U.S. Foreign Policy Achievements and Challenges

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This is a beautiful setting in which to join a foreign policy conference cosponsored by the University of Utah, Brigham Young University, and the State Department. Throughout our country we feel a renewed confidence that America is in a position to play a positive foreign policy role. This is a major change and one of my themes today.

Journalists normally keep score on an administration by adding up the formal agreements signed with foreign countries. This is at best an incomplete measure of success. The Carter Administration secured ratification of the Panama Canal Treaty, moderated the Camp David agreement, normalized relations with China, and negotiated the SALT II [strategic arms limitation talks] agreement on arms control. Yet Americans intuitively understood that these agreements did not add up to success in foreign policy. By 1980, there was a widespread perception both here and abroad that American power had been eroded, as had our will to utilize power to protect our interests overseas.

With congressional elections coming and with President Reagan and General Secretary Gorbachev having met in Iceland last week, this is an appropriate time to reflect on some of the achievements and challenges of American foreign policy. Let me briefly report some "good news" and some "bad news" by describing some of the trends in the international and domestic environment which currently affect our ability to promote foreign policy interests.

First, the good news. Many global trends and developments now favor us.

A FAVORABLE "CORRELATION OF FORCES"

The most important development in recent years is this: a significant shift has occurred in what the Soviets call the "global correlation of forces."

You remember the 1970s. We experienced a constitutional crisis. We endured the ordeal of the American hostages in Iran. Long gas lines reminded us of America's growing dependence on others for basic resources. Economists introduced the term "stagflation" into our vocabularies. President Carter described the national mood as one of "malaise."

The bitter legacy of Vietnam was an American disposition to retreat temporarily from international leadership. Divisions appeared in our alliances. The cumulative effect of inadequate investment in U.S. military modernization began to show.

In contrast, the Soviets appeared to be on a roll. The momentum of Moscow's strategic modernization effort far exceeded ours. Through the direct or indirect application of their military power, they expanded their influence in Angola, Ethiopia, South Yemen, Mozambique, and Nicaragua. They invaded and then attempted to occupy Afghanistan. They supported the Vietnamese invasion of Cambodia. During this period many Third World countries embraced statist political and economic practices; the influence of democratic and free market principles appeared to wane.

Much has changed in the 1980s. We have substantially rebuilt our military power and revitalized our economy. There is a new pride in our country, a strong consensus that the United States should play an active role in the world. We have a President who enjoys the luxury of a second term and the continuity of policy which that affords. Our alliances are in solid shape. It is now the Soviets who are encountering growing difficulties at home and abroad and who apparently need some respite from the East-West competition in order to put their house in order.

WINNING THE GLOBAL CONTEST OF IDEAS

My second bit of good news is that we are doing very well in the global contest of ideas. This is particularly apparent in the currency of democracy and market economics in the Third World. A decade ago, martial law and other forms of authoritarianism were *de rigueur* in the developing countries. We confronted a spirited drive by the nonaligned for a new international economic order which was blatantly statist in its approach.

Today, 90 percent of all Latin Americans live under governments which can plausibly claim to be democratic. Nor is this trend confined to this hemisphere. All Americans were thrilled by the swift and peaceful democratic revolution in the Philippines last February. Though problems remain, Pakistan has made the transition from military to civilian government. Haiti was relieved of the oppression of the Duvaliers. The extradordinary movement toward democracy unfolding in diverse corners of the earth reminds us that dictatorship--whether of the left or of the right--is not permanent.

President Reagan has personally urged democracies to assert their values. A National Endowment for Democracy was created and has undertaken projects in support of democratic institutions in the Philippines, Northern Ireland, Chile, Haiti, and South Africa. Other projects have assisted elementary school education for anti-communist Afghans and supported Solidarity and other groups working to establish independent institutions in Poland.

So, not many years ago, democratic nations were thought to be a dwindling minority; democ - racy was thought to be a unique and distinctive attribute of Western industrial culture. Today, the vitality of the democratic idea is one of the most important political realities of our time, and American is firmly committed to its advancement.

The movement toward democracy has been matched by a growing commitment to market economies. The reasons are obvious. Economies dominated by the public sector simply did not produce. Those which limited governmental intervention and expanded the interplay of market forces have achieved remarkable results.

Today, there is no force in the world doing more to invigorate the global economic system than the powerful economic recovery which has now been underway in the United States for nearly four years. It is success that invites emulation. More and more countries are looking to the efficiency of free and open markets, the vigor of the private sector, and the opportunities available in the international trading and financial systems. From India, to Yugoslavia, to Brazil, we find movements to decentralize, deregulate, and denationalize. The dynamism of East Asia's economy

is well known, as are China's experiments with market principles and the dramatic growth it has achieved.

Both these trends--toward democracy and the market system--owe much to America's example and American power. The single biggest extension of democratic liberties in recent memory occurred at the end of World War II when American power was at its zenith. It is no coincidence that respect for our values has grown in recent years as we have renewed the sources of our military, economic, and political power in the world.

SOVIETS ON WRONG SIDE OF NATIONALISM

There is a related trend of considerable importance. In those countries where the Soviets extended their influence in the late 1970s, they now find themselves at cross-purposes with the forces of nationalism. In Afghanistan, Cambodia, Angola, and Nicaragua, regimes of dubious legitimacy are supported by Soviet subsidies and Soviet or allied troops. Each confronts growing indigenous resistance. In a nationalist era, dependence on outsiders inevitably diminishes the appeal and authority of Soviet-supported regimes. The Russians are learning that it costs a great deal more to subsidize such regimes than it does to encourage and support nationalist forces fighting for a cause.

OUR AGENDA ON ARMS CONTROL AND TRADE

There is a fourth development of great consequence. In the fields of arms control and trade--matters of overriding consequence to all Americans--the key negotiations now address *our* agenda.

High drama always attends meetings between the President of the United States and the Secretary General of the Soviet Union, and the meetings in Iceland last week were no exception. In over 10 hours of intensive discussion, we succeeded in getting the Soviets to address in a bold and imaginative manner a number of our key strategic concerns. In Iceland, we proposed--and the Soviets accepted--a five year period of reductions in strategic forces in which all strategic nuclear arms would be reduced by 50 percent. In the next five years, we would continue by eliminating all remaining offensive ballistic missiles of all ranges. In INF, we reached agreement that all LRINF [long range intermediate-range nuclear force] missile warheads would be eliminated in Europe and all but 100 warheads eliminated from the Asian portion of the U.S.S.R.

Note the contrast from a few years ago. Then, professional arms controllers seemed content to propose limits on the rate at which U.S. and Soviet strategic offensive systems grew. We are now discussing radical reductions of strategic nuclear systems.

In 1983, the zero option for INF put forward by the Reagan Administration was dismissed by critics as unserious. Yet, the proposal discussed in Reykjavik last weekend involved the elimination of all LRINF missiles from Europe and an 80 percent reduction of those deployed by the Soviet Union in Asia. Until recently, the arms control community seemed universally to accept the premise that deterrence required mutual threats of annihilation.

In the past, arms control verification arrangements were essentially synonymnous with national technical means of inspection. Both in Stockholm and Reykjavik, more rigorous inspec - tions--including onsite inspection--have reentered the vocabulary of negotiators.

In an attempt to take into account Soviet concerns, we agreed at Reykjavik to defer deploy - ment of the Strategic Defense Initiative (SDI) for 10 years. The General Secretary wanted more, however. He wanted wording that, in effect, would have kept us from developing SDI for the entire 10-year period. Gorbachev said that unless we acquiesced in his position on the SDI, all the progress made on eliminating nuclear weapons was canceled. But on the SDI President Reagan

had to stand firm. The SDI has already demonstrated its utility as an inducement for serious arms control negotiations. It has stimulated hope for deterrence which relies upon non-nuclear defenses rather than mutual threats of annihilation.

Major substantive progress was achieved at Reykjavik. The proposals discussed there remain on the table. Our arms control negotiators at Geneva now have new possibilities with which to work toward possible historic agreements. Secretary Shultz and Foreign Minister Shevardnadze will meet in Vienna. We remain patiently hopeful and will continue to pursue not only arms control but arms reductions, with persistence, vigor, and flexibility.

The trade negotiations held last month in Punta del Este received much less publicity than the meeting held in Iceland. But the results regarding international trade are also encouraging. That meeting opened the door to a new round of multilateral trade negotiations--one in which trade in services, protection of intellectual property, and agricultural trade are on the agenda for the first time. These are areas of particular concern to us in our determined effort to make trade free, open, and fair.

To that end, the United States has played a lead role in a series of high-level economic meetings among the industralized countries aimed at strengthening the global economic system. These meetings have sought to promote sustained growth by relating basic currency and structual adjustment to major economic indicators, including exchange rates. These measures offer the hope of increasing exchange rate stability and, thereby, of bringing exchange rates and international surpluses and deficits more in line with underlying economic realities.

We have worked closely with Japan and other countries to rectify the structual imbalances that, among other things, contribute to America's huge trade deficits. Premier Nakasone, recentely retured to office in an electoral landslide, has said Japan must transform its economy to rely more on domestic demand and imports, especially manufactured products. Elsewhere, we have established free trade areas with Israel and Canada.

In the general trade area, we have investigated, denounced, and, in some 301 cases, retaliated against unfair trading practices.

In short, in the crucial global arenas of arms control and international trade, America's ability to shape the agenda is strong, and we will do all we can to see that our issues are kept front and center in the bargaining to come.

RAISED PUBLIC CONSCIOUSNESS ON TERRORISM AND DRUGS

Another favorable trend is that public consciousness--here and abroad--has been raised regarding two issues of tremendous importance to Americans: terrorism and drug trafficking.

Few terrorist incidents have occurred in the United States, but many Americans have been affected by such incidents abroad. We have put the world on notice that we will not countenance politically inspired terrorist actions against our citizens.

During the past few years, we have achieved remarkable progress in developing our own intelligence capabilities vis-a-vis international terrorists and in sharing that intelligence on a real-time basis with friendly nations. We have expanded international cooperation in the field of law enforcement and counterterrorist training. Last year, we and our friends foiled 126 planned terrorist attacks.

We are generating support for putting teeth into international antiterrorism conventions. For example, the International Civil Aviation Organization toughened its regulations dramatically after

the hijacking of TWA 847. In response to the *Achille Lauro* hijacking, the International Maritime Organization began to develop similar regulations for seaborne transportation. Last November, the U.N. General Assembly adoped a strong resolution declaring terrorism a crime.

We have also developed our own counterterrorist military capabilities to react swiftly to terrorist situations. In both the *Achille Lauro* affair and last April's assault on Tripoli, we demon - strated our willingness and ability to use force *in extremis* in pursuit of terrorists and against states who support them. Against terrorism we are determined; against terrorism we will prevail.

We have seen a similar growth of international consciousness and cooperation on the drug question. Here at home, much needs to be done to reduce the demand for drugs. Abroad, we are already rapidly increasing cooperative efforts to restrict drug supplies. The drug problem is becoming a high priority. Other countries are visibly cooperating with us in drug eradication and enforcement programs. For example, in 1981, only one nation was eradicating narcotics crops; in 1986, 14 nations have signed agreements with the United States to undertake aerial or manual eradication efforts.

In 1986, Peru, Bolivia, Ecuador, Venezuela, and Colombia signed the Lara Bonilla Treaty--named after the Colombian Justice Minister slain by narcotics traffickers two years before. They thereby pledged regional cooperation in fighting narcotics production and trafficking. In keeping with this commitment, the Andean nations have undertaken major efforts to halt the production, processing, and shipment of narcotics. These include the recent successful "Blast Furnace" operation in Bolivia which used U.S. military assets.

That is the good new. Naturally, in this businees, one does not expect everything to go right. There are plenty of challenges to go around. Let me single out a couple of specific issues for special mention. I do so because these are matters over which, hopefully, we can exert some control.

RESOLVING REGIONAL CONFLICTS

In regions of conflict around the world, America is on the right side of history. In the Middle East, Central America, and South Africa, for example, we are playing a constructive role in helping the parties directly involved to bridge their differences and to work toward peaceful solutions.

In the Middle East, despite the continuation of the Arab-Israeli conflict, we continue to maintain close relations with both our Israeli and Arab friends. We have developed a broad instituionalized framework for economic, political, and military cooperation with Israel. We work closely with the Gulf Cooperation Council. The recent Egyptian-Israeli summit, as well as the meeting between [Israeli] Prime Minister Peres and King Hassan of Morocco, suggest that the psychological barrier in the Arab world against recognition of and dialogue with Israel seems to be crumbling.

Yet, as always, the Middle East poses especially difficult challenges. We must still find an efffective way to bring Palestinians of good will who are willing to engage in serious and peaceful dialogue with the Israelis into the peace process. The Egyyptian economic situation remains a high priority. The Iran-Iraq war, now in its sixth year, is a human catastrophe which threatens to destabilize the entire area.

While we recognize the role Syria plays in the region, its apparent continued support for terrorism as an instrument of foreign policy prohibits us from engaging more fully with it on the fundamental problems of the area. Libya, because of the policies Qadhafi has chosen to pursue, remains an outcast both in the region and in the wider community of civilized nations.

In central America, we are working closely with moderate forces for peaceful progress. We have supported El Salvador through three democratic elections since the so-called final offensive of the communist insurgents in January 1981. We are extending assistance to help El Salvador recover from its recent tragic earthquake.

Through economic and security assistance, diplomatic support, and close consultation, the Administration is working with the Central American democracies to contain the Nicaraguan communist "revolution without borders." Like El Salvador, Nicaragua had a revolution in 1979. However, unlike El Salvador, the Sandinista regime has banished legitimate opposition, censored the press, and sought to intimidate its neighbors by using Cuban advisors and Soviet equipment to build up the largest military force in the region.

In South Africa, we seek the early elimination of apartheid and the extension of meaningful civil and economic rights to all. President Reagan put Americans' hopes for the future of South Africa this way:

> This Administration is not only . . . against apartheid; we are for a new South Africa, a new nation where all that has been built up over generations is not destroyed, a new society where partcipation in the social, cultural, and political life is open to all peoples--a new South Africa that comes home to the family of free nations where it belongs.

The challenge for us in southern Africa is to be the champion of constructive change. Sanctions, in and of themselves, do not add up to a policy for South Africa. Our policy is to help the victims of apartheid--we spent $20 million in fiscal year 1986 and will double that this year--and to foster dialogue between the South African Government and authoritative leaders of the black community. We will continue to work with all those of good will in southern Africa who want to eliminate apartheid, to diminish cross-border violence, and to deny this strategic area to Soviet influence.

Too often in discussion of foreign policy in this country, people seem unprepared to face up to the ambiguity of many external situations and the necessity of pursuing a complex two- or three-track strategy of our own. In dealing with the Soviets, for example, we must compete aggres - sively even as we explore for wider areas of cooperation.

In dealing with regional conflicts, we must be prepared to support our friends even as we keep the door open to negotiated solutions. In dealing with complex political and moral issues, we must remember that the test of policy is less the goodness of our intentions than the results of our actions. In a democracy we know that a successful policy requires not only a sensible concept and steady implementation but public understanding and support.

DIFFICULTIES WITH CONGRESS

We face challenges at home as well. Speaking frankly, we have a hugh problem with Congress. Actually, we confront two adverse tendencies on the Hill.

On the one hand, Congress seems increasingly disposed to micromanage foreign policy. Rather than attempting to chart broad objectives in concert with the Administration, Congress seeks to enforce its will with respect to the details of policy execution. That is unhelpful--indeed, in the long term, it's self-defeating. No nation can manage its affairs with 535 Secretaries of State--even in a country with the margins for error we possess.

At the same time, Congress is denying us the resources with which to conduct any coherent policy. The foreign affairs budget has been devastated. Our foreign assistance program for FY

1987 was cut by 27 percent. Since much of the budget is earmarked by Congress for specific countries or programs, we have limited latitude to allocate cuts in an equitable fashion. One result is the prospect of 50 percent-60 percent cuts in FY 1987 for non-earmarked programs. No one can expect us to defend effectively our interests in the world while imposing such limits on our means.

Foreign policy is not like writing Christmas wish lists. It is a tough process of allocating means which are scarce against aims which are legion. Our interests abroad are not declining. The means of conducting policy are. Something will have to give. We either accept a more modest role in the world, or we flirt with failure to acheive our objectives. There is no free lunch in this business.

Our economy is the most prosperous in the world. This is another reason why cuts in America's foreign affairs budget are so difficult to explain to our foreign friends and allies. Access to our market is coveted by all. By furnishing such access to others--and securing, in return, fair entree to foreign markets--we enable our consumers to buy high quality, reasonably priced products, provide the spur of competition to our own industry, and contribute to the growth and prosperity of friendly nations around the world.

There is no doubt that our recent trade deficits are not sustainable. Nor do we intend to allow them to continue. Adjustment of the value of our currency, structural adjustments in the economies of key trading partners, aggressive enforcement of our reciprocal trading rights, and multilateral and bilateral trade negotiations represent the principal tools of our policy for surmounting them. On occasion, the threat of legislative remedies enhances our bargaining position with others. But protectionist legislation in general does little service for us or others. We should resist that temptation.

CONCLUSION

This afternoon, I have spoken of good news and bad. I have described some global trends which favor us, as well as some of the achievements and challenges of American foreign policy. All countries confront significant challenges, but a society is more likely to best its challenges if it retains the conviction that its values are worth defending.

Certain truths, which we say are self-evident, give us a realistic yet hopeful view of the world. Our fundamental challenge is to preserve the balance of power through a willingness and strength to defend the cause of freedom. Without such stability, the sentiments of the Declaration of Independence have little chance of becoming a reality for men and women everywhere.

We are a democratic county, and our success and failure in meeting our foreign policy chal - lenges rests with the American people. The interests and concern of this group, like that of many others throughout our country, give me every reason to say that, while our challenges are real, our future is also bright.