the White House said yesterday it is backing her.

FTC May Get a Returnee

■ That "senior government position" in Cabinet secretary **Christine Varney**'s future is most probably the Federal Trade Commission, which will have a second opening on Sept. 26. Sources say this is not a done deal, however.

The other opening, created by the recent resignation of commissioner **Dennis A. Yao**, is likely to be filled by former commissioner and now Georgetown law professor **Robert Pitofsky**. The plan apparently is to name Pitofsky as chairman, replacing **George Bush**'s friend, Republican **Janet D. Steiger**.

It's Official . . .

■ Clinton has nominated Washington attorney **Alfred H. Moses** to be ambassador to Romania. Moses, president of the American Jewish Committee, was special adviser and special counsel to President **Jimmy Carter**, handling Billygate for him. He has been heavily involved in American-Romanian relations for many years, working on Jewish emigration issues and on behalf of dissidents, including those imprisoned for Christian activities.

Career foreign service officer **Thomas A. Forbord**, formerly vice president and chief economist of the Export-Import Bank and more recently deputy chief of mission in Buenos Aires, is off next week to Rome to be U.S. permanent representative to the United Nations agencies there.

At Agriculture, Secretary **Mike Espy** yesterday said that **Thomas J. Billy**, a career government employee who has been working on improving the Food and Drug Administration's seafood safety program, will move onto dry land to head the department's Food Safety and Inspection Service. Billy for more than 15 years managed a seafood inspection program at the National Marine Fisheries Service.

Espy also named **J. Glenn Morris Jr.**, a longtime critic of the inspection service, to head a new health affairs staff within FSIS. Morris is a physician and professor at the University of Maryland and has worked at the Centers for Disease Control and Prevention in Atlanta.

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ADDRESS BY
SECRETARY OF STATE WARREN CHRISTOPHER
AT THE
JOHN F. KENNEDY SCHOOL OF GOVERNMENT
CAMBRIDGE, MASSACHUSETTS

January 20, 1995

* * * * *

Thank you for that generous introduction. It is a pleasure to be back at the Kennedy School.

America stands at the threshold of a new century and faces a challenge that recalls the opportunities and dangers that we confronted at the end of the First and Second World Wars. Then, as now, two paths lay before us: to claim victory and withdraw, or to provide American leadership to build a more peaceful, free, and prosperous world. After World War I, our leaders chose the first path and we paid a terrible price. No one will dispute that after the Second World War, Harry Truman, George Marshall, Dean Acheson, Arthur Vandenberg -- and the American people -- wisely chose the other path.

That same farsighted commitment to American leadership and engagement must guide our foreign policy today. The Soviet empire is gone. No great power views any other as an immediate military threat. And the triumph of democracy and free markets is transforming countries from Europe to Latin America, and from Asia to Africa. We now have a remarkable opportunity to shape a world conducive to American interests and consistent with American values -- a world of open societies and open markets.

In the past year, we helped persuade Ukraine, Kazakhstan and Belarus to give up nuclear weapons on their territory. Nuclear warheads and missiles from these states and Russia are being dismantled. Russian troops are out of the Baltic States and Germany. We have begun to build a new European security architecture. We helped to launch regional security dialogues in Asia. We negotiated a Framework with North Korea that freezes and will ultimately eliminate its nuclear weapons program. We reached an agreement with China that will sharply limit its missile exports. And we stopped Iraqi aggression against Kuwait dead in its tracks.

We also contributed to historic progress in resolving conflict, backing democracy, and promoting development around the world. We fostered agreements between Israel and the PLO, and the peace treaty between Israel and Jordan. We restored the democratically elected government in Haiti -- and we will do our part to make sure that achievement endures. In long troubled regions like Northern Ireland, South Africa and Cambodia, we contributed to extraordinary advances toward peace and reconciliation. And at the historic Cairo Conference, we restored American leadership on the critical issues of population and development.

Finally, we took giant steps to build the open trading system of the next century, with America at its hub. We won bipartisan support for the GATT agreement and led the way for its approval around the world. We helped forge commitments to eliminate trade barriers in the Asia-Pacific region by 2020 and to negotiate free trade in our own hemisphere by 2005. And we made important progress in widening access to Japan's markets.

But we must not rest on these accomplishments. Aggression, tyranny and intolerance still undermine political stability and economic development in vital regions of the world. Americans face growing threats from the proliferation of weapons of mass destruction, terrorism, and international crime. And problems that once seemed distant, like environmental degradation, unsustainable population growth, and mass movements of refugees now pose immediate risks to emerging democracies and to global prosperity.

In meeting these opportunities and dangers, our foreign policy is driven by several principles. First, America must continue to engage and lead. Second, we must seek to maintain and strengthen cooperative relationships with the world's most powerful nations. Third, it is essential that we adapt and build institutions that will promote economic and security cooperation. Fourth, we support democracy and human rights because it serves our ideals and our interests.

The imperative of American leadership, the first principle of our strategy, is a central lesson of this century. It is sobering to imagine what the world would have been like without it in the last two years alone. We might now have four nuclear states in the former Soviet Union instead of one; a full-throttle nuclear program in North Korea; no GATT agreement or NAFTA; brutal dictators still terrorizing Haiti; and very likely, Iraqi troops back in Kuwait.

As a global power with global interests, the United States must not retreat from its leadership role. It is our responsibility to ensure that the post-Cold War momentum toward greater freedom and prosperity is not reversed by neglect or short-sighted indifference. Only the United States has the vision and the capacity to consolidate these gains.

As our recent accomplishments suggest, American leadership requires that we be ready to back diplomacy with the credible threat of force. Toward this end, President Clinton is determined that the U.S. military will remain the most powerful and effective fighting force in the world.

When our vital interests are at stake, we must be prepared to act alone. Our willingness to do so is often the key to effective joint action. But the recent debate between the proponents of unilateral and multilateral action assumes a false choice. Multilateralism is a means, not an end. Sometimes, by mobilizing the support of other nations, by leveraging our power and leading through alliances and institutions, we will achieve better results at lower cost in human life and national treasure. That is a sensible bargain I know the American people support.

Leadership also means focusing international attention on emerging global problems. That is why we have given global issues like the environment, population, and sustainable development the prominent place they deserve on our foreign policy agenda.

Just as our nation must always maintain its military readiness, so we must be ready to advance our political and economic interests around the world. That requires highly trained men and women, modern communications technology, and adequate resources.

The second tenet of our strategy is the central importance of constructive relations with the world's most powerful nations: our Western European allies, Japan, China and Russia. These nations possess the political, economic, or military capability to affect the well-being of every American. The relatively cooperative relations that these countries now have with each other is unprecedented in this century, but it is not irreversible.

Our strategy toward the great powers begins with Western Europe and Japan. We must revitalize our alliances with this democratic core. We must also seize the opportunities that now exist to build constructive relations with China and Russia, countries that once were our fiercest adversaries. Both are undergoing momentous, though very different, transformations that will directly affect American interests.

Our partnership with Japan is the linchpin of our policy toward Asia, the world's most dynamic region. This Administration has placed Asia at the core of our long-term foreign policy approach. Realizing President Clinton's vision of a stable and prosperous Pacific Community will continue to be a top priority. Asia figures prominently in many of our central areas of emphasis for 1995.

It is imperative that we reinforce our security and political ties with Japan -- as well as with South Korea and our other treaty allies. It is equally essential that the strength of our economic ties with Japan matches the strength of our overall relationship. During this year that marks the fiftieth anniversary of the end of World War II, we will highlight our close cooperation on regional and global issues -- while continuing to press for greater access to Japanese markets.

Our success in Asia also requires pursuing constructive relations with China, consistent with our overall interests. We welcome China's participation in regional security and economic organizations. We support its accession to the World Trade Organization on appropriate terms. And we will work hard to gain its cooperation with global non-proliferation regimes. In China's own interest, and consistent with its increasing role in the world community, it needs to demonstrate greater respect for human rights and the rule of law. China's recent crackdown on dissent is disturbing and incompatible with realizing the full potential of our bilateral relations.

Our relationship with Russia is central to America's security. It has been a key foreign policy issue for this Administration. Its importance is reflected in my meetings in Geneva this week with Andrei Kozyrev, where for eight hours we discussed a broad array of common challenges and concerns. The United States has an enormous stake in the outcome of Russia's continuing transformation. A stable, democratic Russia is vital to build a secure Europe, to resolve regional conflicts, and to fight proliferation. An unstable Russia that reverts to authoritarianism or slides into chaos would be a disaster -- an immediate threat to its neighbors and, with its huge nuclear stockpile, again a strategic threat to the United States.

That is why the Clinton Administration has been unwavering in our support for Russian reform. Despite the setbacks that we knew Russia might encounter during this historic and difficult transition, our steady policy of engagement and cooperation has paid off for every American -- from reducing the nuclear threat to advancing peace in the Middle East. That is why President Clinton reaffirmed last week in Cleveland his determination to maintain our substantial assistance for democratic and economic reform in Russia.

We are deeply concerned about the war in Chechnya. It is a terrible human tragedy. The way in which Russia has used military force has been excessive and threatens to have a corrosive effect on the future of Russian democracy. As I told Foreign Minister Kozyrev, the war must end and a process of reconciliation must begin. What we do not want to see is a Russia in a military quagmire that erodes reform and tends to isolate it in the international community.

The third principle of our strategy is that if the historic movement toward open societies and open markets is to endure, we must adapt and revitalize the institutions of global and regional cooperation. After World War II, the generation of Truman, Marshall, and Acheson built the great institutions that gave structure and strength to the common enterprise of western democracies: promoting peace and economic growth. Our challenge now is to revitalize those institutions -- NATO, the UN, the IMF and the World Bank, the OECD, among others. And we must extend their benefits and obligations to new democracies and market economies.

At the President's initiative, our G-7 partners agreed that in Halifax next July, we will chart a strategy to adapt the post-war economic institutions to a more integrated post-Cold War period. We are also helping regional institutions and structures such as the Organization of American States, ASEAN, and the Organization of African Unity to promote peace and democratic development.

As a fourth principle, this Administration recognizes the importance of democracy and human rights as a fundamental part of our foreign policy. Our commitment is consistent with American ideals. It also rests on a sober assessment of our long-term interest in a world where stability is reinforced by accountability and disputes are mediated by dialogue; a world where information flows freely and where the rule of law protects not only political rights but the essential elements of free market economies.

In the new year, in 1995, as we follow these basic underlying principles, I intend to focus on five key areas that offer particularly significant opportunities: advancing the most open global trading system in history; developing a new European security order; helping achieve a comprehensive peace in the Middle East; combatting the spread of weapons of mass destruction; and fighting international crime, narcotics, and terrorism.

First, we must sustain the momentum we have generated toward the more open global and regional trade that is so vital to American exports and jobs. A core premise of our domestic and foreign policies is that our economic strength at home and abroad are mutually reinforcing. I believe that history will judge this emphasis to be a distinctive imprint and a lasting legacy of the Clinton Administration.

We will implement the Uruguay Round and ensure that the new World Trade Organization upholds vital trade rules and disciplines. We will work with Japan and our other APEC partners to develop a blueprint for achieving open trade and investment in the Asia-Pacific region. We will begin to implement the Summit of the Americas Action Plan. And we will also begin to negotiate Chile's accession to NAFTA.

Let me add a word about Mexico and our effort to address its economic crisis of confidence. The President has demonstrated vision and leadership in assembling the package of support necessary to help Mexico get back on track. The package of loan guarantees has the backing not only of the Administration, but the bipartisan Congressional leadership and the Chairman of the Federal Reserve Board. This package contains tough but fair conditions to protect U.S. interests and to ensure the guarantees are used wisely and well.

As the President has said, we should resist the temptation to load up this package with conditions unrelated to the economic thrust of our effort. Let me say to the Congress and the American people: This package is in the overriding interest of the United States. It should be acted upon quickly and favorably.

In our second area of opportunity, we will take concrete steps to build a new European security architecture. We understand that deep political, military, economic, and cultural links make Europe's security and prosperity vital to ours. Our efforts will focus on maintaining strong relations with Western Europe, consolidating the new democracies of Central Europe and the former Soviet Union, and engaging Russia as a responsible partner.

NATO remains the anchor of American engagement in Europe and the linchpin of transatlantic security. NATO has always been far more than a transitory response to a temporary threat. It has been a guarantor of European democracy and a force for European stability. That is why its mission has endured, and why its benefits are so attractive to Europe's new democracies.

In earlier years, NATO has welcomed new members who shared its purposes and who could add to its strength. Under American leadership, the Alliance agreed in December to begin a steady and deliberate process that will lead to its further expansion. We have already begun to examine with our Allies the process and objectives of expansion, and we will share our conclusions with the members of the Partnership for Peace before year's end.

As we move toward NATO expansion, we will also bolster other key elements of the new European security architecture: a vigorous program for the Partnership for Peace, a strengthened Organization for Security and Cooperation in Europe, and a systematic process for enhancing the NATO-Russia relationship.

The tragic war in Bosnia underscores the importance of building an effective new architecture for conflict prevention and resolution. Together with our partners in the Contact Group, we are seeking a negotiated solution because only a negotiated solution has any chance of lasting and preventing a wider war. What we must not do is to make the situation worse by unilaterally lifting the arms embargo. We have always believed that the embargo is unfair. But going it alone would lead to the withdrawal of UNPROFOR and an escalation of violence. It would Americanize the conflict and lead others to abandon the sanctions on Serbia. It would undermine the authority of all UN Security Council Resolutions, including sanctions on Iraq and Libya.

Our third area of opportunity is advancing peace and security in the Middle East. We have witnessed a profound transformation in the landscape of the Arab-Israeli conflict -- one that would not have been imaginable just a few years ago.

Despite the difficulties that remain, we must not let this remarkable opportunity slip away. On the Israeli-Palestinian track, we must continue to make progress in the implementation of the Declaration of Principles. We are encouraged by yesterday's meeting between Prime Minister Rabin and Chairman Arafat and by the serious efforts both sides are making to work out the complex issues in the next phase. Each side must see the benefits of peace. Israelis must gain security. Palestinians must achieve genuine control over the political and economic decisions that affect their lives. Each must build the trust and confidence of the other -- especially at a time when those opposed to peace seek to destroy mutual confidence.

The negotiations between Israel and Syria are entering a crucial phase. The parties are serious and some progress has been made in narrowing the gaps. If a breakthrough is to be achieved in the coming months, critical decisions must be made and the process will have to be accelerated. President Clinton and I will continue to do all we can to support these efforts.

As we promote peace, we must also deal with the enemies of peace. Iraq's massing of troops at Kuwait's border last October underscored the danger Iraq poses to regional security. Saddam Hussein's regime cannot be trusted. Full compliance with all relevant UN obligations is the only possible basis on which to consider any relaxation of sanctions.

Another rogue state, Iran, now leads rejectionist efforts to kill the chances for peace. It directs and materially supports the operations of Hizballah, Hamas and others who commit atrocities in places like Tel Aviv and Buenos Aires. It sows terror and subversion across the Arab world. Those industrialized nations that continue to provide concessionary credits to Iran cannot escape the consequences of their actions: They make it easier for Iran to use its resources to sponsor terrorism and undermine the prospects for peace.

Today Iran is engaged in a crash effort to develop nuclear weapons. We are deeply concerned that some nations are prepared to cooperate with Iran in the nuclear field. I will not mince words: These efforts risk the security of the entire Middle East. The United States places the highest priority on denying Iran a nuclear weapons capability. We expect members of the Security Council, who have special responsibilities in this area, to join with us.

Our fourth area of emphasis for 1995 is to take specific steps to stop the spread of weapons of mass destruction and their means of delivery. With the demise of the Soviet Union, the proliferation of these weapons poses the principal direct threat to the survival of the United States and our key allies. Our global and regional strategies for 1995 comprise the most ambitious nonproliferation agenda in history.

The centerpiece of our global strategy is the indefinite and unconditional extension of the Non-Proliferation Treaty. The treaty's greatest achievement is invisible -- weapons not built and material not diverted. But the impact is clear: The nightmare of a profusion of nuclear weapons states has not come to pass.

Our global strategy also includes a moratorium on nuclear testing as we negotiate a Comprehensive Test Ban Treaty; a global ban on the production of fissile materials for building nuclear weapons; ratification of the Chemical Weapons Convention; and strengthening the Biological Weapons Convention.

With the agreements President Clinton signed last December in Budapest, we can now begin to implement the START I nuclear reduction treaty. Later this month, I will be the Administration's lead witness in urging the Senate's prompt ratification of START II. Finally, we will continue to support the Nunn-Lugar program, which helps dismantle former Soviet nuclear weapons and counters would-be nuclear smugglers by improving security at vulnerable facilities.

When this Administration took office, North Korea had an active nuclear program. Left unchallenged, it was poised to produce hundreds of kilograms of plutonium that could be used in nuclear weapons. The stage was being set for a crisis that would imperil security throughout Northeast Asia and undermine our entire global nonproliferation effort.

Last fall, the United States concluded an Agreed Framework with North Korea that freezes its nuclear program, provides for its dismantlement, and puts the whole issue on the road to resolution. The Framework has the strong support of Japan and South Korea -- key allies whose security it will protect and who will finance most of its implementation. We are under no illusions about North Korea. Implementation of the Framework will be based upon verification, not trust. We are determined to ensure that North Korea fulfills its obligations every step of the way.

Those who oppose the Framework with North Korea have a responsibility to offer an effective alternative that protects our interests. They have not done so.

We also have an aggressive strategy with respect to conventional arms and missiles. We will broaden the Missile Technology Control Regime. We will push for a global agreement to ban antipersonnel landmines, and work bilaterally to remove the millions of mines still in place. We are also seeking to establish a COCOM successor regime, which will restrain trade in arms and sensitive technologies to the pariah states.

Turning to our fifth area of emphasis, international terrorists, criminals and drug traffickers pose direct threats to our people and to our nation's interests. They ruin countless lives, destroy property, and siphon away productive resources. They sap the strength of industrialized societies and threaten the survival of emerging democracies.

That is why in 1995 we plan to implement a comprehensive strategy to combat these threats. The State Department is working on this plan in close and urgent cooperation with the Departments of Justice, Treasury, and other law enforcement agencies. The strategy on international crime and terrorism will include several vital steps:

- First, we will insist that other countries fulfill their obligations either to extradite or prosecute international fugitives, and ensure that convicted criminals serve tough sentences;
- Second, we will work with other governments to develop and implement tough asset forfeiture and money laundering laws to attack international criminals in a vulnerable place -- in their pocketbook;
- Third, we will toughen standards for obtaining U.S. visas to make it more difficult for international criminals to gain entry to this country;
- Fourth, we will propose legislation to combat alien smuggling and immigration fraud by providing increased penalties and more effective investigative tools.
- Fifth, the Clinton Administration is planning new steps to expand the use of U.S. law against terrorists and funding for their activities.

I have discussed five key areas of opportunity for American foreign policy in 1995. I also want to underscore that our foreign policy will continue to address a whole range of issues important to our interests, such as promoting stability and democracy in Asia, Latin America, and Africa; meeting urgent humanitarian needs around the world; fighting environmental degradation and addressing rapid population growth.

Since my first week in office, I have consulted closely with both parties in Congress on every important issue on our agenda. We have gained bipartisan backing for key objectives of our foreign policy, including the Middle East peace process, our landmark trade agreements and denuclearization in the former Soviet Union.

The recent elections changed the balance of power between the parties. But they did not change, indeed they enhanced, our responsibility to cooperate on a bipartisan basis in foreign affairs. The election was not a license to lose sight of our nation's global interests or to walk away from our commitments in the world. Leaders of both parties understand that well.

Bipartisan cooperation has always been grounded in the conviction that our nation's enduring interests do not vary with the times. President Harry Truman had it right 40 years ago: "Circumstances change," he said, "but the great issues remain the same -- prosperity, welfare, human rights, effective democracy, and above all, peace."

With the Cold War behind us, the United States has a chance to build a more secure and integrated world of open societies and open markets. We are the world's largest military and economic power. Our nation's founding principles still inspire people all over the world. We are blessed with great resources and resolve. We will continue to use them with wisdom, with strength, and with the backing of the American people.