

# The task for George Bush

## Sir Julian Bullard

ive times in every two decades humanity takes up an attitude of suspense while the great democracy of the New World performs its ritual metamorphosis. Like a huge snake shedding its skin, and with the same long drawn-out series of spasms, the people of the United States endure their 12 months of travail, from primaries to inauguration. It is as if every four years our planet were to enter a measured strip of time during which special rules apply.

How could anybody not enjoy at least the style with which the drama is staged, costumed, choreographed and set to music? Let no one imagine that the bands and balloons are not part of the process. Without these accourrements public interest would scarcely stay the 12-month course. In any case, one supposes, the circus ingredients are measured out with the same professionalism that is expended on every detail of the candidates. From the colour of their shirts to the shape of their fingernails, nothing is unimportant that a TV camera could catch.

#### O si melius?

It is easy to catalogue the weaknesses of the American system. Is there not a mis-match between the gravity of choice and the triviality of long stretches of the electoral process? Is it not regrettable that great issues, national and international, have to be postponed or neglected for one year in every four - or longer still if the election brings the other party to power? Are not the qualities needed to be president of the United States rather different from those apparently needed to become president of the United States? Is this last point not even more true of the vice-presidency? And is not something seriously amiss when half the electorate does not take the trouble to vote?

One answer to these questions could be that, whether deliberately or not, the electoral process has become another part of the system of checks and balances of which the United States is so proud - an additional brake on an engine of government which might otherwise prove too powerful for the country, or even for the world. A second answer is that the product, in the shape of the new president and vice-president, has often turned out better than the process. What matters for us in Europe is the actions of the new president as they unfold in office, rather than the personality which we have watched on our screens during those months of campaigning.

Although the Atlantic grows narrower every year, it is still wide enough to cause us to mis-evaluate the occupant of the Oval Office, or to evaluate him correctly but for the wrong reasons. We were enchanted when we heard that John F. Kennedy had introduced cello recitals and philosophy lectures into the White House; but did we see in him the qualities which buoyed him up through the Bay of Pigs and the summit meeting with Nikita Khrushchev in Vienna to triumph in the Cuban crisis? When we watched Jimmy Carter moving on foot through the crowds and carrying his own bag up the aircraft steps, did we glimpse the later ignominy of the American hostages in Iran? And let us be honest: when a former movie actor from California first stepped up to the microphones in the White House, did we foresee even a tenth part of what has been achieved under his presidency, from the restoration of democracy in the Philippines to the turning of the tide in East-West relations?

It is, therefore, with a *préjugé favorable* that we should salute the start of the new presidency. It cannot but be an advantage for Mr. Bush to have directed the CIA and represented the United States in China and at the UN. It cannot but help him to have participated, at close range and at the highest level, in eight

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years of government in Washington. True, the best chiefs-of-staff do not always make the best commanders-in-chief. Nothing illustrated Anthony Eden's unsuitability for the post of prime minister more than his determination to show qualities he knew he did not possess. But Mr. Bush's temperament looks different: prudent rather than emotional. With less charisma than Ronald Reagan and less moral fervour than Jimmy Carter, but perhaps with a better brain than either, he could well be the president Europe needs in the present phase - a president on whom history may later deliver the judgement *omnium consensu incapax imperii*, *nisi imperasset*.

#### Haud aliter

Before turning to those areas of policy where the President of the United States may expect to wield some authority, and Europe some influence, it may be useful to note two features of America which experience has shown to be resistant to presidential *diktat* and impervious to comment from abroad.

The first is the moral or idealistic strain in American attitudes illustrated more than once during the Reagan years. The "Evil Empire" speech expressed a belief that communism is inherently wicked; the SDI proposal sprang from the thought that the future of the human race upon something better than two counterbalancing threats of mutual extinction; even the Iran-Contra affair began as a scheme to rescue innocent American hostages. To the outside observer the morals my sometimes look selective. But there remains this idealistic strand in public policy on the other side of the Atlantic, a strand which can be traced back through Roosevelt, Wilson and Lincoln to the origins of the United States itself. We Europeans may not find it always easy to recognize, but we should acknowledge its power and be prepared for its continuance.

The second intractable feature is even better known. To a degree unusual elsewhere in the world, certainly among leading powers, the foreign policy of the United States is made in the public domain. When a difficult decision is impending, a well-timed leak ensures that potential critics are alerted; the openness of government in Washington allows the public to hear all the arguments, and to know which of them is the opinion of whom; and the facilities of Capitol Hill are available to all those interested in influencing the outcome, from the political parties down to the humblest pressure-group or individual. Where international treaties are concerned, the requirement for

ratification can prolong the debate even after the administration has made up its mind and acted: nor is this merely a problem of a formal kind, as we saw with the non-ratification of the SALT II Treaty.

In the United States, in consequence, some of the dividing lines as traditionally drawn in Europe - those between foreign and domestic policy, for example, and between private and public diplomacy - can become blurred. A foreign embassy seeking to achieve a particular result in Washington may be obliged to join, or even itself to assemble, a coalition of forces including journalists, politicians and outside centres of influence as well as sections of the governmental machine. This too is something likely to continue to puzzle the outside world, but unlikely to change.

#### Res angusta domi

A solution to any problem will exist, if one exists at all, within certain parameters or boundaries. These may be internal or external; technical, political or psychological; movable or fixed; public or hidden; genuine or fraudulent. If the policy-maker is wise, he will take care not to let these invisible walls impede his freedom or block the direction in which he intends to move.

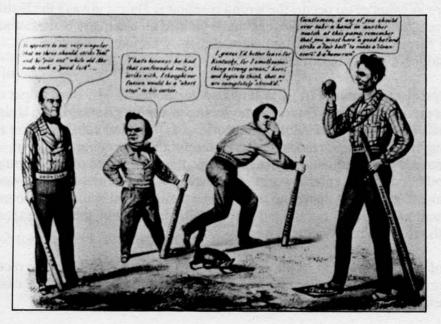
If this rule has some general merit, it has not so far been acknowledged by Mr. Bush in his approach to the problem of the deficits in the U.S. budget and balance-of-payments. Most European countries have suffered from one or other of these ailments, and many from both. The cure has in most cases not been easy to find, nor pleasant to administer. In the United Kingdom, for example, the enviable situation of 1987 was not achieved without painful years at the start of the decade: years of high and only slowly descending inflation; years of bankruptcies, factory closures and shrinking manufacturing output; years, especially, of unemployment at levels which had been regarded until then as both technically unlikely and politically unacceptable. The 364 economists who signed a famous letter to *The Times* were not the only ones who could not stomach the treatment and predicted that it would not work. A similar tale can be told of other countries in Europe.

Mr. Bush inherits a larger problem and a reduced stock of weapons for dealing with it. It is a larger problem both in terms of absolute figures and by reason of the pivotal position occupied by the United States in the world economy, and

hence the risks of disaster if the situation is mishandled. He has a reduced stock of weapons because, during the election campaign, he more than once gave an undertaking not to pull the trigger of what the world had seen hitherto as an almost indispensable item in his armoury, namely higher taxes.

Yet what are the alternatives? Mr. Bush does not look like the man to cut the only two items of public spending, defence and social security, which are large enough to figure in this calculation; nor to raise interest rates, since a rate capable of affecting the deficit would be a rate certain to alarm the superdebtors in Central and South America, to whose plight the U.S. government could not be indifferent even if American banks were not partners in this relationship of "economic Mutually Assured Destruction."

That phrase originally belonged to Mr. Nakasone, and applied to the relationship of his own country with the United States. Japan is not the only country in this situation - only the biggest. We in Western Europe too, as we contemplate the dollar, could think back with sympathy to the village shopkeeper in former times whose largest customer was the prodigal penniless squire. Should he continue to send the daily hamper up to the Hall, and add another figure to his bill - a bill that had looked twice as convincing when it was half as long? Should we today continue to buy the dollars and dollar



securities which finance the American deficit? We are damned if we do, and damned if we do not.

Reasoning such as this, together with other factors, has in fact allowed President Reagan to postpone dealing with the problem until it is no longer his responsibility. As seen from Europe, it is highly desirable that Mr. Bush should lose no time in tackling it. The trick looks almost impossible: to achieve lower deficits and a "soft landing" for the dollar without extravagant cuts in public spending and without breaking his election promise. If that promise begins to look like the principal obstacle, it may require a much worse situation to allow Mr. Bush to regard himself as released from it. Let us therefore propose the following as the first of Mr. Bush's New Year Resolutions: deal promptly and responsibly with the deficit problem.

A second resolution could be: intensify the war against protectionism, but wisely. Here Mr. Bush has a mixed inheritance. During his long presidency, Mr. Reagan was able to establish strategic superiority over the protectionist elements in the United States, but not to avoid tactical reverses on particular issues. The Trade Bill could have been better as well as worse, and the anti-dumping arrangements make it all too easy to throw the onus onto the trader, who does not deserve it, instead of onto the objector, to whom it belongs. Where grievances do occur, the wrong reaction is almost always the instinctive one, retaliation. The past few years have yielded all too many bad examples, from Airbus to hormone-treated meat. Better by far to use the slow but unemotional provisions of GATT.

And precisely because GATT is slow and unemotional, Mr. Bush might review the approach which the United States has been adopting towards the Uruguay Round. The objective of ridding the world of agricultural subsidies, like that of ridding it of nuclear weapons, deserves careful thought rather than wild applause. To attach to this objective the deadline of the end of the century, or any other date, is to enter a world of fantasy in which farmers have no votes and abandoned acres matter no more than a disused coal-mine. The Common Agricultural Policy is not the only proof, though it may be the most expensive, that the result is reality otherwise.

But of course Europe must play its part, a part expressed better at the recent meeting in Rhodes than in the normal language of Brussels when discussing (for example) the importation of corn gluten. The Declaration on the

International Role of the European Community includes a passage that deserves quotation in full: "The internal market will not close in on itself. 1992 Europe will be a partner and not a 'Fortress Europe.' The internal market will be a decisive factor contributing to greater liberalisation in international trade on the basis of the GATT principles of reciprocal and mutually advantageous arrangements. The Community will continue to participate actively in the GATT Uruguay Round, committed as it is to strengthen the multilateral trading system. It will also continue to pursue, with the U.S., Japan and the other OECD partners, policies designed to promote sustainable non-inflationary growth in the world economy. The Community and its member states will continue to work closely and cooperatively with the United States to maintain and deepen the solid and comprehensive transatlantic relationship."

It is important that this philosophy, the philosophy of the open world trading system, was able to prevail at Rhodes, and it is important that there should be no retreat from it. Europe would have much to lose, would indeed already have lost much, if the image of our continent in the United States became infected by the notion of commercial threat. There is no reason for this ever to happen: looked at objectively, the trade issues on which Europeans and Americans clash directly are few and trifling compared with the list of those affecting Japan and Korea. There will be some losers in Europe as we pass the milestone of 1992, and some car manufacturers may be among them. But here, too, the Declaration of Rhodes has struck the necessary note: the prospect of 1992 "is already inspiring a new dynamism in the Community's economic life," a dynamism which makes and will continue to make the protectionist spirit superfluous.

This same dynamism is capable of putting into perspective another of Mr. Bush's problems, that of indebtedness in the Third World. Mr. Baker, with his experience of the problem, is perhaps the best person to formulate a New Year Resolution on this subject. A European might offer a draft in three parts on the following lines.

- 1. Be considerate and magnanimous to the poorest debtors: you can afford it, because for the most part they are also the smallest.
- 2. Treat the major debtors with firmness, realism and respect: firmness, because virtuous policies should be seen to be rewarded and wrong ones

punished; realism, because it is the management of debt that we are engaged in, not its discharge; and respect, because what was said earlier about debtorcreditor relations within the OECD applies no less between the developed and the developing world - the relationship is one of mutual dependence and vulnerability. The motto "case by case" has proved its worth, but new ideas should not be rejected simply because they are new.

**3.** Avoid repeating errors, and, above all, avoid creating a second problem of massive indebtedness in Eastern Europe. Poland has blazed a trail which others could all too easily follow, but only if West allows them to do so.

By comparison with these practical maxims, based on millions of dollars' worth of experience, President Gorbachev's proposals of December 7, 1988, on the subject of debt deserve the silence with which they have largely been received.

#### Ex Oriente novi aliquid

But by far, by very far the greater part of Mr. Bush's foreign agenda will revolve around the Soviet Union and the man who is four years ahead of him in super power leadership. Mikhail Gorbachev's remarkable speech in New York did not create the challenge to the West which his leadership has long represented, but it did crystallize and universalize it in a striking and original way. Small wonder that at lunch afterwards on Governor's Island Mr. Bush is reported to have looked ill at ease. Given the news from Armenia, Mr. Gorbachev may also have been pensive. Yet, paradoxically, his decision that evening to cancel his visits to Cuba and Britain and return home may have helped his cause by emphasizing the vulnerable and embattled aspect which has won him so much sympathy in the West, and by illustrating his theme of "one world."

Some parts of the Soviet leader's New York message should be easy for the incoming President to welcome. It is good, for example, that Mr. Gorbachev has in effect called off the global contest with the United States which his predecessors had proclaimed - and which Khrushchev was so foolish as to spell out in figures - asserting that the Soviet Union would overtake the U.S. in industrial production by 1970 and double it by 1980. Afghanistan, as we can see now, was the high-tide mark. There is no cure for global over-extension except global retreat, and that process has evidently now begun, affecting

Vietnamese and Cuban as well as Soviet troops (and thus retrospectively justifying the "surrogate" label). In this situation the West should be guided by Winston Churchill's motto "in victory, magnanimity." Our interests in Afghanistan, for instance, do not require more than that the Soviet Union should make material restitution and tolerate whatever government is able to establish itself in Kabul with popular consent, under UN auspices at the outset.

The heightening of the role of the UN, indeed, is another part of Mr. Gorbachev's message which Mr. Bush should welcome almost unreservedly if his right wing allows. Here, too, the Soviet Union is acknowledging defeat rather than gracefully sharing the fruits of victory. A state whose principal allies in three continents are Poland, Cuba and North Korea may well see charms in its permanent membership of the Security Council. But the United States too has had its difficulties with the UN. There were times in the early years of this decade when it looked as if America would rather tolerate its defeats in the General Assembly than study their causes. If the primacy of the Security Council is now to be restored, there could be advantages for America too in that.

There could also be benefits, though many in the United Statesdwill argue otherwise, in casting the aegis of the UN over one of the most intractable of all regional problems, the Middle East. Until now there have been arguments against this: the Soviet Union had little influence in the area; its purpose was more to meddle than to conciliate; the peace process under American auspices had produced results and could still do so. Today, these points have all lost force simultaneously. Mr. Bush is not likely to want to change that most special of all special relationships between the U.S. and Israel. Nor could he easily do so even if this were his wish. But he has long experience of the pressures which that unequal partnership can generate - pressures which could more easily be contained within a UN framework than across desks in Washington alone.

Welcome, finally, is the decision by the Soviet Union to rejoin the world economy. Admittedly, we have yet to see the action which should follow President Gorbachev's words in New York. Some passages were addressed as much to the audience on the Moskva as to that on the East River: "Today, the preservation of any kind of 'closed' societies is hardly possible... The world economy is becoming a single organism, and no state, whatever its social system or economic status, can develop normally outside it."

His proposals on Third World indebtedness are somewhat presumptuous, given the tiny share of the burden that is borne by the Soviet Union. But the direction of Soviet policy is important, and there is no mistaking the turn which Mr. Gorbachev has given to the wheel. It suffices to contrast his speech in New York with two remarks made to the present writer in the early 1970s by Patolichev, the long-serving Soviet Minister of Foreign Trade: that the Soviet Union acknowledged no responsibility for helping poor countries simply because they were poor, and that "the Soviet Union produces everything it needs except coffee and bananas."

What will East-West economic cooperation in fact amount to, with Michail



Gorbachev at the helm in Moscow? Perhaps not much. The factors which have kept the volume of East-West business so small in relation to total world trade are still operational: if the most talked-about is COCOM, the most significant by far is the inability of the East to supply what the West consumes. But from the European point of view it is desirable that the U.S. should share in any expansion that may occur. Otherwise we shall risk a recurrence of those wounding debates over large-diameter steel pipes, when the United States was too distant from the problem to be able to understand it, and some Europeans too involved with the opportunities to be able to measure the risks.

#### Arma virumque

The most noticed section of President Gorbachev's speech in New York, that on disarmament, was in some ways the least important. NATO has said for years, in one communiqué after another, that the Soviet armed forces, especially those in Europe, are offensively deployed and far larger than can be justified by the requirements of Soviet security. Why should we be surprised that Mr. Gorbachev has now confirmed this by announcing unilateral reductions both in numbers and in offensive capability? The "resignation" of Marshal Akhromeyev proves nothing except that military chiefs habitually want to keep what they have grown accustomed to having. The reaction of NATO Foreign Ministers was thus exactly right: the goal in Europe is still parity at lower levels, and Mr. Gorbachev has given a flying start to the asymmetrical reductions, of which more will be needed.

The Soviet president explicitly confirmed in New York the agenda for the next phase of the East-West security dialogue: a 50% reduction in strategic arms; a convention on the elimination of chemical weapons; and negotiations on the reduction of conventional arms and armed forces in Europe. He did not press the issue of SDI, nor need Mr. Bush do so: the march of science and the passage of time have gone far to melt down Mr. Reagan's glittering vision into more humdrum components which (one may hope) will settle their own positions in relation both to the ABM Treaty and to START itself. Major parts of this disarmament programme could therefore reach treaty form in 1989.

The management of security issues, however, is a West-West as well as an East-West problem, and here both sides of the Atlantic have their parts to play. "Burden-sharing" should be a proud duty for the European allies, not a reproach in the mouths of American senators; "modernisation" should be a

self-evident standing necessity, not a dangerous cliff to be circumnavigated only with circumspection and on payment of a heavy political toll. The 20 years of office accumulated by the heads of government of Britain, France and the Federal Republic of Germany should guarantee a more responsible approach to these problems than we have always seen in the past.

In any case, the military dimension of the international process seems likely to recede in importance as the political advances. Mr. Gorbachev spoke in New York of "a more intense and open dialogue pointed at the very heart of problems, instead of confrontation." This is another area where the West should move to put substance into his words. If no subject is taboo, no solution is necessarily out of reach. Mr. Bush's first term could see the departure of Soviet troops from Afghanistan, Cuban troops from Angola and Vietnamese troops from Cambodia. Other issues will press forward to take the place of these: a lasting peace in the Gulf, a permanent settlement of the Arab-Israel problem, a pacification of Central America, a real advance in South Africa but by now we are in the 1990s and facing once again the American electoral hiatus described at the beginning of this article.

Has Mr. Bush the qualities to lead the Western alliance down this road? He need not feel a need to match the drama which the Soviet president has been able to create: this belongs to Russia and her predicament as much as to the man now seeking to lead her out of it. But the Alliance is an orchestra, and its conductor can only be the President of the United States. What the situation calls for is a combination of vision, energy, and consultative skills. All three should be within the grasp of President Bush.

#### Nos et mutemur

But are they within the grasp of Europe? The challenge of President Gorbachev is pointed even more directly at the capitals of Western Europe than at Washington. It has been well said of him that he has "rediscovered Russia's European nature." His phrase "a common European home" need not be either a platitude or a trap. It can be an invitation to us in Western Europe to say how we envisage the future of our own continent.

Three questions arise at once. First, how can we assure the security of Western Europe in the coming phase? Here there is a problem with America called "burden sharing"; a problem with the Federal Republic called

"singularization"; and a problem with Western public opinion, which has no convenient name but might be summed up as "defence fatigue." We shall solve none of these unless a way can be found to convince our citizens that a Soviet Union which has perhaps ceased to be an imminent threat is a Soviet Union which has not ceased to be a potential danger.

Second, what kind of links do we wish to develop with the countries of Eastern Europe in the commercial, economic and financial field? The recognition of the European Community by Moscow and its allies creates a new "envelope" which it is mainly for the Western partners to fill with content. The pieces in the game may be mainly technical in nature - tariffs, quotas and credits - but the stakes are matters of high policy.

Third, what is to become of Eastern Europe? Something in those countries is visibly dying: perhaps only illusions, but perhaps an entire political experiment, perhaps even the Soviet empire in Europe. What will be born in its place? We in Western Europe must ask ourselves whether the present situation does not offer a real chance to make practical progress towards the objective spelt out in so many postwar communiqués, "overcoming the division of Europe." The answer must involve the United States, formally as one of the victorious powers of 1945 and in reality because without America any attempt in this direction will be in vain. But the key ideas are likely to spring from Europe. If, therefore, this article has dealt mainly with the burden borne by the next president of the United States, this is also a time for the European pillar to brace itself to carry more of the weight.