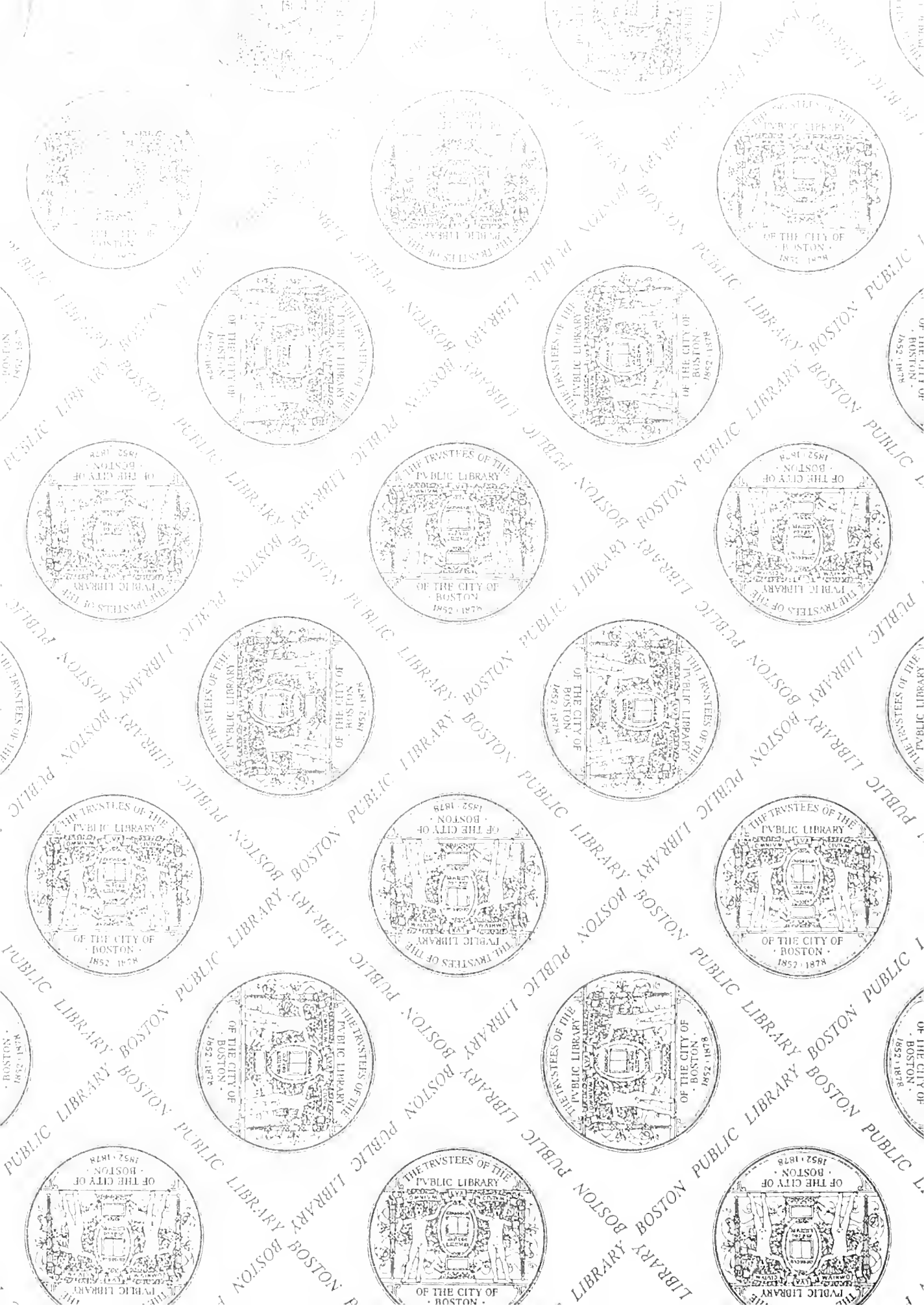
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Department of State bulletin

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July 1989

Department of State bulletin

Volume 89 Number 2148 July 1989

The DEPARTMENT OF STATE BULLETIN, published by the Office of Public Communication in the Bureau of Public Affairs, is the official record of U.S. foreign policy. Its purpose is to provide the public, the Congress, and government agencies with information on developments in U.S. foreign relations and the work of the Department of State and the Foreign Service. The BULLETIN's contents include major addresses and news conferences of the President and the Secretary of State; statements made before congressional committees by the Secretary and other senior State Department officials; selected press releases issued by the White House, the Department, and the U.S. Mission to the United Nations; and treaties and other agreements to which the United States is or may become a party. Special features, articles, and other supportive material (such as maps, charts, photographs, and graphs) are published frequently to provide additional information on current issues but should not necessarily be interpreted as official U.S. policy statements.

The Secretary of State has determined that the publication of this periodical is necessary in the transaction of the public business required by law of this Department. Use of funds for printing this periodical has been approved by the Director of the Office of Management and Budget through September 30, 1989.

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To Our Readers:

With this issue, we celebrate the golden anniversary of the *Department of State Bulletin.*

When this periodical was first published, no one could have forseen the crucial role the United States would play in world events during the next half-century. In order to illustrate the extent of these changes, we are pleased to reproduce here the full text of the first *Bulletin* issued on July 1, 1939. Through the Administrations of 10 Presidents and 15 Secretaries of State, America has assumed global responsibilities in political, economic, military, scientific, environmental, and humanitarian affairs to an extent unimaginable in those twilight days just prior to World War II.

The words and phrases that have become part of our vocabulary and lore in the past 50 years—cold war, Uruguay Round, narcotics interdiction, American hostages, Cuban missile crisis, *perestroika*, *intifada*, Camp David agreements, INF Treaty, Tienanmen Square, acid rain, to cite but a few—illustrate the growth in complexity and scope of U.S. foreign relations. Our language of acronyms—UN, OECD, NATO, GATT, UNCTAD, OAS, OAU, EEC, UNEP, etc.—demonstrate the growing interdependence of nations and the crucial importance of diplomacy.

Throughout this time, the *Bulletin* has attempted to provide as accurate and as complete a record as possible of U.S. public policy on international issues, for contemporary readers and for the researchers of future generations.

Just as the issues have become far more complex and varied, so has our publication—in the range of its subject matter, in the volume of its material, and in its format and style. We have gone from a weekly to a monthly in order to keep subscription rates low. New technology has allowed us to speed up the printing process and increase our use of graphics and photos, and this revolution is only just beginning.

But whatever changes have been made, we have sought, above all, to maintain the integrity and utility of the only official monthly record of national foreign policy published by any country in the world. As we approach the 21st century, our goal is to continue to provide the same level of quality and coverage and to be as adaptable to the enormous changes looming ahead as we have been to those of the past. That promises to be an exciting challenge!

July 1, 1989

THE DEPARTMENT OF STATE BULLETIN

JULY 1, 1939
Vol. I: No. 1—Publication 1349

Contents

Announcement

THE present issue inaugurates *The Department of State Bulletin.* This periodical will be published weekly and will contain the texts of press releases, information regarding treaties, and other material on current developments in American foreign relations and the work of the Department of State. It will take the place of the Department's weekly pamphlet *Press Releases* and monthly *Treaty Information* bulletin, which are being discontinued with the issues for June 1939. Indexes to *The Department of State Bulletin* will be prepared and published semiannually.

The decision to discontinue the *Treaty Information* bulletin and the *Press Releases* pamphlet was arrived at after careful consideration by the Department of State and consultation with a number of organizations and persons outside the Government who use one or both of those publications. A large majority of the organizations and persons consulted were of the opinion that the publication in a single bulletin of the material which was being issued in the weekly and monthly periodicals mentioned would be most desirable. This opinion coincided with the belief of the Department that a single bulletin containing both treaty information and information on other closely related aspects of the conduct of American foreign relations would constitute a more useful and convenient source for current reference and for filing than two separate publications.

The material to be published in *The Department of State Bulletin* will be so organized as to enable persons who are interested in certain special subjects to follow developments in their particular fields by reference each week to the appropriate section of the *Bulletin.* Data, for instance, of the character of that previously contained in the *Treaty Information* bulletin will henceforth be printed each week in a separate section of the *Bulletin.*

The Department of State Bulletin is for sale by the Superintendent of Documents, Government Printing Office, Washington, D. C., for 10 cents a copy, or for $2.75 a year by subscription.

[Editor's Note: On 1939 edition, page 2 was blank.]

PEACE AND NEUTRALITY LEGISLATION

Statement by the Secretary of State

[Released July 1]

I am still thoroughly convinced that the six-point peace and neutrality program set forth in my letters to Senator Pittman and Representative Bloom on May 27, 1939,[1] would be far more effective in the interests of peace and in keeping the country out of war than the present embargo law or any equivalent.

This legislative proposal was submitted to the appropriate committees of the two Houses of Congress after lengthy conferences with members of these committees and with other leading Members of Congress of all political persuasions. It was my hope and belief that, while this proposal might not contain all that every individual Member of Congress or every official of the executive branch of the Government wished, it would in the present international exigencies be regarded as desirable by a majority of Congress. Its failure to pass the House by a narrow margin is a matter of regret and disappointment from the standpoint of peace and the best interests of this country in its international relations.

This six-point peace and neutrality proposal is not only best calculated to keep this Nation out of war in the event war comes, but also, what is all-important at this time, best calculated to make a far greater contribution than could the present law or its equivalent toward the discouragement of the outbreak of war. At the same time, while doing this, it would likewise keep this Government and Nation 100 percent within the limits of universally recognized international law.

In these circumstances, I must continue to urge the adoption of this proposal.

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DEPARTMENT OF STATE APPROPRIATIONS FOR THE FISCAL YEAR 1940

The first of the following tables shows the increases and decreases in the State Department's appropriations for the 1940 fiscal year as compared with the 1939 fiscal year. The second table shows increases and decreases in the estimates as submitted to the Congress by the Bureau of the Budget and as approved by the President compared with the 1940 appropriations approved by the Congress.

The Department's appropriation bill for 1940 was approved by the President on June 29, 1939.

[1] See *Press Releases*, Vol. XX, No. 505, June 3, 1939, pp. 475–477.

TABLE I

DEPARTMENT OF STATE APPROPRIATIONS FOR FISCAL YEAR 1940 COMPARED WITH FISCAL YEAR 1939

(NOTE.—For purposes of comparison it should be carefully noted that the 1939 column includes all deficiency appropriations in addition to those in the regular annual appropriation bill, whereas for 1940 only the latter are shown since no deficiencies for that year have yet been passed.)

Appropriation title	Appropriations for 1940	Appropriations for 1939	Increases (+) Decreases (−) for 1940	Reasons for increases or decreases
DEPARTMENT PROPER				
Salaries, Department of State	$2,192,000	$2,072,600	+$119,400	Increases of $92,640 for 47 additional permanent positions; and $26,760 to reduce the deficit which is now required to be covered by lapses.
Salaries, Reciprocal Trade Agreements.	225,000	250,000	−25,000	General reduction which will require readjustments in present set-up.
Contingent Expenses, Department of State.	138,000	95,810	+42,190	Increases of $7,875 for general supplies and services; $2,000 for replacement of trucks and purchase of one additional car; $11,065 for equipment for additional personnel and replacements, particularly of machines. Decrease of $4,500 in travel. The sum of $25,750 was continued available for 1939 from 1938 and, therefore, was in addition to the appropriation of $95,810. Increase for 1940 over funds actually available for 1939 is, therefore, $25,750 less than the $42,190, which is on the basis of appropriations.
Printing and Binding, Department of State.	225,000	172,750	+52,250	Increases of $13,600 for consolidation of consular regulations and instructions to diplomatic officers; $18,000 for Foreign Relations; $4,500 for press releases; $4,110 for passports and passport forms; $9,000 for Foreign Service requirements; and $3,040 for miscellaneous items.
Printing and Binding, Department of State (Supplemental for special items for 1939).	----------	15,000	−15,000	Non-recurring for 1940.
Passport Agencies, Department of State.	60,000	63,500	−3,500	Decrease based on trend of expenditures for past year.
Collecting and Editing Territorial Papers.	19,800	20,000	−200	General decrease.
Promotion of Foreign Trade	43,000	40,000	+3,000	Funds available for 1939 were $4,500 more than the appropriation of $40,000 due to the availability of the unexpended balance for 1938. For 1940 no balance is brought forward.
TOTAL DEPARTMENT PROPER	2,902,800	2,729,660	+173,140	

Appropriation title	Appropriations for 1940	Appropriations for 1939	Increases (+) Decreases (−) for 1940	Reasons for increases or decreases
FOREIGN SERVICE				
Salaries of Ambassadors and Ministers.	$650,000	$640,000	+$10,000	Increase of $22,500 required for raising ranks of Ministers to Colombia, Panama, and Venezuela to Ambassadors. Decreases of $10,000 for Minister to Czechoslovakia; and $2,500 additional to be saved on lapses.
Salaries of Foreign Service Officers.	3,580,000	3,505,100	+74,900	Increases of $49,900 for automatic promotions and $25,000 for 10 additional officers.
Transportation, Foreign Service	600,000	556,700	+43,300	Increases of $12,500 for transfers of Ambassadors and Ministers; $10,600 for new officers; $4,200 for new clerks; $8,500 for temporary details; and $7,500 transferred to this appropriation from Contingent Expenses for trade conference travel.
Office and Living Quarters, Foreign Service.	2,020,000	1,962,000	+58,000	Increases of $12,000 for 10 additional officers; $11,970 for additional clerks; and $34,030 to reduce deficit which it is necessary to cover by lapses on allowances for living quarters.
Cost of Living Allowances	300,000	280,000	+20,000	Increases of $2,400 for additional officers; $3,150 for additional clerks; and $14,450 for increased living costs.
Representation Allowances	140,000	125,000	+15,000	To make readjustments in the interest of uniform treatment in the allotment of these funds, and to make more adequate provision for official entertainment required by heads of mission.
Retirement Fund	199,400	187,600	+11,800	
Salaries of Foreign Service Clerks	2,550,000	2,359,020	+190,980	Increases of $100,000 for some 700 promotions; $66,020 for 58 additional permanent clerks; $15,920 for transfers to this appropriation of personnel previously paid from other appropriations; and $9,040 for temporary clerks.
Salaries of Foreign Service Clerks (Supplemental for urgent needs in 1939).	----------	41,700	−41,700	Non-recurring for 1940.
Miscellaneous Salaries and Allowances, Foreign Service.	700,000	680,180	+19,820	Increases of approximately $18,000 for some 600 promotions at an average of $30; $1,820 for additional personnel.
Contingent Expenses, Foreign Service.	1,135,000	1,158,500	−23,500	Reductions of $15,000 in program for purchase of household furniture; $10,000 for trade conference travel transferred to "Transportation, Foreign Service"; $2,500 in item for special training of Foreign Service officers; $650 in automotive equipment. Increase of $4,650 for supplies, postage, and miscellaneous items.
Contingent Expenses, Foreign Service (Supplemental for telegraph expenses in 1939).	----------	140,000	−140,000	Non-recurring for 1940.
Emergencies Arising in the Diplomatic and Consular Service.	175,000	175,000	----------	
TOTAL FOREIGN SERVICE	12,049,400	11,810,800	+238,600	
FOREIGN SERVICE BUILDINGS	750,000	----------	+750,000	New appropriation under act of May 25, 1938.

Appropriation title	Appropriations for 1940	Appropriations for 1939	Increases (+) Decreases (−) for 1940	Reasons for increases or decreases
INTERNATIONAL OBLIGATIONS				
Contributions, Quotas, etc. to International Bureaus.	$870,000	$835,590	+$34,410	Increases of $1,319.67 for Pan American Union; $27,303.44 for Pan American Sanitary Bureau; and $10,786.89 for International Labor Organization. Decrease of $5,000 for Meeting of International Road Congress which is a non-recurring item.
Convention for the Promotion of Inter-American Cultural Relations.	75,000	----------	+75,000	New item growing out of convention signed at Buenos Aires, December 23, 1936.
Mexican Boundary Commission (Regular).	193,000	143,300	+49,700	Increase is entirely for operation and maintenance of the Rio Grande Rectification Project which is to be assumed by the regular Commission upon completion.
Rio Grande Rectification Project	----------	229,500	−229,500	Anticipated completion of this project.
Lower Rio Grande Flood Control Project.	800,000	311,500	+488,500	Although there is an increase in the actual amount appropriated for 1940, there was a considerable balance brought forward to 1939 from 1938 which made funds available for 1939 somewhat in excess of the appropriation for 1940.
Rio Grande Canalization Project.	500,000	646,500	−146,500	Reduction in construction work.
Fence Construction on the Boundary, Arizona.	25,000	25,000	----------	
International Boundary Commission, United States and Canada, and Alaska and Canada.	42,000	41,500	+500	Increase is for additional field work.
Salaries and Expenses, International Joint Commission, United States and Great Britain.	37,500	36,600	+900	Increase for travel, supplies, communication service, and miscellaneous items.
Special and Technical Investigations, United States and Great Britain.	47,000	49,000	−2,000	General reduction.
International Fisheries Commission.	25,000	25,000	----------	
International Pacific Salmon Fisheries Commission.	40,000	25,000	+15,000	For more extensive field work in cooperation with Canada.
Eighth American Scientific Congress.	85,000	----------	+85,000	Special appropriation for participation by the United States in this conference.
Seventh General Assembly of the International Union of Geodesy and Geophysics.	4,500	----------	+4,500	Special appropriation for organizing this Congress to be held in the United States.
Ninth International Seed Testing Congress.	500	----------	+500	Special appropriation in connection with holding this Congress in the United States.
Payment to Government of Nicaragua.	72,000	----------	+72,000	Special appropriation under agreement with Nicaragua.
Fifteenth International Congress of Architects.	----------	15,000	−15,000	Non-recurring.
Tenth Pan American Sanitary Conference.	----------	3,500	−3,500	Non-recurring.
International Committee on Political Refugees.	----------	50,000	−50,000	Appropriation for 1940 undetermined at present.

Appropriation title	Appropriations for 1940	Appropriations for 1939	Increases (+) Decreases (−) for 1940	Reasons for increases or decreases
INTERNATIONAL OBLIGATIONS—Con.				
Fourth International Conference on Private Air Law.	----------	$15, 500	−$15, 500	Non-recurring.
Pan American Highway	----------	50, 000	−50, 000	Non-recurring.
Third Pan American Highway Conference.	----------	15, 000	−15, 000	Non-recurring.
Commission of Experts on Codification of International Law.	----------	3, 600	−3, 600	Non-recurring.
Tenth International Congress of Military Medicine and Pharmacy.	----------	50, 000	−50, 000	Non-recurring.
Arbitration of Smelter Fumes Controversy.	----------	10, 000	−10, 000	Non-recurring.
TOTAL INTERNATIONAL OBLIGATIONS.	$2, 816, 500	2, 581, 090	+235, 410	
GRAND TOTAL	18, 518, 700	17, 121, 550	+1, 397, 150	

TABLE II

DEPARTMENT OF STATE ESTIMATES AS SUBMITTED TO CONGRESS BY THE BUREAU OF THE BUDGET COMPARED WITH APPROPRIATIONS APPROVED BY CONGRESS, 1940

Title of appropriation	Estimate submitted to Congress	Appropriation approved by Congress	Increase (+) Decrease (−)
DEPARTMENT OF STATE			
Salaries, Department of State	$2, 205, 000. 00	$2, 192, 000. 00	−$13, 000. 00
Salaries, Reciprocal Trade Treaties	250, 000. 00	225, 000. 00	−25, 000. 00
Salaries, Inter-American Program	39, 360. 00	----------	−39, 360. 00
Contingent Expenses, Department of State	143, 000. 00	138, 000. 00	−5, 000. 00
Contingent Expenses, Inter-American Program	5, 430. 00	----------	−5, 430. 00
Printing and Binding, Department	214, 500. 00	225, 000. 00	+10, 500. 00
Printing and Binding, Inter-American Program	45, 500. 00	----------	−45, 500. 00
Passport Agencies	63, 500. 00	60, 000. 00	−3, 500. 00
Territorial Papers	20, 000. 00	19, 800. 00	−200. 00
Promotion of Foreign Trade	44, 500. 00	43, 000. 00	−1, 500. 00
TOTAL, DEPARTMENT OF STATE	3, 030, 790. 00	2, 902, 800. 00	−127, 990. 00
FOREIGN SERVICE			
Salaries of Ambassadors and Ministers	655, 000. 00	650, 000. 00	−5, 000. 00
Salaries of Foreign Service Officers	3, 580, 000. 00	3, 580, 000. 00	----------
Transportation, Foreign Service Officers	610, 000. 00	600, 000. 00	−10, 000. 00
Office and Living Quarters	2, 030, 000. 00	2, 020, 000. 00	−10, 000. 00
Cost of Living Allowance	308, 500. 00	300, 000. 00	−8, 500. 00
Representation Allowance	145, 000. 00	140, 000. 00	−5, 000. 00
Foreign Service Retirement and Disability Fund	199, 400. 00	199, 400. 00	----------
Salaries, Foreign Service Clerks	2, 570, 000. 00	2, 550, 000. 00	−20, 000. 00
Miscellaneous Salaries and Allowances	710, 500. 00	700, 000. 00	−10, 500. 00
Contingent Expenses, Foreign Service	1, 154, 500. 00	1, 135, 000. 00	−19, 500. 00
Emergency Fund	175, 000. 00	175, 000. 00	----------
TOTAL, FOREIGN SERVICE	12, 137, 900. 00	12, 049, 400. 00	−88, 500. 00
FOREIGN SERVICE BUILDINGS FUND	1, 000, 000. 00	750, 000. 00	−250, 000. 00

Title of appropriation	Estimate submitted to Congress	Appropriation approved by Congress	Increase (+) Decrease (−)
INTERNATIONAL OBLIGATIONS			
Contributions, Quotas, etc	$870, 133. 00	$870, 000. 00	−$133. 00
Convention for the Promotion of Inter-American Cultural Relations.	75, 000. 00	75, 000. 00	
Mexican Boundary Commission:			
Regular Commission	198, 300. 00	193, 000. 00	−5, 300. 00
Lower Rio Grande Flood Control	1, 000, 000. 00	800, 000. 00	−200, 000. 00
Rio Grande Canalization	1, 000, 000. 00	500, 000. 00	−500, 000. 00
Fence Construction		25, 000. 00	+25, 000. 00
International Boundary Commission:			
United States and Canada and Alaska and Canada	43, 000. 00	42, 000. 00	−1, 000. 00
International Joint Commission:			
Salaries and Expenses	38, 500. 00	37, 500. 00	−1, 000. 00
Special and Technical Investigations	49, 000. 00	47, 000. 00	−2, 000. 00
International Fisheries Commission	31, 500. 00	25, 000. 00	−6, 500. 00
International Pacific Salmon Fisheries Commission	40, 000. 00	40, 000. 00	
Eighth American Scientific Congress	90, 000. 00	85, 000. 00	−5, 000. 00
Seventh Assembly of International Union of Geodesy and Geophysics.	5, 000. 00	4, 500. 00	−500. 00
Ninth International Seed Testing Congress	500. 00	500. 00	
Payment to Nicaragua	72, 000. 00	72, 000. 00	
TOTAL, INTERNATIONAL OBLIGATIONS	3, 512, 933. 00	2, 816, 500. 00	−696, 433. 00
GRAND TOTAL	19, 681, 623. 00	18, 518, 700. 00	−1, 162, 923. 00

VISIT TO WASHINGTON OF THE CROWN PRINCE AND CROWN PRINCESS OF NORWAY

[Released June 26]

Their Royal Highnesses the Crown Prince and Crown Princess of Norway will arrive in Washington, for an unofficial visit, at 9:15 p. m., the evening of Tuesday, June 27. They will be accompanied by the Minister of Norway and will be met at the Union Station by the following committee:

The Honorable Cordell Hull, Secretary of State, and Mrs. Hull

Madame Munthe de Morgenstierne, wife of the Minister of Norway

Mr. Jörgen Galbe, Counselor of the Norwegian Legation, and Madame Galbe

Mr. George T. Summerlin, Chief of Protocol

Mr. James C. Dunn, Adviser on Political Relations, Department of State, and Mrs. Dunn

Mr. John Hickerson, Acting Chief of the Division of European Affairs, Department of State, and Mrs. Hickerson

Mr. Aage Bryn, First Secretary of the Norwegian Legation, and Madame Bryn

Mr. Ditlef Knudsen, Attaché of the Norwegian Legation, and Madame Knudsen

Mr. Torfinn Oftedal, Attaché of the Norwegian Legation

Lt. Col. H. M. Rayner, United States Army, Military Aide to the Crown Prince

Comdr. R. B. Carney, United States Navy, Naval Aide to the Crown Prince

On Wednesday, June 28, the Secretary of State and Mrs. Hull will give a luncheon for Their Royal Highnesses, who will remain in Washington until Friday afternoon, June 30.

[Released June 28]

Following is the list of guests attending the luncheon given by the Secretary of State and Mrs. Hull in honor of Their Royal Highnesses the Crown Prince and Crown Princess of Norway, June 28, 1939, at the Carlton Hotel:

Their Royal Highnesses the Crown Prince and Crown Princess of Norway; the Honorable the Minister of Norway and Madame Munthe de Morgenstierne; Maj. N. R. Østgaard and Madame Østgaard; Capt. N. A. Ramm; Mr. Jens Schive; Mrs. Woodrow Wilson; the Honorable the Attorney General; the Honorable the Secretary of Commerce; Mrs. Charles L. McNary; the Honorable Walter F. George and Mrs. George; the Honorable Robert L. Doughton and Mrs. Doughton; Mrs. Sol Bloom; the Honorable Edith Nourse Rogers; the Honorable Jere Cooper; the Honorable the Under Secretary of State and Mrs. Welles; the Honorable Lucille F. McMillan; Mr. and Mrs. Nicholas Roosevelt; the Honorable Jesse Jones and Mrs. Jones; Mr. George T. Summerlin; Mr. David Lawrence; Mr. Ulric Bell; Miss Ramona Lefevre; Miss Beth Campbell; Lt. Col. Harold M. Rayner, United States Army, American military aide to His Royal Highness the Crown Prince of Norway; Comdr. Robert B. Carney, United States Navy, American naval aide to His Royal Highness the Crown Prince of Norway.

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MEXICO: PERFECTING OF LAND TITLES IN THE STATE OF VERACRUZ

[Released June 26]

The Department of State has been informed that the State of Veracruz, Mexico, has extended until July 22, 1939, the period within which proprietors of immovable property (including those who have inherited immovable property) may legalize their property rights by instituting the necessary proceedings to "perfect" the said rights in cases where titles of ownership are not properly inscribed in the Public Registry of Property. As stated in the Department's press release of March 21, 1939,[2] provision for such perfection of title was made in Veracruz State law promulgated September 22, 1938.

The American consul at Veracruz, in reporting this extension, states that in order to comply with the law it may be necessary for American property owners affected by the law to engage an attorney. The consul will be glad, upon request, to furnish any interested American citizen with a list of attorneys. He cannot, of course, assume any responsibility for the integrity or ability of any attorneys appearing on the list who may be employed by such property owner.

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USE OF THE ORIGINAL RECORDS OF THE DEPARTMENT OF STATE

[Released July 1]

In view of the contemporary international situation, the Department has found it necessary to revise in certain respects the regulations set forth in Departmental Order No. 751, of April 5, 1938, relating to the use of the original records of the Department of State.[3] The revised regulations as contained in Departmental Order No. 796, dated June 19, 1939, are as follows:

"Section 91, Title 20, of the United States Code reads in part as follows: 'The facilities for study research and illustration in the Government departments . . . shall be accessible, under such rules and restrictions as the officers in charge of each department or collection may prescribe, subject to such authority as is now or may hereafter be permitted by law, to the scientific investigators and to duly qualified individuals, students and graduates of any institution of learning in the several States and Territories and the District of Columbia . . .' Pursuant to the provisions quoted and in order

[2] *Press Releases*, Vol. XX, No. 495, March 25, 1939, pp. 222–223.

[3] See *Press Releases*, Vol. XIX, No. 479, December 3, 1938, p. 401.

to clarify the present procedure in the Department, the following regulations, superseding those contained in Departmental Order No. 751, dated April 5, 1938, and all previous departmental orders on the subject, are hereby prescribed to govern the use of the original records of the Department of State.

"In view of the contemporary international situation it will not be possible to make the confidential or unpublished files and records of the Department of a date later than December 31, 1918, available to persons who are not officials of the United States Government. In order that the Department's records may be made available as liberally as circumstances permit, the Department each year will give consideration to the situation then existing with a view to advancing the date fixed whenever such action is deemed possible. The use of these records by Government officials will be subject to such conditions as the chiefs of the appropriate policy divisions in the Department of State may deem it advisable to prescribe.

"The confidential or unpublished records of the Department of a date prior to December 31, 1918, or such subsequent date as may be fixed by the Department, may be made available to persons who are not officials of the United States Government, subject to the following conditions:

"Files which are in current use in the Department or which cannot be made public without the disclosure of confidences reposed in the Department or without adversely affecting the public interest should not be made available to inquirers. Papers received by the Department from a foreign government which have not been released for publication by that government should not be made available to inquirers without the consent of the government concerned. If there is reason to believe a foreign government may be willing to permit the use of the papers in question under certain conditions the permission may, in the discretion of the appropriate officials of the Department, be requested. If such permission is requested, the expenses of communicating with the foreign government (cost of telegrams, postage, etc.) will be met by the person desiring to consult the papers.

"Permission to consult the records of the Department through the date fixed by the Department may be granted, subject to the limitations set forth in this order, to such persons as lawyers, publicists, historians, instructors, and professors in accredited colleges and universities, and holders of the doctor's degree (or its equivalent) in foreign relations or allied subjects from such colleges and universities, provided that they are authorities of recognized standing in the field to which the records relate and that they have an important and definite use for the information desired. Due to lack of personnel the Department is not in a position to assemble large quantities of papers or extensive files for consultation by persons not officials of the Government, and requests for permission to consult material should therefore be definitely limited in scope and confined to specific subjects or particular papers.

"An application from an alien to consult the Department's records under this order shall be considered only if accompanied by a letter from the head of the embassy or legation at Washington of the country of which the alien is a citizen, subject or national. Such a letter must show that the applicant is favorably known to the appropriate embassy or legation and that the mission is familiar with the purpose of the applicant's work.

"All applications to consult the original records of the Department of date prior to the one fixed by the Department shall be referred to the Chief of the Division of Research and Publication. If the Chief of the Division of Research and Publication is of the opinion that the applicant possesses the requisite qualifications as set forth in this order, he shall have assembled and shall submit to the chief of the policy division charged with the consideration of questions in the field which is the object of the research or inquiry all of the relevant papers and files which the applicant

desires to consult with the exceptions hereinafter noted. If the applicant is permitted to use all or part of the papers desired, the chief of the policy division concerned will inform the Chief of the Division of Research and Publication under what conditions the papers may be examined, that is, whether copies may be made of the relevant documents or whether only notes may be taken and whether the copies or notes may be published in whole or in part or used only for background information, or any other conditions which the chief of the policy division mentioned may deem it advisable to prescribe. This decision will be final except in cases of unusual importance where the question may be referred to an Assistant Secretary of State or higher officer. Documents or papers previously released or published, and unpublished papers clearly involving no question of policy, may be made available to qualified applicants by the Chief of the Division of Research and Publication without reference to other officials.

"Upon receiving the decision of the chief of the policy division mentioned, with the conditions therein deemed advisable and necessary to prescribe, the Chief of the Division of Research and Publication will thereupon arrange for the applicant to consult the files subject to the conditions mentioned. After the papers have been consulted the applicant will submit all notes, copies of documents, etc., which he has made to the Chief of the Division of Research and Publication. The latter, when necessary, will refer these notes, copies, etc., to the chief of the policy division concerned for examination if desired by the chief of the latter division. The chief of this policy division may, after such examination, return the papers to the Chief of the Division of Research and Publication for transmittal to the applicant or he may, in his discretion, retain the notes and refuse the applicant permission to use them.

"The provisions of this order are to be interpreted as liberally as possible. In this regard it is to be borne in mind that the further it is possible to go in the way of promoting legitimate historical research and the study of the foreign policy of the United States without violating the confidences necessary for the transaction of diplomatic affairs, the more likely the Department will be to receive the support and trust of the intelligent public."

✦ ✦ ✦

TRAINING OF CHILEAN STUDENTS IN THE UNITED STATES

[Released July 1]

A group of graduate students of Chilean engineering schools today called on Assistant Secretary of State Berle to pay their respects. They were presented by the Chilean Ambassador. These students have come to the United States to spend several months in some of the important industrial plants of the country in order to obtain advanced instruction and practical experience in certain branches of technology. They are here under the sponsorship of the University of Chile and of a number of Chilean and American banks, transportation lines, and industrial concerns.

One group is under the sponsorship of:

The University of Chile (Engineering School)
Mining Credit Bank of Chile
Chilean State Railways
Consulate General of Chile in New York
Chile-American Association, Inc.
Wessel-Duval & Co.
General Motors Corp.
Baldwin Locomotive Works & Associated Companies
Bethlehem Steel Corp. & Associated Companies
Standard Oil Co. of New Jersey & Associated Companies
Westinghouse Electric International Co.
Thomas A. Edison Co.
Carrier Corporation

Members of this group are located as follows:

Luis Rojas, Westinghouse Electric International Co.
Carlos A. Echazú, Westinghouse Electric International Co.

Fernando Súarez, Baldwin Locomotive Works
Ramon Súarez, Bethlehem Steel Corp.
Jorge Hevia, Bethlehem Steel Corp.
Arturo Aranda, General Motors Corp.
Isaac Faiguenbaum, General Motors Corp.
Albert Arce, Carrier Corporation
Alfonso Castro, Baldwin Locomotive Works
Carlos Alvarez, Standard Oil Co. of New Jersey

A second group is under the sponsorship of W. R. Grace & Co., the General Electric Co., and Ingersoll-Rand Co.

These students and their locations are as follows:

Ramon Cabezón B., General Electric Co.
Julio Melnick A., Ingersoll-Rand Co.
Luis Marti, Grace Industrial Department

The students presented also included Alberto Cabero, Jr., son of the Chilean Ambassador to the United States, and Mario Barranza, who is under the sponsorship of the Panagra airlines.

International Conferences, Commissions, etc.

BIENNIAL CONGRESS OF THE INTERNATIONAL CHAMBER OF COMMERCE

[Released June 26]

Following is the text of a message from the President of the United States to Mr. Thomas J. Watson, in connection with the Congress of the International Chamber of Commerce being held at Copenhagen, Denmark, convening June 26, 1939:

"In these times of international uncertainty the existence of the International Chamber of Commerce and its efforts to promote international economic activity are extremely heartening to those of us who believe that only with the existence of stable and progressively improving world trade and finance will it be possible to establish satisfactory international political relations.

"I am glad to take this opportunity of expressing again my appreciation of the work done in the promotion of world trade and understanding by the International Chamber of Commerce, which has been under your leadership for the past two years. To the International Chamber of Commerce and to your successor I extend my best wishes for continued successful activities in this direction.

"FRANKLIN D. ROOSEVELT"

In transmitting the foregoing message to Mr. Watson, Secretary of State Hull wrote:

"I have been requested by the President to transmit to you his message to the International Chamber of Commerce at the June 26, 1939 Opening Session of its Biennial Congress. I should like to have you know that I echo the words of the President and that I wish for the International Chamber of Commerce a successful congress.

"CORDELL HULL"

✦ ✦ ✦

INTERNATIONAL COMMISSION OF INQUIRY, UNITED STATES AND BOLIVIA

[Released June 26]

By the joint action of the Governments of the United States and Bolivia, Mr. Johannes Irgens, Norwegian diplomatist, has been appointed to the position of Joint Commissioner for the International Commission provided for under the terms of the Treaty for the Advancement of Peace between the United States and Bolivia, signed January 22, 1914.

The present composition of the Commission is as follows:

American Commissioners:
National: A. R. Talbot, of Nebraska
Nonnational: Ludvigs Séja, of Latvia

Bolivian Commissioners:
National: Vacant
Nonnational: Vacant

Joint Commissioner:
Johannes Irgens, of Norway.

FIFTEENTH INTERNATIONAL CONFERENCE ON DOCUMENTATION

[Released July 1]

This Government has accepted the invitation of the Swiss Government to participate in the Fifteenth International Conference on Documentation, which will be held at Zürich, Switzerland, from August 10 to 13, 1939, and the President has approved the appointment of the following persons as delegates on the part of the United States:

Vernon D. Tate, Ph. D., Chief, Division of Photographic Archives and Research, The National Archives

Miss José Meyer, European representative, Library of Congress, Paris, France.

This Government was represented at the Fourteenth International Conference on Documentation which was held at Oxford, England, in September 1938. At that meeting the discussions concerned the best methods of obtaining authoritative information on bibliographic work in such fields of learning as archeology, archive work, economics, history, and linguistic studies.

Treaty Information

All material for the month of June 1939 concerning treaties to which the United States is a party or may become a party or treaties of general international interest will appear in the *Treaty Information* bulletin for June 30, 1939; treaty data available after that date will be compiled in the Treaty Division and will appear in this section of subsequent issues of *The Department of State Bulletin.*

Foreign Service

The July 1, 1939, issue of the *Foreign Service List* will contain the following changes in heads of American diplomatic missions:

Norman Armour, of New Jersey, formerly Ambassador to Chile, appointed Ambassador to Argentina May 18, 1939.

Claude G. Bowers, of New York, formerly Ambassador to Spain, appointed Ambassador to Chile June 22, 1939.

Robert Granville Caldwell, of Texas, resigned as Minister to Bolivia effective upon expiration of leave of absence.

Frank P. Corrigan, of Ohio, formerly Minister to Panama, appointed Ambassador to Venezuela January 20, 1939.

William Dawson, of Minnesota, formerly Minister to Uruguay, appointed Ambassador to Panama March 23, 1939.

Louis G. Dreyfus, Jr., of California, formerly counselor of embassy at Lima, Peru, appointed Minister to Iran July 7, 1939.

Antonio C. Gonzalez, of New York, resigned as Minister to Venezuela effective June 8, 1939.

Douglas Jenkins, of South Carolina, formerly consul general at London, appointed Minister to Bolivia June 22, 1939.

Daniel C. Roper, of South Carolina, appointed Minister to Canada May 9, 1939.

Laurence A. Steinhardt, of New York, formerly Ambassador to Peru, appointed Ambassador to the Union of Soviet Socialist Republics March 23, 1939.

Alexander W. Weddell, of Virginia, formerly Ambassador to Argentina, appointed Ambassador to Spain May 3, 1939.

Edwin C. Wilson, of Florida, formerly counselor of embassy at Paris, appointed Minister to Uruguay June 22, 1939.

The following changes have occurred in the American Foreign Service since June 24, 1939:

John G. Erhardt, of Brooklyn, N. Y., Foreign Service officer detailed as inspector, has been designated first secretary of embassy and consul general at London, England.

William M. Cramp, of Philadelphia, Pa., second secretary of legation at Tegucigalpa, Honduras, has been assigned as consul at Warsaw, Poland.

William C. Trimble, of Baltimore, Md., now assigned to the Department of State, has been designated third secretary of embassy and vice consul at Paris, France.

Douglas Flood, of Kenilworth, Ill., vice consul at Barcelona, Spain, has been assigned as vice consul at Naples, Italy.

Robert C. Strong, of Beloit, Wis., vice consul at Frankfort on the Main, Germany, has been assigned as vice consul at Prague, Bohemia.

The following Executive orders concerning the Foreign Service have recently been issued:

Executive Order Amending the Foreign Service Regulations of the United States (Retirement of Foreign Service Officers). (E. O. 8176.) Federal Register, Vol. 4, No. 121, June 23, 1939, p. 2467 (The National Archives of the United States).

Executive Order Amending the Foreign Service Regulations of the United States (Chapter III—Immunities, Powers, and Privileges). (E. O. 8181.) Federal Register, Vol. 4, No. 123, June 27, 1939, p. 2491 (The National Archives of the United States).

[The above orders effect no material alterations in the Foreign Service Regulations but merely consolidate into one chapter the miscellaneous sections throughout the Regulations pertaining to the diplomatic and consular branches of the Foreign Service as separate entities.]

Executive Order: Effective Date of Election by Retired Foreign Service Officers to Receive Reduced Annuities. (E. O. 8180.) Federal Register, Vol. 4, No. 122, June 24, 1939, p. 2475 (The National Archives of the United States).

Anniversaries

ANNIVERSARY OF INAUGURATION OF POSTAL SERVICE BETWEEN THE UNITED STATES AND FRANCE

[Released July 1]

Translation of a telegram from the Minister for Foreign Affairs of France (Georges Bonnet) to the Secretary of State

PARIS, *June 28, 1939.*

Seventy-five years ago a steamer to which France had been pleased to give the name of the American hero Washington insured for the first time, in thirteen and one-half days, the regular service of the French mail line between Le Havre and New York. On the occasion of this anniversary I desire to express to Your Excellency, recalling myself to your recollection, the deep satisfaction which I feel in noting the progress made with respect to the rapidity of communications between France and the United States, a tangible testimony of the unfailing friendship which unites our two countries.

GEORGES BONNET

Telegram from the Secretary of State to the Minister for Foreign Affairs of France

JUNE 30, 1939.

I hasten to thank Your Excellency for your cordial telegram on the Seventy-fifth Anniversary of the Inauguration of a postal service between France and the United States by the French steamer *Washington*. The phenomenal expansion in transportation facilities between the United States and Europe since the maiden voyage of the French steamer *Washington* has had a profound influence on cultural and commercial relations between our two countries.

CORDELL HULL

Legislation

Communication from the President of the United States transmitting supplemental estimate of appropriation for the War Department, for the fiscal year ending June 30, 1939, to remain available until expended, amounting to $200,000, for investigation and survey of a canal and highway across the Republic of Nicaragua. (H. Doc. 351, 76th Cong., 1st sess.) 2 pp. 5¢.

Hearings before the Committee on Foreign Affairs of the House of Representatives on present neutrality law (Public Res. 27, 75th Cong.), proposed amendments thereto, and related legislation affecting the foreign policy of the United States, April 11, 12, 13, 17, 18, 19, 20, 21, 24, 25, 26, 27, 28, and May 2, 1939. (76th Cong., 1st sess.) 639 pp. 60¢.

An Act Making appropriations for the Departments of State and Justice and for the Judiciary, and for the Department of Commerce, for the fiscal year ending June 30, 1940, and for other purposes. (Public, No. 156, 76th Cong., 1st sess.) 39 pp. 10¢.

Publications

DEPARTMENT OF STATE

Treaty Information, Bulletin No. 116, May 31, 1939. Publication 1342. iv, 20 pp. Subscription, $1 a year; single copy, 10¢.

OTHER GOVERNMENT AGENCIES

Foreign Commerce Yearbook, 1938. (Department of Commerce: Bureau of Foreign and Domestic Commerce.) 1939. 435 pp. $1 (cloth).

U. S. GOVERNMENT PRINTING OFFICE: 1939

For sale by the Superintendent of Documents, Washington, D. C.—Price 10 cents - - - - - Subscription price, $2.75 a year

PUBLISHED WITH THE APPROVAL OF THE DIRECTOR OF THE BUREAU OF THE BUDGET

Change in the Soviet Union

President Bush's address at Texas A&M University's commencement exercises at College Station on May 12, 1989.[1]

My sincerest congratulations go to every graduate and to your parents. In this ceremony, we celebrate nothing less than the commencement of the rest, and the best, of your life.

When you look back to your days at Texas A&M, you will have a lot to be proud of—a university that is first in baseball and first in service to our nation. Many are the heroes whose names are called at muster. Many are those you remember in silver taps.

We are reminded that no generation can escape history. Parents—we share a fervent desire for our children, and their children, to know a better world, a safer world. Students—your parents and grandparents have lived through a world war and helped America to rebuild the world. They witnessed the drama of postwar nations divided by Soviet subversion and force but sustained by an allied response most vividly seen in the Berlin airlift.

Containing Soviet Expansionism

Wise men—Truman and Eisenhower, Vandenberg and Rayburn, Marshall, Acheson, and Kennan—crafted the strategy of containment. They believed that the Soviet Union, denied the easy course of expansion, would turn inward and address the contradictions of its inefficient, repressive, and inhumane system. And they were right. The Soviet Union is now publicly facing this hard reality.

Containment worked. Containment worked because our democratic principles, institutions, and values are sound and always have been. It worked because our alliances were and are strong; and because the superiority of free societies and free markets over stagnant socialism is undeniable.

We are approaching the conclusion of a historic postwar struggle between two visions—one of tyranny and conflict and one of democracy and freedom. The review of U.S.-Soviet relations that my Administration has just completed outlines a new path toward resolving this struggle.

Our goal is bold—more ambitious than any of my predecessors might have thought possible. Our review indicates that 40 years of perseverance have brought us a precious opportunity. Now it is time to move beyond containment, to a new policy for the 1990s—one that recognizes the full scope of change taking place around the world and in the Soviet Union itself.

In sum, the United States now has as its goal much more than simply containing Soviet expansionism—we seek the integration of the Soviet Union into the community of nations. As the Soviet Union moves toward greater openness and democratization—as they meet the challenge of responsible international behavior—we will match their steps with steps of our own. Ultimately, our objective is to welcome the Soviet Union back into the world order.

Looking for Signs of Soviet Change

The Soviet Union says it seeks to make peace with the world and criticizes its own postwar policies. These are words we can only applaud. But a new relationship cannot be simply declared by Moscow or bestowed by others. It must be earned. It must be earned because promises are never enough. The Soviet Union has promised a more cooperative relationship before—only to reverse course and return to militarism. Soviet foreign policy has been almost seasonal—warmth before cold, thaw before freeze. We seek a friendship that knows no season of suspicion, no chill of distrust.

We seek a friendship [with the Soviet Union] that knows no season of suspicion, no chill of distrust.

We hope *perestroika* is pointing the Soviet Union to a break with the cycles of the past—a definitive break. Who would have thought we would see the deliberations of the Central Committee on the front page of *Pravda*, or dissident Andrey Sakharov seated near the councils of power? Who would have imagined a Soviet leader who canvasses the sidewalks of Moscow and Washington, D.C.? These are hopeful indeed, remarkable—signs. Let no one doubt our sincere desire to see *perestroika* continue and succeed. But the national security of America and our allies is not predicated on hope. It must be based on deeds. We look for enduring, ingrained economic and political changes.

While we hope to move beyond containment, we are only at the beginning of our new path. Many dangers and uncertainties are ahead. We must not forget that the Soviet Union has acquired awesome military capabilities. That was a fact of life for my predecessors. That has always been a fact of life for our allies. And that is a fact of life for me.

As we seek peace, we must also remain strong. The purpose of our military might is not to pressure a weak Soviet economy or to seek military superiority. It is to deter war. It is to defend ourselves and our allies and to do something more—to convince the Soviet Union that there can be no reward in pursuing expansionism, to convince the Soviet Union that reward lies in the pursuit of peace.

Positive Steps Toward an Open Society

Western policies must encourage the evolution of the Soviet Union toward an open society. This task will test our strength. It will tax our patience. And it will require a sweeping vision—let me share with you my vision. I see a Western Hemisphere of democratic, prosperous nations, no longer threatened by a Cuba or a Nicaragua armed by Moscow. I see a Soviet Union that pulls away from ties to terrorist nations—like Libya—that threaten the legitimate security of their neighbors. I see a Soviet Union which respects China's integrity and returns the Northern Territories of Japan—a prelude to the day when all the great nations of Asia will live in harmony.

But the fulfillment of this vision requires the Soviet Union to take positive steps, including:

First, reduce Soviet forces. Although some small steps have already been taken, the Warsaw Pact still possesses more than 30,000 tanks, more than twice as much artillery, and hundreds of thousands more troops in Europe than NATO. They should cut their forces to less threatening levels in pro

rtion to their legitimate security
ieds.

Second, adhere to the Soviet
ligation—promised in the final days
World War II—to support self-
termination for all the nations of
astern and central Europe. This re-
ires specific abandonment of the
ezhnev doctrine. One day it should
possible to drive from Moscow to
unich without seeing a single guard
wer or a strand of barbed wire. In
ort, tear down the Iron Curtain.

Third, work with the West in posi-
e, practical—not merely rhetorical—
ps toward diplomatic solutions to
gional disputes around the world. I
lcome the Soviet withdrawal from
ghanistan and the Angola agree-
nt. But there is much more to be
ne around the world. We're ready.
t's roll up our sleeves and get
work.

Fourth, achieve a lasting political
uralism and respect for human
ghts. Dramatic events have already
curred in Moscow. We are impressed
limited, but freely contested, elec-
ns. We are impressed by a greater
leration of dissent. We are impressed
a new frankness about the Stalin
a. Mr. Gorbachev, don't stop now.

Fifth, join with us in addressing
essing global problems, including the
ternational drug menace and dangers
the environment. We can build a
tter world for our children.

penness and Arms Control

s the Soviet Union moves toward
ms reduction and reform, it will find
illing partners in the West. We seek
rifiable, stabilizing arms control and
ms reduction agreements with the
viet Union and its allies. However,
ms control is not an end in itself but
means of contributing to the security
America and the peace of the world.
directed Secretary Baker to propose
the Soviets that we resume negotia-
ns on strategic forces in June. And,
you know, the Soviets have agreed.

Our basic approach is clear. In the
rategic arms reduction talks, we
ish to reduce the risk of nuclear war.
the companion defense and space
lks, our objective will be to preserve
r options to deploy advanced de-
nses when they are ready. In nuclear
sting, we will continue to seek the
ecessary verification improvements in
isting treaties to permit them to be
ought into force. We will continue to
ek a verifiable global ban on chemical
eapons. We support NATO efforts to reduce the Soviet offensive threat in the negotiation on conventional [armed] forces in Europe. And, as I've said, fundamental to all of these objectives is simple openness.

Make no mistake, a new breeze is blowing across the steppes and cities of the Soviet Union. Why not, then, let this spirit of openness grow, let more barriers come down. Open emigration, open debate, open airwaves—let openness come to mean the publication and sale of banned books and newspapers in the Soviet Union. Let the 19,000 Soviet Jews who emigrated last year be followed by any number who wish to emigrate this year. Let openness come to mean nothing less than the free exchange of people, books, and ideas between East and West. And let it come to mean one thing more.

One day it should be possible to drive from Moscow to Munich without seeing a single guard tower or a strand of barbed wire.

Thirty-four years ago, President Eisenhower met in Geneva with Soviet leaders who, after the death of Stalin, promised a new approach toward the West. He proposed a plan called "Open Skies," which would allow unarmed aircraft from the United States and the Soviet Union to fly over the territory of the other country. This would open up military activities to regular scrutiny and, as President Eisenhower put it, "convince the world that we are . . . lessening danger and relaxing tension."

President Eisenhower's suggestion tested Soviet readiness to open their society. The Kremlin failed that test. Let us again explore that proposal, but on a broader, more intrusive and radical basis—one which I hope would include allies on both sides. We suggest that those countries that wish to examine this proposal meet soon to work out the necessary operational details, separately from other arms control negotiations. Such surveillance flights, complementing satellites, would provide regular scrutiny for both sides. Such unprecedented territorial access would show the world the meaning of the concept of openness. The very Soviet willingness to embrace such a concept would reveal their commitment to change.

Economic Relations

Where there is cooperation, there can be a broader economic relationship. But economic relations have been stifled by Soviet internal policies. They have been injured by Moscow's practice of using the cloak of commerce to steal technology from the West. Ending discriminatory treatment of U.S. firms would be a helpful step. Trade and financial transactions should take place on a normal commercial basis.

And should the Soviet Union codify its emigration laws in accord with international standards and implement its new laws faithfully, I am prepared to work with Congress for a temporary waiver of the Jackson-Vanik amendment, opening the way to extending most-favored-nation trade status to the Soviet Union. The policy I have just described has everything to do with you.

World Order of the Future

Today you graduate. You will start careers and families. And you will become the leaders of America in the next century. What kind of world will you know? Perhaps the world order of the future will truly be a family of nations.

It is a sad truth that nothing forces us to recognize our common humanity more swiftly than a natural disaster. I am thinking of Soviet Armenia, just a few months ago—a tragedy without blame, warlike devastation without war.

My son took our 12-year-old grandson to Yerevan. At the end of a day of comforting the injured and consoling the bereaved, father and son sat down together amid the ruins and wept. How can our two countries magnify this simple expression of caring? How can we each convey the good will of our people?

Forty-three years ago, a young lieutenant by the name of Albert Kotzebue, class of 1945 at Texas A&M, was the first American soldier to shake hands with the Soviets at the banks of the Elbe River. Once again, we are ready to extend our hand. Once again, we are ready for a hand in return. Once again, it is a time for peace.

[1]Text from Weekly Compilation of Presidential Documents of May 22, 1989. ■

The Future of Europe

President Bush's address at Boston University's commencement exercises on May 21, 1989.[1]

As Boston University graduates, you take with you a degree from a great institution, and something more—knowledge of the past and responsibility for the future. And take a look at our world today. Nations are undergoing changes so radical that the international system you know—and will know in the future—will be as different from today's as today's world is from the time of Woodrow Wilson. How will America prepare, then, for the challenges ahead?

It's with your future in mind that, after deliberation and a review, we are adapting our foreign policies to meet this challenge. I've outlined how we're going to try to promote reform in Eastern Europe, and how we're going to work with our friends in Latin America. In Texas, I spoke to another group of graduates of our new approach to the Soviet Union—one of moving beyond containment to seek to integrate the Soviets into the community of nations, to help them share the rewards of international cooperation.

Change in Western Europe

But today, I want to discuss the future of Europe—that mother of nations and ideas that is so much a part of America. And it is fitting that I share this forum with a very special friend of the United States—[French] President Mitterrand, you have the warm affection and high regard of the American people. And I remember well, about 8 years ago, when you joined us in Yorktown, in 1981, to celebrate the bicentennial of that first Franco-American fight for freedom. And soon, I will join you in Paris, to observe the 200th anniversary of the French struggle for liberty and equality.

And this is just one example of the special bond between two continents. But consider this city. From the Old North Church to Paul Revere's home nestled in the warm heart of the Italian North End, to your famous song-filled Irish pubs—the Old and New Worlds are inseparable in this city. But as we look back to Old World tradition, we must look ahead to a new Europe. Historic changes will shape your careers and your very lives.

The changes that are occurring in Western Europe are less dramatic than those taking place in the East, but they are no less fundamental. The postwar order that began in 1945 is transforming into something very different. And yet certain essentials remain, because our alliance with Western Europe is utterly unlike the cynical power alliances of the past. It is based on far more than a perception of a common enemy. It is a tie of culture and kinship and shared values. And as we look toward the 21st century, Americans and Europeans alike should remember the words of Raymond Aron, who called the alliance a "moral and spiritual community." Our ideals are those of the American Bill of Rights and the French Declaration of the Rights of Man. And it is precisely because the ideals of this community are universal that the world is in ferment today.

Now a new century holds the promise of a united Europe. And as you know, the nations of Western Europe are already moving toward greater economic integration, with the ambitious goal of a single European market in 1992. The United States has often declared it seeks a healing of old enmities, an integration of Europe. And at the same time, there has been a historical ambivalence on the part of some Americans toward a more united Europe. To this ambivalence has been added apprehension at the prospect of 1992. But whatever others may think, this Administration is of one mind. We believe a strong, united Europe means a strong America.

Western Europe has a gross domestic product that is roughly equal to our own and a population that exceeds ours. European science leads the world in many fields, and European workers are highly educated and highly skilled. We are ready to develop, with the European Community and its member states, new mechanisms of consultation and cooperation on political and global issues from strengthening the forces of democracy in the Third World to managing regional tensions to putting an end to the division of Europe. A resurgent Western Europe is an economic magnet, drawing Eastern Europe closer toward the commonwealth of free nations.

A more mature partnership with Western Europe will pose new challenges. There are certain to be clashes and controversies over economic issues. America will, of course, defend its interests. But it is important to distinguish adversaries from allies and allies from adversaries. What a tragedy; what an absurdity it would be if future historians attribute the demise of the Western alliance to disputes over beef hormones and wars over pasta. We must all work hard to ensure that the Europe of 1992 will adopt the lower barriers of the modern international economy, not the high walls and the moats of medieval commerce.

NATO: Maintaining Peace in Europe

But our hopes for the future rest ultimately on keeping the peace in Europe. Forty-two years ago, just across the Charles River, Secretary of State George Marshall gave a commencement address that outlined a plan to help Europe recover. Western Europe responded heroically and later joined with us in a partnership for the common defense—a shield we call NATO. And this alliance has always been driven by a spirited debate over the best way to achieve peaceful change. But the deeper truth is that the alliance has achieved a historic peace because it is united by a fundamental purpose. Behind the NATO shield, Europe has now enjoyed 40 years free of conflict—the longest period of peace the continent has ever known. Behind this shield, the nations of Western Europe have risen from privation to prosperity—all because of the strength and resolve of free peoples.

With a Western Europe that is now coming together, we recognize that new forms of cooperation must be developed. We applaud the defense cooperation developing in the revitalized West European Union, whose members worked with us to keep open the sealanes of the Persian Gulf. And we applaud the growing military cooperation between West Germany and France. And we welcome British and French programs to modernize their deterrent capability and their moves toward cooperation in this area. It is perfectly right and proper that Europeans increasingly see their defense cooperation as an investment in a secure future. But we do have a major concern—a different order—a growing complacency throughout the West.

And, of course, your generation
n hardly be expected to share the
ip of past anxieties. With such a long
ace, it is hard to imagine how it
uld be otherwise. But our expecta-
ns in this rapidly changing world
not race so far ahead that we forget
at is at stake. There's a great irony
re. While an ideological earthquake
shaking asunder the very communist
ndation, the West is being tested by
mplacency.

We must never forget that twice in
s century, American blood has been
ed over conflicts that began in Eu-
pe. And we share the fervent desire
Europeans to relegate war forever
the province of distant memory. But
at is why the Atlantic alliance is so
ntral to our foreign policy. And that's
y America remains committed to the
iance and the strategy which has
eserved freedom in Europe. We must
ver forget that to keep the peace in
rope is to keep the peace for
nerica.

NATO's policy of flexible response
eps the United States linked to Eu-
pe and lets any would-be aggressors
ow that they will be met with any
el of force needed to repel their at-
k and frustrate their designs. And
r short-range deterrent forces based
Europe, and kept up-to-date, demon-
ate that America's vital interests
e bound inextricably to Western Eu-
pe and that an attacker can never
mble on a test of strength with just
r conventional forces. Though hope is
w running high for a more peaceful
ntinent, the history of this century
aches Americans and Europeans to
main prepared.

viet Change

s we search for a peace that is endur-
g, I'm grateful for the steps that
r. Gorbachev is taking. If the Soviets
vance solid and constructive plans
r peace, then we should give credit
here credit is due. And we're seeing
eeping changes in the Soviet Union
at show promise of enduring, of be-
ming ingrained. At the same time,
an era of extraordinary change,
e have an obligation to temper
timism—and I am optimistic—with
udence.

For example, the Soviet Foreign
inister [Eduard Shevardnadze] in-
rmed the world last week that his na-
n's commitment to destroy SS-23
issiles under the recently enacted INF [Intermediate-Range Nuclear Forces] Treaty may be reversible. And the Soviets must surely know the results of failure to comply with this solemn agreement. Perhaps their purpose was to divide the West on other issues that you're reading about in the papers today. But regardless, it is clear that Soviet "new thinking" has not yet totally overcome the old.

I believe in a deliberate, step-by-step approach to East-West relations, because recurring signs show that while change in the Soviet Union is dramatic, it is not yet complete. The Warsaw Pact retains a nearly 12-to-1 advantage over the Atlantic alliance in short-range missiles and rocket launchers capable of delivering nuclear weapons and more than a 2-to-1 advantage in battle tanks. And for that reason, we will also maintain, in cooperation with our allies, ground and air forces in Europe as long as they are wanted and needed to preserve the peace in Europe. At the same time, my Administration will place a high and continuing priority on negotiating a less militarized Europe, one with a secure conventional force balance at lower levels of forces. Our aspiration is a real peace—a peace of shared optimism, not a peace of armed camps.

Celebrating a Moral and Spiritual Community

Nineteen-ninety-two is the 500th anniversary of the discovery of the New World. So we have five centuries to celebrate, nothing less than our very civilization—the American Bill of Rights and the French Rights of Man, the ancient and unwritten constitution of Great Britain, and the democratic visions of Konrad Adenauer and Alcide de Gasperi.

And in all our celebrations, we observe one fact: this truly is a moral and spiritual community. It is our inheritance, and so let us protect it. Let us promote it. Let us treasure it for our children, for Americans and Europeans yet unborn. We stand with France as part of a solid alliance. And once again, let me say how proud I am to have received this degree from this noble institution and to have shared this platform with the President of the French Republic, Francois Mitterrand.

[1]Text from Weekly Compilation of Presidential Documents of May 29, 1989. ■

Security Strategy for the 1990s

President Bush's address at the Coast Guard Academy commencement exercises in New London, Conn., on May 24, 1989.[1]

Today, our world—your world—is changing, East and West. And today, I want to speak to you about the world we want to see, and what we can do to bring that new world into clear focus.

We live in a time when we are witnessing the end of an idea—the final chapter of the communist experiment. Communism is now recognized—even by many within the communist world itself—as a failed system, one that promised economic prosperity but failed to deliver the goods, a system that built a wall between the people and their political aspirations.

But the eclipse of communism is only one-half of the story of our time. The other is the ascendancy of the democratic idea. Never before has the idea of freedom so captured the imaginations of men and women the world over. And never before has the hope of freedom beckoned so many—trade unionists in Warsaw, the people of Panama, rulers consulting the ruled in the Soviet Union. And even as we speak today, the world is transfixed by the dramatic events in Tiananmen Square [Beijing, China]. Everywhere those voices are speaking the language of democracy and freedom, and we hear them and the world hears them, and America will do all it can do to encourage them.

So today I want to speak about our security strategy for the 1990s—one that advances American ideals and upholds American aims.

Risks and Opportunities of New Challenges

Amidst the many challenges we'll face, there will be risks. But let me assure you, we'll find more than our share of opportunities. We and our allies are strong—stronger really than at any point in the postwar period, and more capable than ever of supporting the

cause of freedom. There's an opportunity before us to shape a new world.

What is it that we want to see? It is a growing community of democracies anchoring international peace and stability, and a dynamic free-market system generating prosperity and progress on a global scale. The economic foundation of this new era is the proven success of the free market—and nurturing that foundation are the values rooted in freedom and democracy.

Our country, America, was founded on these values, and they gave us the confidence that flows from strength. So let's be clear about one thing: America looks forward to the challenge of an emerging global market. But these values are not ours alone; they are now shared by our friends and allies around the globe.

The economic rise of Europe and the nations of the Pacific rim is the growing success of our postwar policy. This time is a time of tremendous opportunity, and destiny is in our own hands. To reach the world we want to see, we've got to work and work hard. There's a lot of work ahead of us.

We must resolve international trade problems that threaten to pit friends and allies against one another. We must combat misguided notions of economic nationalism that will tell us to close off our economies to foreign competition—just when the global marketplace has become a fact of life. We must open the door to the nations of Eastern Europe and other socialist countries that embrace free-market reforms.

And finally, for developing nations heavily burdened with debt, we must provide assistance and encourage the market reforms that will set those nations on a path toward growth. If we succeed, the next decade and the century beyond will be an era of unparalleled growth—an era which sees the flourishing of freedom, peace, and prosperity around the world.

But this new era cannot unfold in a climate where conflict and turmoil exist. And, therefore, our goals must also include security and stability: security for ourselves and our allies and our friends; stability in the international arena and an end to regional conflicts.

Such goals are constant, but the strategy we employ to reach them can, and must, change as the world changes. Today, the need for a dynamic and adaptable strategy is imperative. We must be strong—economically, diplomatically, and, as you know, militarily—to take advantage of the opportunities open to us in a world of rapid change. And nowhere will the ultimate consequences of change have more significance for world security than within the Soviet Union itself.

Soviet Union

What we're seeing now in the Soviet Union is, indeed, dramatic. The process is still ongoing, unfinished. But make no mistake, our policy is to seize every, and I mean every, opportunity to build a better, more stable relationship with the Soviet Union—just as it is our policy to defend American interests in light of the enduring reality of Soviet military power.

We want to see *perestroika* succeed. And we want to see the policies of *glasnost* and *perestroika*—so far, a revolution imposed from top down—institutionalized within the Soviet Union. And we want to see *perestroika* extended as well. We want to see a Soviet Union that restructures its relationship toward the rest of the world—a Soviet Union that is a force for constructive solutions to the world's problems.

The grand strategy of the West during the postwar period has been based on the concept of containment: checking the Soviet Union's expansionist aims, in the hope that the Soviet system itself would one day be forced to confront its internal contradictions. The ferment in the Soviet Union today affirms the wisdom of this strategy. And now we have a precious opportunity to move beyond containment. You're graduating into an exciting world, where the opportunity for peace—world peace, lasting peace—has never been better.

Our goal—integrating the Soviet Union into the community of nations—is every bit as ambitious as containment was at its time. And it holds tremendous promise for international stability.

Other Regional Powers

Coping with a changing Soviet Union will be a challenge of the highest order. But the security challenges we face today do not come from the East alone. The emergence of regional powers is rapidly changing the strategic landscape.

In the Middle East, in South Asia, in our own hemisphere, a growing number of nations are acquiring advanced and highly destructive capabilities—in some cases, weapons of mass destruction and the means to deliver them. And it is an unfortunate fact that the world faces increasing threat from armed insurgencies, terrorists, and, as you in the Coast Guard are well aware, narcotics traffickers—and, in some regions, an unholy alliance of all three.

Our task is clear: we must curb the proliferation of advanced weaponry; we must check the aggressive ambitions of renegade regimes; and we must enhance the ability of our friends to defend themselves. We have not yet mastered the complex challenge. We and our allies must construct a common strategy for stability in the developing world.

Defense Strategy

How we and our allies deal with these diverse challenges depends on how we we understand the key elements of defense strategy. And so let me just mention today two points in particular.

First, the need for an effective deterrent, one that demonstrates to our allies and adversaries alike American strength, American resolve; and

Second, the need to maintain an approach to arms reduction that promotes stability at the lowest feasible level of armaments.

Deterrence is central to our defense strategy. The key to keeping the peace is convincing our adversaries that the cost of aggression against us or our allies is simply unacceptable.

In today's world, nuclear forces are essential to deterrence. Our challenge is to protect those deterrent systems from attack. And that's why we'll move Peacekeeper ICBMs [intercontinental ballistic missiles] out of fixed and vulnerable silos—making them mobile and thus harder to target. Looking to the longer term, we will also develop and deploy a new highly mobile single-warhead missile, the Midgetman. With only minutes of warning, these new missiles can relocate out of harm's way. Any attack against systems like this will fail.

We are also researching—and we are committed to deploy when ready—more comprehensive defensive systems, known as SDI [Strategic Defense Initiative]. Our premise is straightforward: defense against incoming missiles endangers no person, endangers no country.

We're also working to reduce the reat we face, both nuclear and con-ntional. The INF [Intermediate-ange Nuclear Forces] Treaty demon-rates that willingness. In addition, in e past decade, NATO has unilaterally moved 2,400 shorter range theater arheads. But theater nuclear forces ntribute to stability, no less than rategic forces, and thus, it would be responsible to depend solely on stra-gic nuclear forces to deter conflict Europe.

onventional Balance in Europe

he conventional balance in Europe just as important and is linked to e nuclear balance. For more than 40 ears—and look at your history books see how pronounced this accomplish-ent is—the Warsaw Pact's massive ad-ntage in conventional forces has cast shadow over Europe.

The unilateral reductions that resident Gorbachev has promised give hope that we can now redress that nbalance. We welcome those steps be-use, if implemented, they will help duce the threat of surprise attack. nd they confirm what we've said all ong: that Soviet military power far ceeds the levels needed to defend the gitimate security interests of the .S.S.R. And we must keep in mind at these reductions alone—even if plemented—are not enough to elimi-te the significant numerical superi-ity that the Soviet Union enjoys ght now.

Through negotiations, we can now ansform the military landscape of urope. The issues are complex, stakes e very high. But the Soviets are now eing forthcoming, and we hope to hieve the reductions we seek.

Let me emphasize—our aim is thing less than removing war as an tion in Europe.

The U.S.S.R. has said that it is illing to abandon its age-old reliance n offensive strategy. It's time to egin. This should mean a smaller rce—one less reliant on tanks and rtillery and personnel carriers that rovide the Soviets' offensive striking wer. A restructured Warsaw Pact—ne that mirrors the defensive posture NATO—would make Europe and the orld more secure.

Peace can also be enhanced by ovement toward more openness in ilitary activities. And 2 weeks ago, I roposed an "open skies" initiative, to xtend the concept of openness. That lan for territorial overflights would increase our mutual security against sudden and threatening military activities. In the same spirit, let us extend this openness to military expenditures as well. I call on the Soviets to do as we have always done. Let's open the ledgers, publish an accurate defense budget.

But as we move forward we must be realistic. Transformations of this magnitude will not happen overnight. If we are to reach our goals, a great deal is required of us, our allies, and of the Soviet Union. But we can succeed.

Preserving Democracy

I began today by speaking about the triumph of a particular, peculiar, very special American ideal—freedom. And I know there are those who may think there's something presumptuous about that claim—those who will think it's boastful. But it is not, for one simple reason: Democracy isn't our creation, it is our inheritance.

And we can't take credit for democracy, but we can take that precious gift of freedom, preserve it, and pass it on—as my generation does to you, and you, too, will do one day. And perhaps—provided we seize the opportunities open to us—we can help others attain the freedom that we cherish.

As I said on the Capitol steps the day I took this office, as President of the United States, "There is but one just use of power, and it is to serve people." As your Commander in Chief, let me call on this Coast Guard class to reaffirm with me that American power will continue in its service to the enduring ideals of democracy and freedom.

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[1]Text from Weekly Compilation of Presidential Documents of May 29, 1989. ■

Secretary's News Conference

Secretary Baker held a news conference at the White House on May 23, 1989.[1]

Before our briefing on the summit trip, I'd like to make an announcement.

The United States and the Soviet Union have now agreed on the date of June 19th to restart the START [strategic arms reduction talks] negotiations.

Turning now to the NATO trip, let me begin by touching on two topics that I hope will give you a context for the President's trip to NATO. First, I'll say a few words about the theme the President hopes to project on this trip; and second, I'll list the five-point work plan that the President would hope to emphasize in his meetings with colleagues and in public statements.

The central theme of this trip will be that the alliance rests on the cornerstone of shared Western values. These common values—belief in democracy, human rights, the rule of law, free markets and free enterprise, respect for the individual—give the nations of the West both an anchor and a course to navigate for the future.

As to the past, 40 years ago these shared values brought our nations together in search of a common defense. NATO became the shield to protect those values. As to the present, today those values have positioned the West in the strongest posture ever. They are inspiring the hopes of many people in many parts of the globe, including in central and Eastern Europe, even in the Soviet Union itself.

As to the future, in the future these same values will provide a principal basis for ending the division of Europe, for drawing Eastern Europe and the Soviet Union into the community of nations. Some have suggested that the future of Europe depends on a more narrow territorial vision—that is, an idea bounded by geographic borders and without a particular substantive content, and I'm referring there, of course, to the calls for a common European house.

In contrast, it's our vision that the future of Europe depends on these common Western values. We see this as a substantive core established over centuries of striving to apply enlightened principles and not limited by any geographic borders.

Now while the trends may be promising, it's our view that the alliance cannot rest on its laurels nor can it expect to reach its full potential without further effort. So the President will be emphasizing five points for future work.

First, we must continue to ensure a strong common defense, so the President will discuss how we can maintain this defense at possibly lower levels as we make progress in the CFE [conventional armed forces in Europe] negotiations.

Part of this defense, of course, incorporates short-range nuclear forces (SNF), so we will also be working to reach a common ground on this issue—one that demonstrates, if I may put it this way, a flexibility to negotiate given the changing circumstances while it preserves the elements necessary to support our longstanding and very successful deterrent strategy.

Second, we look to the further development of European institutions that will strengthen the European pillar of our alliance. For example, European Communities (EC) economic integration should provide economic growth and European unity of action. It might well be characterized also as a magnet to those in the East who are trying to liberalize their own economic systems.

Third, we need to look East to see how the nations of the West can further the peaceful decentralization of economic, political, and social authority in Eastern Europe. In part, this could involve lowering tensions on borders, following the example we've seen recently as far as Hungary is concerned. It could also involve offering the experience of our governments and private groups in building diverse and open societies in East European countries.

Fourth, we need to turn our attention—our collective attention—to new and difficult problems that could endanger all of us; for example, environmental risks and missile and chemical proliferation. Obviously we need not rely only on one structure—that is, the NATO alliance—to address these problems. For example, the Group of Seven countries has established the missile technology control regime.

Over time, the alliance or members of the alliance might also see the benefit of collective action in out-of-area issues, particularly in areas of regional conflict. For example, we worked together—not all members of the alliance but many members of the alliance—in the Persian Gulf.

And **finally**, we must also maintain our resolve in the pursuit of freedom in locales where cold war vestiges remain. I'm thinking in particular of Berlin, and we will continue to pursue the Berlin initiative which was launched by President Reagan in 1987. We will continue, for example, to call for the wall to come down.

Q. How about the missile issue? Will it be resolved before the NATO meeting? Are you closer, or are you farther apart, or do you care whether it's resolved?

A. What we've said all along here is that we are very hopeful that it will be resolved before the summit, and we remain hopeful. I can't tell you that we know that it will be. It is not resolved, there is still a gap to bridge, and we continue to work to try and bridge that gap.

Q. What's the stumbling block?

A. The stumbling block is how you go about adapting to the changes that are taking place, as I mentioned, and, at the same time, preserve the essential ingredients of your deterrent strategy.

Q. Has the United States now been put into a position on this missile issue where we are, in effect, negotiating between England and Germany?

A. No, not at all. No.

Q. What is the situation with Mrs. Thatcher? She doesn't seem too pleased with what she sees as a giving in on our side.

A. I think that we will see the specific position of the United Kingdom, just as we will see the specific position of the other alliance countries, as we move into the summit. She has a different view of the issue than [West German] Chancellor Kohl. It's important, we think, to try and bridge these gaps that exist before we get to the summit, and we will continue to try and to do that.

Q. When you say resolved—you hope it's resolved, do you mean with both sides, or are you saying that you're going to get there and we'll be with the Germans and then there will be—

A. No, no, I'm not saying that at all. We're going to continue to try and reach agreement on language before we get there, but I'm not going to predict that that's going to happen. And let me say that we have made it very clear throughout the process that while we would prefer to resolve it before we get to the summit, it's an extraordinarily important matter that deals with the security of the West, and, therefore, it should not be resolved at all costs. So if we have to take it on at the summit, we will take it on at the summit.

Q. How close are you? Do you find the West German counterproposal acceptable? Or how far away from being acceptable is it?

A. As I put it to you a minute ago, there is still a gap between their position and ours, and we're not there yet.

Q. Do you find this closer to Kohl or Thatcher on this in that way?

A. I'm not going to get into that kind of speculation because that's all it would be, is speculation.

Q. What made you decide to change from a position that you stood firm on for a long time, which was never zero, to negotiations, willingness to negotiate?

A. I really didn't. What I said was that I thought negotiations would be a mistake—negotiations, that is, in the form of early, immediate, unconditional negotiations. I still feel that way, very strongly. And that is not something that we are willing to agree to. What we have proposed is a formula that contains, as I put it, I think, to you last Saturday up in Maine, significant conditions.

Q. If the SNF issue is not resolved by the summit, are you concerned that the whole issue could dwarf or dominate or overwhelm this meeting?

A. I think that the issue will be important, but I think the alliance will really take a broader look at the whole question of the alliance—the more general political and economic questions. And I just don't think that it will totally dominate the summit. Yes, it will be a very, very important issue.

Q. President Gorbachev has claimed that the Soviets are in the process of changing their military strategy toward one of defensive sufficiency. There have been a lot of comments coming from the White House that many of Gorbachev's initiatives are merely words and not deeds. Do you see any signs in terms of factual evidence that he has shifted his military policy to this point, and will this be discussed at the NATO summit?

A. We think it is important to look for deeds rather than just words. I think that the conventional arms proposals that he proposed during the course of my trip to Moscow are significant and deserve serious consideration. I think that's the view of most everyone.

On the other hand, I think that the NF proposal that he made was basically purely a PR ploy, when you consider that he did not suggest removing hose missiles even from Europe, just rom those countries which the Soviet Union has had a client-state relationship with, and he did not propose dismantling or destroying those.

And when you look at it in the context of what the alliance has done over he past 10 years, we have unilaterally educed some 2,400, and we have dismantled practically all of those.

Q. On Sunday the President, hen asked about the SNF dispute, aid he felt this could well be resolved efore the summit. You seem to be uggesting in a little bit more decisive erms or definitive terms today that hat may not be the case. Is that—

A. I think the President himself ust made the same suggestion, did he ot, in an interview he gave to some uropean correspondents. I am anticiating your question, though—so go head and ask the question.

Q. My question was, what merged from the apparent conversaion with Chancellor Kohl that he alluded to, and what has happened over he last few days?

A. I think what probably happened as that they had led themselves to beeve that our position was perhaps omewhat different than it was when ney actually looked at the piece of aper. That's the only thing I can think it ight be.

Q. What do you mean by that, nd has, in fact, the President talked oday with Chancellor Kohl? What as the upshot of that conversation, f there was one?

A. I don't believe he's talked to im today, no—has not talked to him oday. We've received their response to ur proposal; we got it in here—

Q. Written response?

A. Yes, we got it in here late yesterday evening, and there has been no ontact since that time. We do, of ourse, expect to get back to him.

Q. The basic issue seems to be—t least the experts tell us and you indicated Saturday—was, rather, the uture of nuclear deterrence on the round in Europe. Do you see a time hen we will no longer depend upon hat? That has been our policy for a ong time. You indicated that it's oing to continue to be our policy for a long time. Do you foresee an end to that, that the end of that could ever be negotiated?

A. We think it's very important that we have some sort of an indication in the comprehensive concept language that if there were ever to be negotiations in this area, we would not be talking in any event about a third zero.

Your question goes even beyond that; it's very hypothetical and speculative, and I can't answer it, because it's so hypothetical. The deterrence—the nuclear deterrence—has been the very cornerstone of our flexible response strategy. The flexible response strategy has kept the peace for 40 years. We should be very, very reluctant to take any steps that would be seen to be moving away from that. And that's why we are reluctant to take those steps.

Q. You mentioned the Gorbachev PR proposal—what you call the PR proposal—in his SNF offer. He seems to be doing pretty well with his PR proposals, and I wondered if the Administration now recognizes that there is a need, or recognizes a need, to counter them, and if there is any coherent strategy for doing that?

A. I think, as I indicated in my opening remarks, I don't think the West has ever been stronger. We are winning across the broad range of political—we're winning economically, we're winning politically. We have the other philosophy acknowledging that it is a failure—frankly acknowledging that.

So whatever we're doing is working, and for the time being I don't think we ought to say that we're going to change that just for PR purposes.

At the same time, I think it is important that we be seen to be creative, that we be seen to be forward-thinking and forward-looking. I think we are. But that doesn't mean that we, as I've said before—that we can necessarily win by going into an arms control grab bag and competing with him on that score.

There may be times and circumstances under which we might think it's appropriate to do something like that, but we ought not to be, I don't think—we should not feel constrained to try and do that every time.

Q. Could I carry that to China? Are you somewhat disappointed at the students in the streets of Beijing? They have a name on their lips—it's Gorbachev's, not George Bush's.

And beyond that, can you explain the difference between the President and his position on China as opposed to Panama, where the President actually urged the people to take action in Panama, but both of you are urging great restraint in China?

A. Gorbachev has been to China, and so there was a lot of coverage of this trip, so maybe that's one reason.

But let me tell you, they may have that name on their lips, but they have the policies of the West in mind. And it's the policies of the West, indeed, it's these common values that I've just talked about as the theme for the 40th summit, as far as we're concerned, that are motivating those students to do what they are doing.

And it is the philosophy of the West that they are advancing, and it is the values of the West that they are seeking. They are asking for democracy. They're asking for freedom of assembly. They're asking for freedom of expression. So I don't feel badly about that, in the slightest.

In terms of difference between Panama and the People's Republic of China, without admitting the hypothesis of your question that the President was somehow—without admitting that, let me just say that there is a significant difference between China and Panama.

Q. He did say no caution.

A. Let me just suggest to you that China is moving after many, many years of embracing a different philosophy, both economically and politically. They are moving.

Panama is moving too, but it's moving in the other direction. Panama used to have some semblance of freedom for its people. It used to have some semblance of democratic values. But Manuel Noriega is taking it in the other direction and, in fact, stealing elections and thereby thwarting the will of the people.

So China is going in the right direction; Panama is going in the wrong direction.

Q. If I could ask you about Nicaragua and the Russians. When Mr. Gorbachev promised to reduce or said he had actually cut out arms to Nicaragua, were there any conditions on it?

Secondly, in the U.S. Government, is it that you have found no evidence that there has been any slowdown or that there is a disagreement within the American Government as

to whether there is a slowdown? What is your judgment today as to what he has promised—has actually come into the pipeline?

A. He hasn't promised anything. He notified us that there had been no weapons shipments to Nicaragua since the end of 1988. We do know that there have, in fact, been shipments of military supplies and equipment. We also have not been informed that there are no longer weapons shipments going into Nicaragua from Cuba. So there was no promise; it was simply a matter of a notification in a letter.

Q. You've said that the SNF negotiations had threatened a major portion of NATO's deterrence. Unity you've also described as a major part of NATO's deterrence. Does not the dispute in itself have the potential to weaken NATO? And how do you rank the weapons versus unity in terms of deterrent capability?

A. You've got to have the unity of the alliance, and then you must have the arms control policies to support that, and you must have adequate deterrence.

Let me just say we have a wide range of common interests in the alliance on political, economic, and security issues. We're going to be dealing with all of these, not just with SNF. The alliance has survived many greater threats to its existence than this; and we remain, as I said before, quite hopeful that we'll get this resolved and that we'll get it resolved before the summit. We may not get it resolved before the summit.

Q. A statement was read here yesterday expressing concern about the strength of the dollar, and reporters were referred to Treasury. Is that in any way tied to the meeting because the allies are concerned? And what's the current policy on the strength or weakness *vis-a-vis* the dollar?

A. I have better sense than to answer that question, I think. [Laughter]

I will say one thing. I do think it's important that the coordination process which was put in place at the Tokyo summit move forward effectively and as efficiently as possible. I think it's important that the major industrial democracies of the world continue to work to coordinate their economic policies, and it's really the coordination of those underlying economic policies that's going to make a difference in terms of exchange rate stability.

Q. Would it be correct to say that the U.S. position on a third zero and on modernization are non-negotiable positions?

A. We're in the midst of discussions right now, so I'm not sure I understand really—there are many ways to express different positions, and what we're talking about here now are varying ways to express different viewpoints and different positions.

Q. In talking about Gorbachev winning the PR war and so on, you said, "We can't be reaching into the arms control grab bag to try to compete," but then you said, "Though there may be times when we'll do that." Is the NATO summit one of those times? Is the President going to have some arms control—

A. Let me point out that one of those times was at the opening of the conventional arms talks in Vienna when we suggested that we would see if we couldn't remove our chemical weapons stocks from Germany at an earlier date than they were planned to be removed. That's the kind of thing I'm talking about.

Q. Mr. Shamir [Israeli Prime Minister] responded to your speech yesterday, calling it useless. What's your response to him?

A. I think it was a very balanced speech. If you look at the speech in its entirety, you see that it was very balanced with respect to what we think, at least, is required of all of the parties if we're going to move forward to make progress toward peace in the Middle East. It calls on the Palestinians, it calls on the Israelis, it calls on the Soviets, and it says what we really think needs to be done.

[1]Press release 97. ■

Principles and Pragmatism: American Policy Toward the Arab-Israeli Conflict

Secretary Baker's address before the American-Israel Public Affairs Committee on May 22, 1989.[1]

You know, it's been said that AIPAC manages to bring together the executive and the Congress in a way that they might not normally associate. I'd agree with that, and I would add only that we have a name for such coming together. We call it bipartisanship. And American bipartisan support for Israel is a great and an enduring achievement, not only for AIPAC, not only for Israel's supporters but also, above all, for America's national interest.

There have been many, many analyses of the U.S.-Israeli relationship over the years, and most of them begin with the fact that we share common values of freedom and of democracy. That is the golden thread in the tapestry of U.S.-Israeli ties, and there are, if I might suggest it, other strands as well.

Ed [AIPAC President Ed Levy] has mentioned some of what I did in the Reagan Administration, but let me tell you that I was proud to work in that Administration—an Administration that recognized the importance of U.S.-Israeli strategic cooperation and an Administration that, I think, gave fiber and sinew to our strategic partnership.

I'm also proud to have had a small part to play in the historic free trade agreement which may well become a model for other nations. I really think we probably would not have gotten home on the Canadian-U.S. free trade agreement had we not had a U.S.-Israel free trade agreement. The President believes—President Bush believes—and I believe that on these issues, there can only be one policy and that is a policy of continuity. American support for Israel is the foundation of our approach to the problems—the very, very difficult problems—of the Middle East.

This support has become all the more important as we approach what, think, is a critical juncture in the Middle East. For many years, we have associated that region with either the vanished glories of ancient history or the terrible costs of modern conflict. But now, I think, the world is changing. We have seen longstanding problems in other regions begin to abate. The President spoke last week of promising and hopeful, even though incomplete, developments in the Soviet

nion. Everywhere there is a quicken-
g consciousness that the globe is be-
g transformed through the search for
emocracy, the spread of free enter-
rise, and technological progress. And,
course, nowhere is that more true,
we meet here today, than in the
eople's Republic of China.

The Middle East should be able to
rticipate fully in these new develop-
ents. Oftentimes we think of the
gion as a place full of precious
sources, such as oil and minerals.
ut the area's most precious resource,
we really stop and think about it, is
e lives of its peoples.

And that is the stake. Are the peo-
es of the Middle East going to safe-
ard their most precious resource?
re they going to join the rest of the
anging world in the works of peace?
r is this region going to pioneer in
nflict once more through the prolif-
ation of chemical weapons and ballis-
c missiles?

The people of Israel are vitally
ncerned with these questions. Israel,
course, is a vigorous democracy. The
raelis are among the world leaders
communications, electronics, and
ionics—the new technological revolu-
ons. And Israel understood long ago
at the most important of its natural
sources is the skill and the intel-
gence of its people.

eace Process: rinciples and Pragmatism

his is the wider context in which we
d Israel must consider the peace
ocess. The outcome is of vital con-
rn both to Israel's future and for our
sion of a free and peaceful world.

Not so long ago, we marked a de-
de of the Camp David peace accords.
hat occasion reminded us not only of
w far we have come but of how much
rther we have to go. I would like to
port to you that we and Israel have
ken some important steps forward.

Before Prime Minister Shamir
sited Washington, we had called for
me Israeli ideas on how to restart the
eace process. We did so based on our
nviction that a key condition for
ogress was a productive U.S.-Israeli
rtnership. And I believe that the
st way to be productive is through
nsultation rather than confrontation.

Let me assure you that we were
t disappointed. The Prime Minister
ill, I'm sure, forgive me if I divulge
you a conversation at our very first
eeting. The Prime Minister said, in preparing for his visit, he had studied President Bush and me, just as he suspected that perhaps we had studied him. I had been described by the media as an ever-flexible pragmatist. The Prime Minister, he said, had been described as an inflexible man of ideological principle. Then the Prime Minister volunteered, that in his view, the journalists were wrong, and they were wrong in both cases. "Yes," he said, "I am a man of principle, but I am also a pragmatist who knows what political compromise means." And he said that it was clear that I, although a pragmatist, was also a man of principle, and that principle would guide my foreign policy approach. Needless to say, I didn't disagree with the Prime Minister.

If ever an opening statement achieved its goal of establishing a strong working relationship, this was it. I think it's fair to say that we understood each other to be pragmatists, but pragmatists guided by principle.

As we approach the peace process, together, we understand Israel's caution especially when assessing Arab attitudes about peace. I don't blame Israel for exercising this caution. Its history and, indeed, its geopolitical situation require it.

At the same time, I think that caution must never become paralysis. Ten years after Camp David, Egypt remains firmly committed to peace, and Arab attitudes are changing. Egypt's readmission into the Arab League on its own terms and with the peace treaty intact, I think, is one sign of change. Evolving Palestinian attitudes are another. Much more needs to be done—to be demonstrated—that such change is real. But I don't think that change can be ignored even now. This is surely a time when, as the Prime Minister said, the right mix of principles and pragmatism is required.

U.S. Views

As we assess these changes, U.S. policies benefit from a longstanding commitment to sound principles, principles which have worked in practice to advance the peace process. Let me mention some of those principles for you.

First, the United States believes that the objective of the peace process is a comprehensive settlement achieved through negotiations based on UN Security Council Resolutions 242 and 338. In our view, these negotiations must involve territory for peace, security and recognition for Israel and all of the states of the region, and Palestinian political rights.

...negotiations must involve territory for peace, security and recognition for Israel and all of the states of the region, and Palestinian political rights.

...for negotiations to succeed, they must allow the parties to deal directly with each other, face to face.

...some transitional period is needed, associated in time and sequence with negotiations on final status.

...in advance of direct negotiations, neither the United States nor any other party, inside or outside, can or will dictate an outcome.

Second, for negotiations to succeed, they must allow the parties to deal directly with each other, face to face. A properly structured international conference could be useful at an appropriate time, but only if it did not interfere with or in any way replace or be a substitute for direct talks between the parties.

Third, the issues involved in the negotiations are far too complex, and the emotions are far too deep, to move directly to a final settlement. Accordingly, some transitional period is needed, associated in time and sequence with negotiations on final status. Such a transition will allow the parties to take the measure of each other's performance, to encourage attitudes to change, and to demonstrate that peace and coexistence is desired.

[To the Arab world], we would say: end the economic boycott; stop the challenges to Israel's standing in international organizations; repudiate the odious line that Zionism is racism.

For Israel, now is the time to lay aside, once and for all, the unrealistic vision of a greater Israel....Foreswear annexation. Stop settlement activity. Allow schools to reopen. Reach out to the Palestinians as neighbors who deserve political rights.

For Palestinians, now is the time to speak with one voice for peace....Practice constructive diplomacy.... Amend the covenant.... Reach out to Israelis and convince them of your peaceful intentions. You have the most to gain from doing so....

For outside parties—in particular, the Soviet Union—now is the time to make "new thinking" a reality as it applies to the Middle East.... restore diplomatic ties with Israel....stop the supply of sophisticated weapons to countries like Libya.

Fourth, in advance of direct negotiations, neither the United States nor any other party, inside or outside, can or will dictate an outcome. That is why the United States does not support annexation or permanent Israeli control of the West Bank and Gaza, nor do we support the creation of an independent Palestinian state.

I would add here, that we do have an idea about the reasonable middle ground to which a settlement should be directed; that is, self-government for Palestinians in the West Bank and Gaza in a manner acceptable to Palestinians, Israel, and Jordan. Such a formula provides ample scope for Palestinians to achieve their full political rights. It also provides ample protection for Israel's security as well.

Prenegotiations

Following these principles, we face a pragmatic issue, the issue of how do we get negotiations underway. Unfortunately, the gap between the parties on key issues such as Palestinian representation and the shape of a final settlement remains very, very wide. Violence has soured the atmosphere, and so a quick move to negotiations is quite unlikely. And in the absence of either a minimum of good will or any movement to close the gap, a high-visibility American initiative, we think, has little basis on which to stand.

If we were to stop here, the situation would, I think, be gloomy, indeed. But we are not going to stop with the *status quo*. We are engaged, as I mentioned a moment ago; we will remain engaged; and we will work to help create an environment to launch and sustain negotiations. This will require tough but necessary decisions for peace by all of the parties. It will also require a commitment to a process of negotiations clearly tied to the search for a permanent settlement of the conflict.

When Prime Minister Shamir visited Washington, he indicated that he shared our view that the *status quo* was unacceptable. He brought an idea for elections to, in his words, "launch a political negotiating process" which would involve transitional arrangements and final status. The Prime Minister made clear that all sides would be free to bring their preferred positions to the table and that the negotiated outcome must be acceptable to all. The United States welcomed these Israeli ideas and undertook to see whether it could help in creating an atmosphere which could sustain such a process.

Just last week, the Israeli cabinet approved a more detailed version of the Prime Minister's proposal, indicating Israeli Government positions on some, but not all, of the issues which are involved. The Israeli proposal is an important and very positive start down the road toward constructing workable negotiations.

The Israeli Government ***has*** offered an initiative, and it ***has*** given us something to work with. It has taken a stand on some important issues, and this deserves a constructive Palestinian and broader Arab response.

Much work needs to be done—to elicit Palestinian and Arab thinking on the key elements in the process, to flesh out some of the details of the Israeli proposals, and to bridge areas where viewpoints differ. Both sides, of course, are going to have to build political constituencies for peace. Each idea, proposal, or detail should be developed if I may say so, as a deal-maker not as a deal-breaker.

It may be possible to reach agreement, for example, on the standards of a workable elections process. Such elections should be free and fair, of course, and they should be free of interference from any quarter.

Through open access to media and outside observers, the integrity of the electoral process can be affirmed. And participation in the elections should be as open as possible.

It is, therefore, high time for serious political dialogue between Israeli officials and Palestinians in the territories to bring about a common understanding on these and other issues. Peace, and the peace process, must be built from the "ground up." Palestinians have it within their power to help define the shape of this initiative and to help define its essential elements. They shouldn't shy from a dialogue with Israel that can transform the current environment and determine the ground rules for getting to, for conducting, and, indeed, for moving beyond elections.

We should not hide from ourselves the difficulties that face even these steps here at the very beginning. For many Israelis, it will not be easy to enter a negotiating process whose successful outcome will, in all probability, involve territorial withdrawal and the emergence of a new political reality. For Palestinians such an outcome will mean an end to the illusion of control over all of Palestine, and it will mean full recognition of Israel as a neighbor and partner in trade and in human contact.

Challenges Ahead

We do not think there is a real constructive alternative to the process which I have outlined. Continuation of the *status quo* will lead to increasing

olence and worsening prospects for eace. We think now is the time to ove toward a serious negotiating proc-s, to create the atmosphere for a re-ewed peace process.

Let the **Arab world** take concrete eps toward accommodation with rael—not in place of the peace proc-s, but as a catalyst for it. And so we ould say: end the economic boycott; op the challenges to Israel's standing international organizations; repudi-e the odious line that Zionism is cism.

For Israel, now is the time to lay ide, once and for all, the unrealistic sion of a greater Israel. Israeli in-rests in the West Bank and Gaza—curity and otherwise—can be accom-odated in a settlement based on Reso-tion 242. Forswear annexation. Stop ttlement activity. Allow schools to re-ben. Reach out to the Palestinians as eighbors who deserve political rights.

For Palestinians, now is the time speak with one voice for peace. Re-ounce the policy of phases in all lan-uages, not just those addressed to the Vest. Practice constructive diplomacy, ot attempts to distort international rganizations, such as the World Health rganization. Amend the covenant. ranslate the dialogue of violence in ne *intifada* into a dialogue of politics nd diplomacy. Violence will not work. each out to Israelis and convince iem of your peaceful intentions. You ave the most to gain from doing so, nd no one else can or ***will*** do it for you. inally, understand that no one is oing to "deliver" Israel for you.

For outside parties—in particular, ne Soviet Union—now is the time to ake "new thinking" a reality as it ap-lies to the Middle East. I must say nat Chairman Gorbachev and Foreign linister Shevardnadze told me in Mos-ow 10 days ago that Soviet policy is nanging. New laws regarding emigra-on will soon be discussed by the Su-reme Soviet. Jewish life in the Soviet nion is also looking better, with stu-ents beginning to study their heritage reely. Finally, the Soviet Union greed with us last week that Prime linister Shamir's election proposal as worthy of consideration.

These, of course, are all positive igns. But the Soviets must go further o demonstrate convincingly that they re serious about new thinking in the rab-Israeli conflict. Let Moscow re-tore diplomatic ties with Israel, for xample.

The Soviets should also help promote a serious peace process, not just empty slogans. And it is time for the Soviet Union, we think, to behave responsibly when it comes to arms and stop the supply of sophisticated weapons to countries like Libya.

I said at the beginning of these remarks that the Middle East had approached a turning point. I believe that this region, which is so full of potential, will not remain immune from the changes which are sweeping the rest of the world. These changes begin with the quest for democracy, for individual freedom, and for choice. Long ago, of course, Israel chose this path. And long ago, the American people decided to walk with Israel in its quest for peace and in its quest for security.

The policy I have described today reaffirms and renews that course. For our part, the United States will move ahead steadily and carefully, in a step-by-step approach designed to help the parties make the necessary decisions for peace. Perhaps Judge Learned Hand expressed it best when he said, "...we shall have to be content with short steps; ...but we shall have gone forward, if we bring to our task...patience, understanding, sympathy, forbearance, generosity, fortitude and above all an inflexible determination."

[1]Press release 96. ■

Secretary's Interview on "Face the Nation"

Secretary Baker was interviewed in Houston on CBS-TV's "Face the Nation" on May 14, 1989, by Terence Smith and Bill Plante, CBS News.[1]

Q. You just heard the two Senators [Nancy Kassebaum and Bob Graham] talking in very serious terms about the situation in Panama. Is there a point there where the Administration has to take another step, and what might it be?

A. I think that the steps that the Administration has taken so far need to be given—if I might put it this way—some time to work. I don't think that we ought to assume that they're not going to work. They are measured responses.

I heard your question and the responses of the Senators about the OAS [Organization of American States] meeting on Wednesday. Let's see how that meeting goes. I think that we've got good diplomatic support in the region. I think it's important to note that this should not be a U.S.-versus-Panama problem. This is really a problem for Latin American countries in the region as well as for the United States.

Q. Do you agree with Senator Graham that it's important to get rid of Gen. Noriega at almost any cost? In other words, how far does this country go to get Noriega out?

A. I think it's very important that the will of the Panamanian people be given effect. We had an election here that has been stolen. We have the will of the people being subverted and perverted, so we ought to do everything within reason that we can to encourage this man to leave; to bring pressure, if you will, on him to leave. It's important in terms of the entire hemisphere.

Q. Are there any hints that you can share with us this morning that Noriega might be considering stepping down or leaving? Are there any discussions that you can share with us, going on between this country and his government, that might lead to that end?

A. As you know, there have been some discussions in the past. I'm not at liberty to comment beyond saying that, I think that, again, the Senators were right in terms of what the proper position of the United States should be with regard to suggestions that somehow the indictment should be dismissed. I don't think you should anticipate seeing President Bush entertain ideas such as that.

I think it's important that we continue to do everything we can to bring public opinion to bear in order to encourage this man to leave. It's very important in terms of the overall relationship in the hemisphere.

Q. Are there any circumstances at all under which the United States should consider abrogating the Panama Canal Treaties?

A. I don't think that that's the appropriate response. Again I think both Senator Graham and Senator Kassebaum made it very clear [that] what you do when you start talking about that is turn this into a U.S.-versus-Panama and, in effect, versus-some-of-the-rest-of-Latin-America contest. That would be a mistake. I think it would be counterproductive.

Q. There's another headline this morning that we're all looking at, which is your Soviet counterpart, Eduard Shevardnadze, saying that if the United States goes ahead and modernizes the Lance missile in Europe as it plans to do, the Soviets may have to develop a new missile of their own or even abrogate certain parts of the INF [Intermediate-Range Nuclear Forces] Treaty. It sounds like a pretty serious threat. I wonder what you respond to it?

A. My response would be that this is a matter that was specifically negotiated when the INF Treaty was negotiated—the elimination of the SS-23s on the part of the Soviet Union. This was debated back and forth for quite some time.

The Soviets responded, in effect, that they would agree to eliminate these missiles, and now they're doing so. And there was never any suggestion at all that the United States or the NATO alliance should not keep its short-range missiles up-to-date. That was never entertained during the course of that debate. All we're really talking about here is maintaining those missiles up-to-date that have a range of less than 300 miles.

Q. Do you take this as a serious threat on the part of Soviet Foreign Minister Shevardnadze, or is he just trying to drive the wedge deeper between the United States and Germany?

A. I think it perhaps could be a little bit of a combination of both. This was discussed in our meetings there, during the course of the ministerial in Moscow. I think that the Soviets are concerned, of course, that what they'd much prefer to see is the entire denuclearization of Europe. They would like to see the alliance lose its resolve, lose its will.

The fact of the matter is the reason we've had peace for 40 years is because we have been strong, and we have kept our deterrent up-to-date, and we've maintained our strength. We really need to continue to do that.

Q. Let me be the devil's advocate for a moment and ask you, why not begin discussions as the Soviets propose on the elimination or reduction of short-range missiles and tie it, as others have proposed, to a reduction in conventional forces and to other goals that we, in fact, have in Europe? Why not get the talks going?

A. There are a lot of suggestions out there. I got that question during the course of my press conference in Brussels, and I think it's probably a mistake for the United States to react to each and every one of these so-called compromise proposals that come forward.

I should say this: It is important that there be a resolution of the imbalance in conventional forces before we start getting into negotiations on short-range nuclear weapons. It's the short-range nuclear weapon that gives us support for our flexible response strategy which has kept the peace all these years. The minute you lose that in the face of major imbalances in the favor of the Soviet Union on conventional forces, major imbalances in the favor of the Soviet Union on short-range nuclear weapons, I think you lose something very, very fundamental.

Q. What's wrong with tying the two together—tying the negotiations to the idea that you negotiate not down to zero but only down to a certain level, as Ambassador Nitze [Paul H. Nitze, formerly special adviser to the President and the Secretary of State on arms control matters] has suggested? Why not start that?

A. Again let me say there are a lot of proposals out there that might make sense, but I think it's a mistake for us to pass judgment on each and every one of these as we move forward toward the summit.

We are engaged with the Germans, as you know; we are having ongoing discussions with them about the appropriate way to bridge this gap. I think I said a couple of days ago that we're very hopeful that we'll find a way to bridge the gap. The alliance has always been able to resolve these problems in the past, and I'm very hopeful that we'll be able to resolve them in the future.

Q. But why not take a more aggressive posture? Why let the Soviets get all the public relations advantage? Why not float some new ideas of your own? Isn't there a sense that public opinion is beginning to turn? There are editorials today—there have been editorials recently—saying it's time for the United States to make some moves—dramatic moves—of its own.

A. The United States is making some moves, not all of which are laid out there in the public domain. Again let me say that we have been having discussions with the Germans—extensive discussions. The important thing is not who wins a public relations victory but whether or not we make sure that we keep the alliance strong, we make sure that we bridge this gap ultimately, and we need to work toward that end. We don't need to be concerning ourselves with short-range public opinion victories.

I've got to say one more time what I said again in Brussels: It would be a terrible mistake if we fall into the trap of playing politics with Western security, and the Russians would dearly love to see that happen. They'd love to see us do that and start trying to play that game.

Q. It costs you, though, doesn't it? I have to say that you looked surprised and perhaps a little annoyed when Gorbachev gave you his proposals that cut 500 nuclear warheads from the European stockpile. These things come one after the other. They've almost become predictable. Didn't you expect—

A. You're quite right when you say they're predictable. And as far as we were concerned, that was predictable; and it was something, quite frankly, that we had specifically talked about here in Washington before the trip. So I would guide you off any suggestion that we were surprised. On the other hand the Soviets are coming our way. They are moving in our direction. They are doing what we've been calling on them to do. For a long time, we've been calling on them to unilaterally reduce some of their short-range nuclear weapons the way the NATO alliance has. Two thousand four hundred weapons over the last 10 years we've not only eliminated, we have destroyed.

And they've now come with this very, very modest little step—about 500 weapons that they're going to move from some of their client states in Eastern Europe, not even out of Europe, not even back behind the Urals—and they're not suggesting that they're going to destroy them. So we say it's a good step, but it's a very small one and a very modest one.

Q. Give us a sense of this Administration's view now of Gorbachev, his prospects on *perestroika*, his efforts at reform. You've just been there. We had Defense Secretary Cheney saying a few days ago that the prognosis for *perestroika* was very poor, that Gorbachev was likely to fail and be replaced by someone more militant. What did you think? You've just come home.

A. I've just come back from there, and, as a matter of fact, I spent 1½ hours with the General Secretary. It's my view that they've got some major problems. They're quite candid about talking about those and acknowledging that they've got these problems that they've got to deal with.

It's our further view, as you probably know—the view of everyone in our Administration, including Secretary Cheney—that we very much want *perestroika* to succeed, because if they are successful, it will mean that there will be a more open and stable and secure Soviet Union. That will be in the best interests of the United States. It would also be in the best interests of the Soviet Union and the world.

So we'd like to see that happen. Whether or not he succeeds, though, is going to depend really not on what we in the West do; it's going to depend upon what happens in the Soviet Union, and it's going to depend upon the Soviet people.

Q. Let's move on to another area that's really in the news today. General Secretary Gorbachev is about to arrive in China on a history-making summit there. What, from the U.S. point of view, is there to worry about or look for in this summit?

A. I don't think that there's a lot that we should be worried about. In fact, when we were in Beijing, President Bush told Chairman Deng Xiaoping that we welcomed the fact that the People's Republic and the Soviet Union were getting together. He has sent the Chairman a message in the last several days with regard to this subject, and it's not something that the United States ought to be worried about. It's something that we really ought to welcome, and we do welcome.

Q. Does the United States have any response specifically to the news this morning, which are the continuing student protests? There are a thousand students camped as we speak in Tiananmen Square, and Gorbachev is on his way. What's the U.S. comment or observation on that student demonstration?

A. The comment of the United States is that we support freedom of expression around the world. We support self-determination, freedom of expression, democratization. We take note of the fact that the authorities in Beijing have really not, as they quite frequently have in the past, cracked down on these demonstrations. These students have been permitted to express their views rather freely if you look at what has been traditional in the past.

Q. And you applaud that restraint, I take it?

A. Yes, we do.

Q. The chairman and some members of the Senate Foreign Relations Committee have called on you and the President to withdraw the nomination of Donald Gregg to be the Ambassador to Korea. What do you say to that?

A. What I say is that the President stands behind this nomination, as do I. He has faith and confidence in his nominee. He's served the President, as you know, as his national security adviser for the full 8 years that the President was Vice President of the United States.

It's quite true that we had some discussions with several Senators on the Foreign Relations Committee about this—talked to them about whether or not the nomination should be given a second look. It was, and the President is quite satisfied that the nomination should go forward and that the confirmation process should go forward. And, quite frankly, we had hoped that that some of the Senators who are opposing this nomination would have seen fit to sit down with the nominee before the hearing and discuss what they saw as some of the problems.

Q. Did you believe his testimony? Did you believe Gregg's testimony?

A. I haven't seen his testimony, so I'm not in a position to answer that question. As you know, I've been in the Soviet Union for the past week.

[1]Press release 88 of May 15, 1989. ■

Secretary's Trip to Moscow and NATO

Secretary Baker visited Helsinki (May 9–10, 1989), Moscow (May 10–11), and Brussels (May 11–12). Following are remarks he made on various occasions during the trip.

REMARKS AT RECEPTION FOR HUMAN RIGHTS ACTIVISTS AND REFUSENIKS, U.S. EMBASSY, MOSCOW, MAY 10, 1989[1]

Thank you very much Ambassador Matlock [U.S. Ambassador to the Soviet Union Jack Matlock]. Let me start by apologizing to all of you for being late. Our meetings ran late, and we have been running late ever since. I really apologize, but I am delighted to have the opportunity to come by and visit with you and, I want to thank you all for being here.

As you undoubtedly know, whenever we sit down, government-to-government, with the Soviet Union, human rights is always at the top of our agenda because human rights occupies such an important place in our whole system of government, politics, and society in the United States. I specifically raised today the issue of refuseniks with Foreign Minister Shevardnadze. I want you all to know that we are going to keep up the pressure to resolve individual cases, but beyond that, we are going to push to see that changes are institutionalized and human rights guaranteed. Despite the progress that has been made—and I think we should all candidly admit that—there has been progress, particularly with respect to emigration. There are, nevertheless, substantial problems that remain. There are still hundreds of refuseniks who are denied exit permission, both new cases and old. We intend to continue to press for a resolution of these cases.

Other human rights goals that we have include family reunification, expanding the scope of civil and political liberties, and, of course, the legal and institutional reforms to secure the progress that's already been made, as I mentioned.

I want you all to know that the United States remains committed to the right of Soviet Jews to practice

their religion and to participate fully in Soviet society. I should say that we welcome the recent progress in the [inaudible] isolation of Soviet Jews, such as the opening of the Jewish Cultural Center and Judaic Studies Center in Moscow.

Let me close by saying that we look forward to the day when all believers may worship, study, and participate fully in Soviet society without discrimination.

JOINT STATEMENT ON LEBANON, MOSCOW, MAY 11, 1989[2]

In the face of the escalating level of bloodshed in Lebanon, the United States and the Soviet Union call on all parties to adopt and observe a cease-fire which would be an important first step toward ending the civil war in this country.

The United States and U.S.S.R. favor the Arab League proposal first to consolidate the cease-fire and then to build the framework for a national dialogue and reconciliation in Lebanon. They are prepared to use their good offices to join with others and promote a political solution to Lebanon, taking into account the interests of all sides.

The Soviet Union and the United States support the sovereignty, independence, and territorial integrity of Lebanon.

NEWS CONFERENCE, MOSCOW, MAY 11, 1989[3]

I have what is a longer opening statement than I might normally make, but I want to give you—the reason I'm going to do this is to give you, as best I can, a feel for the discussions that we've had during the course of the past 2 days.

Let me start by simply saying I think this visit was very useful, and it was productive. I think we had constructive talks. I'm very satisfied with the way in which the meetings went.

President Bush asked that I make clear to the leadership of the Soviet Union that the United States is ready and anxious to reengage across the full range of our relations. Over the past 2 days, [Foreign] Minister Shevardnadze and I established a foundation for both continuity and change across our five-part agenda. We've begun to add to the list of topics we will periodically address together and to deepen our engagement on matters we've discussed in the past.

I explained that the President and I welcome *perestroika*, *glasnost*, and the "new thinking" in Soviet foreign policy. We believe they have contributed to a changing political environment, one which offers an opportunity for both of our countries to expand the arena of our constructive interaction.

During these meetings, the United States and the Soviet Union sought both to adapt old policy frameworks as well as develop new ones to fit the changing times.

Let me add some specifics by touching, as briefly as I can, on each topic in our five-part agenda.

In the area of **human rights,** we both sought further progress on individual cases and opened the way for cooperation on the institutionalization of rights in Soviet society.

First, the Soviets gave us the names of individuals who will now be free to emigrate, and we urged early positive action on the remaining refusenik cases which involve some 400–500 families.

Second, we moved close to agreement on a mechanism for the exchange of information on criminal cases arising in one country which the other believes to be political in character. Such a mechanism could help us free individuals who are political victims of an earlier era.

Third, the Soviets reported their progress in drafting new laws regarding freedom of conscience and emigration. We understand it's their present intention that the Supreme Soviet would act on these laws after it convenes.

And finally, we agreed to future projects. We will engage in ongoing dialogues or exchange programs in three areas: the rule of law, human rights and humanitarian issues arising on the international scene, and our respective experiences in dealing with social issues.

In the **arms control** area, we've agreed to reengage on the full range of our existing negotiations. This reflects, I think, our country's interest in an active, constructive, and expanding relationship.

The NST [nuclear and space talks] negotiations will resume in Geneva between June 12 and June 19, with the precise date to be set through diplomatic channels. The Standing Consultative Commission (SCC), which is charged with Antiballistic Missile (ABM) Treaty verification and compliance, will resume meeting in mid-June. The nuclear testing talks will resume in Geneva on June 26. We will hold bilateral discussions on chemical weapons on the margins of next month's meeting of the UN Conference on Disarmament in Geneva. We discussed and agreed on the importance of the ongoing conventional armed forces in Europe (CFE) and confidence-building measures talks.

Second, we also agreed—importantly in my view—to broaden the arms control agenda to include a new emphasis on the problem of chemical weapons and missile proliferation.

In the **regional area**, we placed, as some of you know, new emphasis on regional talks and made headway in crafting a common basis for U.S.-Soviet cooperation to try and resolve a number of conflicts around the globe. In particular, we described in detail our approaches in Central America and the Middle East.

With respect to Central America, we agreed to work toward a political and diplomatic solution to the problem of Nicaragua and to support the goals of Esquipulas and Tesoro.

We related our objectives and our general strategies on a number of regional issues. We discussed specific possible roles which the Soviet Union could play, as well as roles which the United States could play.

On the new topic of **transnational relations,** we agreed to establish an ongoing working group. We also derived a work program for this new group which covers a range of issues, including protection of the environment, coping with the effects of natural disasters, and combatting international terrorism and illicit drug trafficking.

In the **bilateral area,** [Foreign] Minister Shevardnadze and I accepted the work plan developed by the working group which provides for intensified action in numerous areas, including the completion of negotiations on new or amended cooperative agreements and the opening of new cultural and information centers in our two nations. We have a 23-point agreed work program covering topics as diverse as research on world oceans, civil aviation, atomic energy, maritime boundaries, and so forth.

In conclusion, I also took the opportunity of this brief visit to have

ur sessions outside the formal overnment-to-government agenda.

First, my wife and I had an interesting private dinner with [Foreign] linister Shevardnadze and his wife. Ve very much appreciated their warm ospitality.

Second, I inspected our uncompleted office building to see the extent f possible security penetrations yself.

Third, I met with three newly lected members of the Congress of eople's Deputies. I congratulated em on their accomplishment and expressed the President's and my strong terests in the process of *perestroika* nd *glasnost*.

Finally, I met with a group of oviet refuseniks. I told them that the eople of the United States were moved y their sacrifice and that we would ntinue to work for their freedom.

Q. You did not refer at all in this ummary to the Middle East. I wonered if you could tell us what you ight have accomplished with Shevrdnadze and Gorbachev on the Midle East?

A. If I didn't mention the Middle ast in the discussion of regional isues, I intended to, because we think at there may be a fair amount of comon ground with respect to our approach to the Middle East.

We talked about it at quite some ngth during the first day. We talked bout the importance of giving the idea f elections a chance, working with Isaelis and Arabs to see if we can conert elections into a process—a broader rocess—that will ultimately bring bout political negotiations. The [Foreign] Minister made the point that he inks it is important to keep the possiility of an international conference on he table, and I told him that it was the osition of the United States that an inernational conference at an appropriate time, properly structured, might ell be useful.

Q. Was there any discussion in our meetings with President Gorachev about the possibility of uniateral Soviet cuts in their tactical uclear short-range force, and did hat subject come up in general?

A. Which subject?

Q. The subject of short-range uclear forces.

A. The subject of short-range nulear weapons did come up in general. t came up primarily during the course f my meeting with the General Secreary, and we had a rather extensive and in-depth discussion on the issue, during the course of which I set forth our position and he set forth his.

Q. Was there any common ground reached at all in that area?

A. I hope the fact we were able to discuss the issue for as long as we did and to the extent we did might produce some better understanding on his part of our position. And we agreed we would continue to disagree agreeably for the time being with respect to this matter.

Q. After this first trip of yours to the Soviet Union and these extensive discussions you've described, could you give us an assessment of where you think the cold war stands? Is it getting over? Have you got a start on getting it over? Could you tell me how you feel about that?

A. I answered that question in the United States not long ago, I think. What I said was, it seems to me, at least, that it is certainly moving in that direction. We may not quite be there yet. We think it's important. We think there are perhaps some object indicators out there that one might look to, but we are certainly moving in that direction.

We would, of course, as we've said before, be delighted to see an expressed renunciation of the Brezhnev doctrine. We would be very pleased to see the [Berlin] Wall come down. We applaud the fact they're rolling up the barbed wire on the Hungarian-Austrian border. So I think you have to say we are clearly moving in that direction.

Q. Can you return to the question of whether unilateral cuts in tactical short-range nuclear forces were discussed? And can you tell us whether the General Secretary wanted to reduce or eliminate short-range nuclear weapons?

A. Unilateral reductions were discussed because, as you know, we have argued for some time, there is a significant imbalance in favor of the Warsaw Pact with respect to these weapons. Before we start talking about sitting down and negotiating them, it would be advisable, certainly from our standpoint and from the standpoint of maintaining a deterrence which we believe has maintained the peace for all these years, if that imbalance was reduced voluntarily and unilaterally. That's been an argument we've made for quite some time.

There was no in-depth discussion of a total elimination. There was a discussion of reduction.

Q. Do you believe it is realistic for the U.S. Administration to renounce negotiations as the way to solve the issue of tactical nuclear weapons?

A. We don't renounce it as a way to solve the issue. What we say is that it is very good politics to talk about this, and we acknowledge and recognize that; but that security is extraordinarily important. It is our view that a minimal number of these weapons has contributed substantially to the maintenance of security between East and West for many, many years. It's our view that an adequate mix of conventional and nuclear forces is required if we are going to maintain that security. It is a defensive posture; the NATO strategy of flexible response is a defensive strategy, not an offensive strategy. It has to do with deterring war and keeping the peace. That's what has happened for 40 years, and we ought to be very careful before we depart from these strategic concepts that have been successful.

Q. From the moment of the formation of the new U.S. Administration, you have repeated [Israeli Prime Minister] Shamir's proposal for elections in the occupied lands in the Middle East. Do you have your own concrete proposal which would speed up the process of peace in the Middle East?

A. The answer is, yes, we do have a proposal of our own which we have discussed at quite some length in the United States and which is very compatible with the proposal that has been advanced by Prime Minister Shamir. It is our view that big, high-visibility initiatives with respect to this very intractable problem are not likely to succeed unless and until there has been an improvement in the atmosphere and unless there has been a "tilling of the ground," if you will, in the area. So we have called for some reciprocal steps toward improving the atmosphere—steps that could be taken by Israelis and steps that could be taken by Palestinians.

For the first time ever, the United States now has a dialogue with the Palestine Liberation Organization (PLO), and we talk to them about these steps. We have always, of course, had a dialogue with the Israelis, and we talk to them about taking steps.

This is very compatible with the idea that Prime Minister Shamir advanced which, by the way, we do not view, as someone suggested not long ago, as "warmed-over Camp David." There are some significant differences in what the Prime Minister of Israel is now proposing from the Camp David peace process. I won't run through all of them here now for you, but one is the Israeli recognition that this could and should lead to a broader political dialogue, a broader political negotiation, a recognition on their part that at some point negotiations have to be held on the question of permanent status, a recognition on their part that in those negotiations on permanent status all options are open, and other items such as that. So the two ideas are very compatible.

Q. Are you indicating to us, when you say that it would be helpful to reduce the numbers of those short-range launchers and missiles unilaterally first, that you would negotiate? And tell us, if you will, did the Secretary General ask you to negotiate specifically on that question?

A. No, I'm not suggesting that. What I'm saying is, before you get to the issue of whether or not there should be negotiations, there has to be a little less of an imbalance. There needs to be a greater congruence, if you will, in force structures. The alliance is at a significant disadvantage with respect to the numbers of tactical short-range nuclear weapons that are currently deployed today, and we are at a significant disadvantage as well with respect to conventional forces.

Q. But did the General Secretary ask you negotiate—sorry to persist—but did he ask you to negotiate these down?

A. Did he suggest the idea of negotiation? Yes, he did.

Q. The TASS news agency today charged the United States with instigating a fraudulent election in Panama. And, as you may or may not know, the Panamanian regime of Gen. Noriega declared the elections last Sunday to be nullified—their word. What is your reaction to events in Panama over the last 2 or 3 days?

A. Our reaction to those events has been pretty well stated, I think, by the President. Gen. Noriega has been very reluctant to accept the will of the Panamanian people. He has done everything he could to steal that election. And when it became extraordinarily difficult to accomplish that, I suppose he's giving consideration to simply declaring it null and void and starting over. But either way—either way you look at it, it is a perversion and a subversion of the freely expressed will of the Panamanian people.

Q. You delivered a letter from President Bush to Mr. Gorbachev. Could you tell us a little bit about that letter? And also, did you get into any discussion about a summit between Mr. Gorbachev and the President?

A. The question of a summit came up and was discussed, and we agreed we would further discuss that issue at the next ministerial which [Foreign] Minister Shevardnadze and I have, which we suspect will be sometime in the month of September.

With respect to the question about the President's letter, the letter from the President to the General Secretary outlined broadly our views on the evolving relationship with the Soviet Union. It made some of the points that I made initially in my opening statement here this afternoon. The President called attention to the reform effort in the Soviet Union. He emphasized in the strongest terms our desire to see *perestroika* succeed. He pointed out that we believe these changes are significant, even revolutionary; that they create a basis for progress; and that we seek that progress.

It pointed out as well that our intention is to work seriously and carefully step-by-step to prepare the ground to make our cooperation enduring.

Q. You started your negotiations here by discussing regional conflicts. You discussed Afghanistan and Central America. Do you think a compromise is possible on that? And you discussed the Middle East. Did you discuss Lebanon within that context?

A. Let me say that it was our view coming into these meetings that regional issues should have a greater emphasis in the dialogue between the United States and the Soviet Union. I'm very pleased to see that our interlocutors here accepted that view, and regional issues were accorded a higher emphasis in these meetings. That does not in any way diminish the importance of any of the other aspects on the agenda, such as arms control, human rights, and the others.

We did, indeed, discuss Lebanon, and we agreed upon a joint statement on Lebanon which is in the process of being released and which will be available to you.

Q. In view of what the Soviets told you about emigration, and particularly embodying the liberal rules into their legislation, could you give us your assessment now of the possibilities of waiving the Jackson-Vanik restrictions?

A. We told the Soviets that once that more liberal emigration policy had been institutionalized, enacted into law, and once those laws were seen to be in the process of being implemented, we thought it would be appropriate to then address the question of whether or not there ought to be a relaxation or repeal of Jackson-Vanik and the Stevenson amendments in the United States.

Q. Regarding Central America, could you give us your assessment for the possibility now that the Soviets may decrease or stop their military assistance to Nicaragua?

A. We are very hopeful that will be the case. I'm an optimist, so I'd ever be optimistic. I would point you to what I said in my opening statement, though, when I said that we agreed to work toward a diplomatic and political solution to the problem of Nicaragua and to support the goals of Esquipulas and Tesoro. I would argue that those goals clearly move in the direction of reducing, if not eliminating, that support.

Q. Just to return to the short-range nuclear forces (SNF) issue one more time—one, did General Secretary Gorbachev indicate to you that he is anticipating unilateral cuts? And, two, are you saying that we would welcome those cuts rather than regarding them as simply a device to try to split NATO?

A. We would welcome the cuts in any event. In fact, we have been calling upon the Soviet Union to reduce their short-range nuclear weapons to bring the imbalance more into line; and we have said that's something that ought to be done before we even get to the question of negotiations.

Q. The first part of my question: Did he indicate to you that he is thinking about it?

A. You noticed I've dodged that about three times, haven't you?

Q. Did the discussions in NATO on the modernization of the Lance program come up, and did you offer the Russians your interpretation of the apparent split in NATO on this issue?

A. The answer to the last part of your question is no, I didn't offer them any interpretation on where NATO may or may not be on that. The question of modernization did, indeed, come up, just as the question of negotiations came up.

Q. Did General Secretary Gorbachev bring up the Afghanistan question at any length, and could you tell us what his concerns were and how you responded to them?

A. The answer is no, he did not bring it up at any length. We did discuss it in the ministerial, but he didn't bring it up in the meeting.

Q. Could you describe how Shevardnadze—

A. We had a full discussion of the issue. Concern, I think, was expressed on the part of the Soviet side about what they perceived as some inappropriate activities, perhaps, by Pakistan. We don't see it that way. We made the point during the course of these discussions, as we have before, that it is not our desire to see a government in Afghanistan that is hostile to the Soviet Union. At the same time, we are very interested, as we think Pakistan and other countries are, in seeing self-determination for the Afghan people.

Q. Just to clarify your last statement, you say that Mr. Gorbachev did not bring it up at all?

A. He didn't bring it up at all.

INTERVIEW BY TASS AND *IZVESTIYA*, MOSCOW, MAY 11, 1989[1]

Q. What are the results of your 2-day talks in Moscow, and what are your impressions of your meetings with the General Secretary, Mr. Gorbachev?

A. I'm very satisfied with the 2 days of talks we've had here—my talks with [Foreign] Minister Shevardnadze and his associates, and my rather extensive meeting with the General Secretary. I think our talks were constructive. I think they were helpful and useful. I believe that my interlocutors shared that view.

Q. The fact itself that you are in Moscow means that the new Administration has finished and concluded, or finishing and concluding, their examination on your national and security policy. Can you elaborate in a few words what are the main outlines of the new policy of your Administration?

A. Let me answer your question by saying that we have, indeed, completed our foreign policy and national security review. We still have some work to do on some of the specific positions that, of necessity, will come up in the arms control negotiations. But as I told the General Secretary, and I told the Foreign Minister, we expect to be ready by the time those negotiations resume. And, of course, one of the products of our talks here was the setting of dates for the resumption of all the arms control negotiations.

Q. What do you think is the chief element in the policy of continuity toward the Soviet Union proclaimed by President Bush?

A. As I told [Foreign] Minister Shevardnadze, there will be a considerable degree of continuity, not just in the overall policies that had been pursued by the prior Administration but in our negotiating positions in the arms control negotiations as well.

We hope that we can put new emphasis on working cooperatively—the United States and the Soviet Union—to help solve some of the regional conflicts around the world that have real potential for erupting into war, particularly in these days when we have the added dangers of missile and chemical weapons proliferation. It's our view that if we can find a way to work together on some of these issues in a cooperative way, rather than in a confrontational and competitive way, as we have too often in the past, it would be very, very good.

Q. The previous achievements in Soviet-American relations were connected with such a tool as a summit. What do you think about this mechanism of summits in the Soviet-American relations in the future?

A. We agreed today in our discussions with the General Secretary—he and I agreed—that summits are important. I told him that that was the view of President Bush, that President Bush wanted me to talk to him to ascertain, solicit his views about a possible summit, the appropriate timing for such a summit. We had a full discussion of this issue, and we concluded that we should address the question further in my next ministerial meeting with [Foreign] Minister Shevardnadze.

Q. This is your first visit to this country, and, of course, it generated a lot of interest among the Soviet people. We would certainly like to know more about you as a person, about what ideas you want to bring into Soviet-American relations. Could you satisfy, at least a little, their curiosity on the subject?

A. I just mentioned one of the ideas, and that is cooperation rather than competition and confrontation. I have also alluded to the fact that we think it would be useful to put a bit more emphasis on this problem of regional conflicts.

I have suggested that we add a fifth category of issues to the usual basket of issues normally discussed in these meetings; that is, transnational or global issues, matters such as the environment, terrorism, drug trafficking, the reduction of natural disasters. Together I think we could work on some of these problems.

I'm struck by the fact that we have cooperated very well where disaster strikes. Your earthquakes in Armenia, we were helpful. Our oil spill in Valdez, Alaska, you were very helpful. In fact, I think you still have a Soviet ship up there assisting us. These are examples, I think, of the way our two countries might better cooperate.

Q. As you know, the American space ship *Apollo* and the Soviet space ship *Soyuz* have quite different strategies. But in one detail, they were almost 100% similar; it's the mechanism of docking. What was your docking with [Foreign] Minister Shevardnadze? You know that your predecessor, Mr. Shultz, met 31 times with our Foreign Minister. How did this docking go?

A. At the conclusion of our meeting today, the [Foreign] Minister characterized our discussions as very friendly and as having laid a good foundation for the establishment of a fine personal relationship between the two of us. I must say to you that I strongly share that view.

The [Foreign] Minister and his wife were kind enough to entertain my wife and me last night at a private dinner in their home. I thought that was very gracious. I thank him for his hospitality and look forward to reciprocating when he next comes to the United States. I found that during my 3½ years as Secretary of the Treasury, personal relationships are very important in getting things accomplished,

and the [Foreign] Minister and I talked about that last night, and I know he shares that view.

Q. Which specific steps should be taken, you think, to raise trust between the U.S.S.R. and the United States? As a part of the increasing U.S.-Soviet exchange, would you agree to send a member of your family to permanently work in Moscow? If that's a good idea, who would that be?

A. I don't have any members of my family that I can dictate to that way. We have something called freedom of choice in the United States. But I would certainly encourage—I do have an 11-year-old daughter, and when she gets a little bit older, if that was in any way a desire of hers, I would certainly be supportive of it, and I would encourage it.

Q. With every turn around in orbit, our planet is shrinking and the whole of mankind, including the Soviet Union and the United States, are in the same boat. So helping each other, we are helping all of mankind. You have several points of view in Washington, and even inside the Administration, about our *perestroika*. I think that some people say that *perestroika* will fail. Some people say let's wait and see. Wouldn't it be more productive to say not wait and see, but help and see, because helping us you are helping yourself, because of this new development in the world, because we're in the same boat?

A. I've already said to you that we in the new Administration—and this goes for all of us, even someone who might think that *perestroika* is not going to succeed—we all, nevertheless, want it to succeed. We do not want to do anything that in any way obstructs that success or makes it more difficult, provided that it was in our national interest. We, after all, as you, have to continue to look after our own national interest.

We have not only a strongly held view that we want *perestroika* to succeed, we have a strongly held view that whether or not it succeeds, it really is up to what happens here in the Soviet Union. It's up to your leadership and it's up to the Soviet people. It's not going to be determined by what we in the West do or don't do, as long as we are not obstructionists. As long as we cooperate, where cooperation is in our national interest. And I've just mentioned to you that that's one of the things that I would hope we would be able to achieve more of—that's more cooperation and less confrontation.

Q. This fifth basket is also, I think, a result of your new thinking.

A. It was an idea that I had during the course of my confirmation hearings by the U.S. Senate. And I told the [Foreign] Minister today I was very pleased that he agreed to include this fifth basket and that he and the General Secretary both agreed to put added emphasis on the resolution of regional conflicts.

NEWS CONFERENCE, NATO, MAY 12, 1989[5]

Let me start by simply saying that I've had an opportunity this morning to brief the NATO foreign ministers on my trip to the Soviet Union. I want to say a word or two about that briefing.

I commented that I thought we had constructive, useful, and productive talks there; we laid a good foundation, I think, for future meetings. It's quite clear the United States and the Soviet Union are reengaged across the full range of our relations. We were pleased with the acceptance by the Soviet Union of added emphasis on regional issues in connection with the full range of issues between us. We were pleased they were willing to engage with us on transnational, or global, issues—that is, issues affecting the environment, terrorism, drugs. And we were pleased they were interested in talking to us about the problems presented by missile and chemical proliferation around the world.

Q. On the short-range nuclear missile problem that the United States has been having with West Germany, is it closer to resolution? Will it be a divisive issue at the summit at the end of the month, do you think?

A. You know, it has been our hope all along it would be resolved before the summit. But it's a very, very important issue, involving as it does questions of alliance security, and we remain hopeful it might be resolved before the summit. It has not as yet been resolved.

Q. In your meeting this morning with [West German Foreign] Minister Genscher, did you and he come any closer to a meeting of the minds on how to deal with the issue of the SNF?

A. I think that we, of course, had the opportunity for another full exchange on the issue and I think—I hope—he better understands our position. I can say I think we have understood his position for quite some time. There remain differences between us, but we will continue to try and work to resolve those differences with [Foreign] Minister Genscher and with other elements of the Government of the Federal Republic of Germany.

Q. Do you see yet the outline of a way to resolve this before the NATO summit meeting here in a few weeks?

A. As I've said before, I'm hopeful we will be able to do that. We are engaged in the process of trying. I think I said a moment ago I remain hopeful. If we had bridged the gap, I would tell you, but we haven't as yet bridged that gap.

Q. Could you say whether you were surprised by Mr. Gorbachev's proposal yesterday for a unilateral reduction, and if you feel that the timing of that proposal, in particular, was in any way designed to try to exacerbate the split between the United States and the Germans?

A. I don't think it was necessarily designed for that purpose. I think it was designed with a view to public opinion in mind. We have felt for some time we might see such a proposal. Frankly, as most of you know, we have been calling upon the Soviets for a long time to do just this. We have pointed out that the NATO alliance has, over the past 10 years, reduced—unilaterally reduced—its tactical nuclear weapons by some 2,400. This is a reduction of 500 the Soviet Union has announced. That is a very modest step by them when you consider the rather substantial imbalance in favor of the Warsaw Pact.

I think there are some other points that ought to be noted with respect to this proposal. This was a proposal to remove 500 weapons from the territory of allies of the Soviet Union, not a proposal to remove these weapons from Europe. So it's quite limited in that regard.

Further, there is no commitment to destroy these weapons. Let me say one more time: The NATO alliance over the past 10 years has unilaterally reduced—through destruction—2,400 of its weapons of this nature.

Q. Has this proposal divided the alliance to any extent? Did you hear any difference of opinion?

A. As we went around the table his morning, the alliance is absolutely, otally, completely unified with respect o this proposal. And each and every ne of the representatives there would haracterize it for you in the same way have characterized it for you. What's appening here is the Soviet Union is asically following the lead of the alli- nce. Finally, they are responding to hat had been repeated calls on our art that they unilaterally reduce some f the very substantial imbalances that xist in their favor. So while it's a very odest step, it's a step we should wel- ome, because it is in compliance, if you ill, or in furtherance of calls the ATO alliance has been making for uite some time.

Q. Would you comment on the de- ign of the Soviet proposal that in- ludes bombs on aircraft, an issue hich I think—where NATO has not nilaterally reduced in the last few ears?

A. That's correct. The design of it hould give us, I suppose, some pause ecause it doesn't just refer to land- ased nuclear weapons. It refers to the ull range of nuclear weapons—land- ased nuclear weapons, bombs on air- lanes, and artillery pieces as well. nd some might well argue that is con- istent with a Soviet goal that there be complete denuclearization of Europe.

Q. Could the United States at the ummit accept the establishment of ome kind of high-level NATO panel o consider the issue of possibly enter- ng SNF negotiations in the future ithout making an explicit commit- ent one way or the other on when ctually to enter such talks?

A. Look, there are any number of ormulations out there that are being roposed from time to time by various arties that are interested in this de- ate. I think the last thing in the world should do is answer hypothetical uestions about different types of for- ulations if we really expect to have ny chance of making progress before he summit actually begins.

Q. The two proposals together— he proposals in the nuclear field and he proposals in the conventional ield being presented today in ienna—are considered at least by ne country to make it easier to pre- are negotiations with the aim of ob- aining mutually lower numbers hen it comes to SNF. Do you agree ith this?

A. Do I agree that's the purpose of their making these proposals?

Q. No, does it make it easier?

A. Does it make it easier to do what now?

Q. To prepare negotiations for the reduction.

A. Does it make it easier to enter negotiations? Let me say that when you consider the point I made a moment ago, this unilateral reduction they've announced is quite apparently designed for public opinion. I think the answer to that would have to be no. We are glad to see this move. We would suggest to you that both this move and the announcement they made with respect to conventional forces was in answer to calls that have emanated from the alliance from time to time for unilateral reductions on the one hand, such as we have accomplished, and for specifics with respect to their conventional weapons proposals. We put specifics on the table when we announced the NATO position in Vienna.

Q. Were there any voices in the meeting this morning suggesting that the United States should now enter negotiations?

A. There were none. But we really didn't debate this issue this morning. This morning's session was devoted almost entirely to a read out on my meetings in the Soviet Union, both the ministerial meetings and the meetings with the General Secretary.

Q. In your comments yesterday in Moscow in the press conference, where you said before you start to talk about negotiations you have to bring this imbalance in short-range systems down. You seem to be making a connection between the size of the imbalance and the prospects for negotiations. Could you explain, if you do feel that is a proper connection, how these two things are connected?

A. I think it's proper to suggest, before we start talking about negotiating with respect to these weapons, somehow there ought to be a resolution of the very significant imbalance that exists in favor of the Soviet Union.

I think we have to take due note of the rather major imbalance that exists with respect to conventional forces, because the reason we think we need a land-based nuclear deterrent has a lot to do with the fact of those imbalances. And I should say we're talking here, of course, about a defensive military strategy, the strategy of deterrence and flexible response. We're talking about a strategy that's been successful in maintaining the peace for 40 years so we have to be very careful as we move forward in this area.

Q. If Mr. Gorbachev's proposals in the conventional field were indeed implemented, it would clearly create equal levels on both sides. Now let's say that happens, would you negotiate then?

A. That's very hypothetical. I'm reminded of the old saying back home, "If the dog hadn't stopped, he would've caught the rabbit." I mean let's see it happen and then address that question.

Q. This is your first visit to the Soviet Union. I wonder if you could talk for a second, what was your reaction to what you saw and what you heard.

A. I should say I thought—as I have indicated here—we had some very meaningful meetings. I detected a desire on the part of the Soviet leadership to engage, and to engage across all areas, not just arms control, without diminishing in any way the importance of arms control.

I found them very interested in talking about ways in which we might move jointly to resolve some regional conflicts. I think this is important. We talked about whether or not there would be a way for the United States and the Soviet Union to move from a posture of addressing regional conflicts from the standpoint of confrontation and competition to one of cooperation. Maybe we can't, but we think it's important to explore that. I got the very distinct feeling they think it's important to explore that.

There were candid discussions during our meetings about some of the problems, quite frankly, that the Soviet Union faces today in the area of economic matters. We discussed some of the problems they are facing in trying to implement these rather dramatic and revolutionary changes that are taking place, both political and economic changes.

I think I've said before we think these changes are real. We think they present opportunities that we in the West should be alert to and we should respond to. It was the purpose of the President in sending me at this time to make clear to the Soviet leadership that we are not only ready but anxious to reengage across the full range of our relations.

We have completed our foreign policy and national security reviews. I should have mentioned in my brief opening comments that we have established dates now for the resumption of all of the arms control negotiations that are ongoing between us, the latest of which is June 26. The bottom line from all of this is that we have a new Administration in the United States, but we are back, totally reengaged in our dialogue with the Soviet Union.

Q. But doesn't it annoy you that Mr. Gorbachev used this first encounter to, in effect, upstage the Administration? I mean it would be human nature, I think, to react other than that.

A. I don't know whether you would call it upstaging. Our view is that because of the big imbalances that exist in weaponry across the full range, there's no way we're going to win by trying to play a public relations game of outbidding the Soviet Union with respect to arms control issues like this.

We must focus—and keep our attention focused—on what's really important and that is the security of the West. We should approach this with prudence and with realism. Where we see deeds—as opposed to just words—we must be prepared to react. But we are entitled to look for deeds, and we are entitled to probe and look for real evidence of the so-called new thinking.

Q. Can you envision NATO's jubilee summit without prior bridging of the gap between Washington and Bonn? Would it really be a disaster?

A. A worse disaster would be if we let politics somehow endanger the security of the alliance. We simply cannot afford to do that.

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[1]Press release 83 of May 12, 1989.
[2]Press release 85 of May 13.
[3]Press release 84 of May 16.
[4]Press release 86 of May 17.
[5]Press release 87 of May 15. ■

The Challenge of Change in U.S.-Soviet Relations

Secretary Baker's address before the Center for Strategic and International Studies (CSIS) on May 4, 1989.[1]

I am honored to once again be here at the CSIS. Ever since its founding, I think this center has combined an understanding of international problems with a vigorous debate over how America should conduct its foreign policy. Those of us who have been privileged to serve this nation in one capacity or another—to serve this nation abroad or to participate in the formation of policy here at home—know full well the ardors of this task. We know, too, that assessments of reality are not enough. Judgments and words ultimately have to be turned into action if we are going to serve the public interest.

A Time of Change

The assessment of reality has become more difficult in today's world because the pace of international change has accelerated considerably. Some years ago, I happened across a scholarly study of the late 18th century entitled *The Age of Revolutions*, and perhaps one day historians might describe our times the same way.

Just consider for a moment, if you will, some of the trends which are transforming our world. Democracy, an idea and political system challenged for much of the postwar era, really is on the offensive. Millions of people in our own hemisphere and in countries such as the Philippines and Korea have achieved, now, democratic governments. Millions elsewhere—in Eastern Europe, in the Soviet Union, and in the People's Republic of China—are demanding free institutions in a way that we've never seen before. So I think it is fair to say that the quest for democracy is the most vibrant political fact of these times.

Another great transformation that we are seeing is economic. Free markets, private initiative have become the new watchwords of economic development because those concepts work — and we know this very well now— actually work in practice. And closely allied to economic change is technological progress. The new technologies of information and communication have helped to create a global economy, an economy which transcends the traditional boundaries of the nation state.

There have been other transformations as well. Emerging technologies open new horizons, I think, for greater military stability. Other trends, though, such as the proliferation of chemical weapons and missiles—as David [Ambassador David Abshire, CSIS president] mentioned to you— the proliferation of those weapons to volatile regions and to irresponsible states present us with greater dangers.

And while we struggle to deal with traditional political and military problems, I think we all must become increasingly aware of new transnational threats—threats such as environmental hazards, terrorism, the drug trade— that demand greater and greater international cooperation if they are going to be properly addressed.

Every nation has been affected in one way or another by these transformations. And, as a consequence, really no international relationship has remained the same. This, of course, is especially true of U.S.-Soviet relations. The result, I think, is a rare opportunity—a chance to transform our attitudes, our words, and, above all, our actions toward each other for the better. But this opportunity is also—and I think David touched on this as well—at the same time, a challenge—a challenge to understand first what is happening, and secondly, why and how to seize the opportunity for progress toward a freer and more peaceful international community.

The Promise of *Perestroika* in the Soviet Union

The challenge of change in U.S.-Soviet relations begins, I think, with change—fundamental change—in the Soviet Union. For nearly half a century now, we and our allies have confronted a Soviet superpower along the great fault lines of the postwar period. This struggle has been rooted in two profoundly different visions—the democratic vision and the communist vision. We differ over the rights of the individual; we differ over the power of the state; we differ over the rule of law, the use of force, the role of religion. In

short, we differ over what we consider to be the basic values of society.

While we may have erred from time to time, on the whole, I think it's fair to say that we in the West have been very, very faithful to our vision. Great sacrifices have been made. The burdens were—and, indeed, the burdens still are sometimes—very difficult to bear. There were, and there always will be, risks. But we upheld our values. And we prevented for 40 years war in Europe.

Surely, some of the change we see now in the Soviet Union is a consequence of our success. There would be no quest for democratic institutions if democratic institutions had failed. There would be less soul-searching of the communist vision if the democratic vision had somehow faded or disappeared. And an alliance of free nations, working together, sharing risks and responsibilities while pursuing freedom and extending economic progress, has always, I think, offered a rather convincing alternative.

I think it can also be said, however, that the dramatic changes which are sweeping the Soviet Union are not due simply to Western fortitude. It is also the failure of the communist vision to produce results, judged by its own standards, that inspires calls for *perestroika*. It is the fear that outdated dogma and unworkable institutions will leave Soviet society behind—isolated from technological progress and the global economy—that really accelerates reform in the Soviet Union. And just as surely, change is motivated also by the belief of some in the Soviet Union that revolutions have a tough time living by slogans alone.

The President has said and I have said that we have absolutely no wish to see *perestroika* fail. To the contrary, we would very much like it to succeed. And that achievement could have great international effect.

As Foreign Minister Shevardnadze told the Soviet Ministry of Foreign Affairs, and I quote, ". . . we must labor solidly to convince the people that we are thinking first and foremost about their interests. . . . We are aware of and declare the truth that foreign policy cannot be divorced from domestic realities." A process that promises to increase the freedom and improve the well-being of the Soviet peoples really is in everyone's interest. A process that promises to change Soviet international behavior toward diplomatic solutions and problemsolving, rather than the use of force or intimidation, I think, offers hope for a radically improved international order.

...we have absolutely no wish to see* perestroika *fail.

That's why we've been so encouraged by the words and the concepts of what General Secretary Gorbachev refers to as the "new thinking." And in a number of places, I think it's fair to say that words have turned into realities. The General Secretary pledged that Soviet troops would leave Afghanistan on February 15, and they did. He signed the INF [Intermediate-Range Nuclear Forces] Treaty, and SS-20s are being destroyed. Last December, he announced unilateral troop cuts in Europe, and now we've seen Soviet tanks leaving Hungary. Soon we hope to see them destroyed.

The Soviets have begun releasing political prisoners. And, as we all know, great strides have been made in permitting freer emigration. Most importantly, the Soviets now talk of enforcing the rule of law and other guarantees of individual rights which are very, very familiar and very basic to us in the West. Limited elections have taken place. The growing dissatisfaction with the Soviet system and pressure for change is unmistakable, and it is widespread.

Words of hope are, indeed, not limited just to the Soviet Union. In Poland, the free labor union Solidarity has been legalized following unprecedented roundtable agreements. And in Hungary, the mechanics of a multiparty system are actively being considered.

In the economic sphere as well, the spread of private ownership, cooperatives, and decentralization of power creates some promising opportunities. Soon we may see the Soviets move forward to join the global economy. I think we would welcome, and welcome strongly, a Soviet economy open to world markets with a freely convertible ruble.

We also recognize, however, that in this critical area, as in many others, there are many hard choices to be made. It is far too early for us to know, of course, whether *perestroika* will or will not succeed. But it begins and it ends with the people of the Soviet Union, and they will determine whether it succeeds or whether it fails.

New Thinking and Old Habits

These great changes, however, are not the only realities of the Soviet Union today. There is an uneasy and, I might add, a not always peaceful coexistence between the slogans of the new thinking and the reality of both Soviet capabilities and Soviet actions. We must all, I think, face the fact that the Soviets continue to pose a significant military threat to Western interests. Even after the unilateral Soviet reductions in Europe take place, the Warsaw Pact would retain a two-to-one edge in tanks and artillery. At a time when we hear talk of unilateral reductions, of the need to cut defense spending, and of the necessity to transfer precious resources from the military economy to the civilian sector, 3,500—that's right, 3,500—new Soviet tanks continue to roll off the production lines each year. That happens to be a production rate five times greater than our own.

For all the talk of "defensive defense," Soviet military exercises still continue to show a marked inclination for taking the offensive. For all the talk of openness, the Soviets have yet to publish a real defense budget—a budget that would reveal what the Soviets really are spending on defense; a budget that would provide a guide to Soviet defense production; a budget, in effect, that would show the direction of future Soviet defense plans. If they were to publish such a budget, I think we could then evaluate the Soviet pledge to cut their defense budget by 14%, and we could measure its impact. Indeed, we challenge them to present such a budget and to publish openly, as we do, the details of their worldwide forces and deployments.

For all of the talk of a common European home—and we hear a lot of that now—the European house remains divided by Soviet force. If there is ever to be a true "common European house," the Soviets must no longer prevent the residents from moving from room to room. But, today, the [Berlin] Wall still stands, and the Brezhnev doctrine remains unrenounced.

Unfortunately, there are still many regions where the new thinking has yet to take root. We still see—and we've mentioned this from time to time—many signs of the old thoughts and the old actions in Central America where the Soviets sent over $500 million in military aid to the Sandinistas just last year. In the Middle East, long-range bombers have just been sent to Qadhafi. In Korea, the heavily fortified North—supported by Soviet arms and aid—still threatens the South. And in the Far East, of course, the Soviets continue their occupation of Japan's Northern Territories.

exchange and negotiations already exists. Our purpose here, I think, should be to institutionalize these changes to make them, if we can, more difficult to reverse. And we want both Soviet intentions and capabilities to become more transparent.

Building Upon Past Successes: Human Rights and Arms Control

Human rights will always head the list. As a democracy, of course, we could not do otherwise and still be true to our own values. We will always be concerned about how the Soviet Union and the governments in Eastern Europe treat their own citizens. That is important not only for humanitarian reasons but also because we believe that a government's treatment of its own people is a good measure of how it will treat other states.

We are encouraged by recent Soviet performance with respect to human rights and democratization, and we hope to see these changes become a permanent part of the Soviets' legal system and political code. By expressing these hopes, we seek not to interfere in Soviet affairs but only to see the fulfillment of the promises once made by the Soviet Union when it signed the Helsinki accords. These promises were, after all, reiterated by General Secretary Gorbachev at the United Nations as recently as December.

We shall also continue with the existing arms control framework because it serves our objectives of stable deterrence at lower levels of arms and risk. We intend to preserve and to strengthen this framework. Indeed, the United States will soon suggest a date for the resumption of the strategic arms talks. The talks on conventional forces in Europe and confidence-building measures that began in Vienna last month, I think, can contribute substantially to our objectives of deterrence at lower levels of force. These give us a forum to challenge the Soviets and their allies to come clean on the true level and nature of their forces and to engage in careful reductions that diminish the threat to the West. As I said in Vienna, current force levels and structure in Europe are not engraved in stone.

Our foreign policy has to be based on an understanding of change in the Soviet Union, but it cannot wholly rely on that change to produce the results that we want.

An Active Agenda

So the reality of Soviet change, as I have described it from both sides, I think, is both promising and problematic. How do we address the very serious difficulties remaining on the agenda, while giving due credit to the remarkable progress that has been made in the past few years?

There are some who say that we don't need to do much of anything because trends are so favorable to us. Their counsel is to sit tight and simply await further Soviet concessions.

I don't happen to be of this school. I don't think we can be passive in the face of these great strategic changes, nor can we simply yield the initiative to a Soviet agenda that may not reflect the best interests of the West. Our foreign policy has to be based on an understanding of change in the Soviet Union, but it cannot wholly rely on that change to produce the results that we want.

Our actions, of course, will play an important role in shaping the future of U.S.-Soviet relations. Our policy has got to be to press forward with our agenda, to test the application of Soviet new thinking again and again.

In areas such as human rights and arms control, much progress has been made, and a framework for diplomatic

Broadening the Foundation for the Future

But the challenge of change cannot stop there. Indeed, new thinking in Soviet foreign policy gives us a unique opportunity to take Moscow at its word—take it at its word—across all areas of U.S.-Soviet relations. Are the Soviets willing to live up to the promise of their rhetoric? Are the Soviets really prepared to recognize the constraints of an interdependent world? Is Moscow really ready to abandon the quest for unilateral gain? Can military confrontation really be replaced by political dialogue and even by cooperation? Will the slogans of new thinking be translated into enduring action?

The only way to answer these questions is to test the new thinking on issues that go beyond the recent intense focus on human rights and arms control. We face new threats and new challenges in regional conflicts, in the proliferation of advanced weapons, and in pressing transnational issues.

By testing Moscow across the board, we have the opportunity to turn many of the opportunities presented by the new thinking into reality. We can establish frameworks and baselines for common dialogue in areas where no real dialogue or basis for cooperation exists today. We can see whether the new thinking is real once we probe beyond the slogans. We can help fill the new thinking with content, and we can take advantage of change in the Soviet Union to achieve a new level of cooperation and international stability. And we can also, while we're at it, determine where the old thinking still holds force. Let me, if I might, be just a bit more specific.

First, we will focus on regional conflicts, a significant source of East-West and international tension in the postwar period. While the Soviet Union has not necessarily been the cause of these conflicts, too often Soviet military aid and diplomacy have impeded the search for solutions and have

even sometimes encouraged the violence. Now is the time to engage the Soviet Union in a serious dialogue to determine whether such policies really have changed. And the slogans of new thinking must be given content for this dialogue to work.

The Soviets have got to understand that their inclusion in the important process of resolving regional disputes requires them to act responsibly and not just to make high-profile assertions about a peace-loving intent. Establishing a basis for cooperation depends not on a Soviet commitment to vague generalities of peace but to the responsible behavior that will, in fact, make peace possible.

There can be little doubt that the proliferation of advanced weapons around the globe creates a strong need, and it creates a greater urgency, to develop a common framework for resolving regional disputes. Regional wars are unlikely to remain limited for very long. Rather, they are likely to escalate quickly, drawing us into conflicts that we should have helped to resolve in the first place.

Second, in the areas of ballistic missile and chemical weapons proliferation, we have only begun to establish new international rules addressing these problems—rules to which the Soviets have not, as yet, agreed. It will be an objective of mine in Moscow next week to determine whether we might develop a framework for working together to control a phenomenon which threatens us all.

Third, we will approach the Soviets on transnational issues, particularly the problems of the environment, which do not respect national boundaries. Pollution, drugs, and terrorism are all issues that should join, not separate, the Soviet Union and the United States. These are new testing grounds for our ability to work together. I believe that we can discover whether the Soviet Union seriously understands the need to deal with such issues, or whether it is prepared to pretend that old thinking will somehow isolate Moscow from the consequences.

The Soviets have got to understand that their inclusion in the important process of resolving regional disputes requires them to act responsibly and not just to make high-profile assertions about a peace-loving intent.

Meeting the Challenge of Change

I'd like to conclude on a note of historical perspective. Students of American-Soviet relations are familiar with De Tocqueville's famous prophecy that the world would eventually be dominated by the United States and the Russian Empire—the one based on freedom, the other based on a denial of freedom. That prophecy very nearly came to pass. But in my view, a wise American diplomacy prevented it. An important part of our vision was the rejection of a condominium, of a division of the world according to spheres of influence. Instead, we sought to build up our allies, to assemble a coalition of free nations—free to seek their own destiny however they wished, just as our citizens are free to develop their own individual talents.

Now we are living in a time when these Western values are in the ascendancy, when our allies have become strong and, for the most part, prosperous. This changing world has challenged the Soviet Union. It is a challenge that the Soviet Union, acting in its own interests, has tried to meet through *perestroika*. Yes, we have heard claims of new thinking, and we have seen some of it translated into action. And we are saying to the Soviet Union: Let us continue. Free people can work together peacefully, linked by a common destiny. Let us deal, therefore, with the new problems of a different era guided by a vision of a free and peaceful world.

[1]Press release 78 of May 5, 1989. ■

FY 1990 Assistance Request for Sub-Saharan Africa

by Alison Rosenberg

Statement prepared for the Subcommittee on Foreign Operations of the House Appropriations Committee on April 14, 1989. Mrs. Rosenberg is Deputy Assistant Secretary for African Affairs.[1]

It is a pleasure to be here as the Bush Administration begins to address the challenges and opportunities that we have before us in our policies toward sub-Saharan Africa. There is a sense throughout the Administration—and, I believe, here in the Congress as well—that a new era of cooperation between the Administration and Capitol Hill is possible in the making and implementation of our foreign policy and in the provision of foreign assistance to meet our policy objectives.

In the very recent past, Congress and the executive branch have worked together to provide desperately needed relief to areas stricken by natural disasters and those torn by civil war. We are working closely with the Congress, and specifically this committee, to meet our obligations in terms of support for the UN Transition Assistance Group (UNTAG) for Namibia. Last year the Congress and the Administration agreed that more economic assistance was required for Africa, and you provided that assistance. We look forward to working with you and your staff on matters of mutual interest and concern.

For FY 1990, the Administration is requesting $820 million in economic assistance for sub-Saharan Africa and $85 million for military assistance. As in previous years, the emphasis on

our assistance is where it belongs for Africa, and that is on the economic side. We are requesting approximately $10.00 in economic assistance for every $1.00 of military assistance.

The request for assistance for Africa for the coming fiscal year remains consistent with previous years. Our request last year (FY 1989) was for $819 million; the increase this year over last is entirely on the economic side of the ledger. Over the past 5 years, the request for foreign assistance for Africa has been just at, or just under, $1 billion. It has always heavily emphasized the economic needs in Africa.

We do, however, also have serious, legitimate military assistance requirements in Africa, and the recent deep cuts in appropriations and the earmarking of 94% of the military assistance funds have left little for African programs. This year, as in 1988, we were able to allocate just over $25 million for military assistance for our countries.

This funding trend is jeopardizing our ability to maintain any credibility with our African friends. We consider our funding request to be the minimum necessary for U.S. security interests. These include promoting regional stability, forging key liaison channels with African militaries, fostering the military sense of professionalism as well as nationbuilding values, and maintaining access to African facilities.

I should point out that the FY 1990 request contains no funding for any Namibia programs. We are well aware that a newly independent Namibia will have significant requirements for assistance. The donor community is already beginning to look at those requirements, but we are not yet in a position to predict what will be needed and what the United States should be providing. We will be working with the United Nations, with the donor community, and with Namibia once it is independent to determine Namibian requirements. According to the timetable, Namibia will become independent during FY 1990. As Namibia's economic requirements become clear, we will begin to work with the Congress to try to meet those requirements.

As we begin a new Administration, I thought it would be best to review where we have been over the past 8 years and set a context for the next 4 years. My review will relate our policies to the resources needed to meet our policy objectives.

Current Situation

By and large, U.S. policy—and policy objectives—for Africa have been very consistent over the last 10 years or so. As we work with the Congress, we hope that our overall objectives will continue to enjoy a healthy degree of support during the Bush years. Unfortunately the resources appropriated over the years have fallen short of allowing us to meet our earlier stated objectives. Foreign assistance resources, both economic and military, plummeted from a high in 1985 of $1.256 billion to a low of $882 million in 1987 and have risen only slightly in 1989 to about $905 million. This swing of $400 million in a 2-year period came at a time when economic and military assistance resources were needed most to assist our African friends and accomplish some of our most important objectives—economic reform, access to military facilities, and gaining influence with left-leaning and nonaligned states. The inability to infuse resources at critical times has kept us from achieving key objectives.

Objectives and Policy

Objectives which will continue to have legitimacy for at least the near term—with some fine tuning as necessary for unfolding events—can be stated as follows:

- Promote a more pro-Western political and economic orientation in African countries, strengthening their impetus toward market-oriented economic reform and self-reliant development strategies;
- Deny strategic advantage and influence to those countries or groups with objectives inimical to our own and continue to follow through on Cuban withdrawal from Angola and build on Soviet cooperation in southern and eastern Africa;
- Continue to work toward a resolution of the southern Africa conflict by pressing for racial justice and representative government in South Africa, while supporting a successful transition to independence for Namibia and working for a settlement of the Angolan civil war and national reconciliation as well as for peaceful solutions to all internal conflicts in Africa;
- Retain military access in East Africa and U.S. Government facilities in Liberia and our cooperative relationships with Zaire and Chad;
- Work to strengthen respect for human rights in all African countries—develop comprehensive programs for use of "human rights fund" resources;
- Sustain our partnership with key African states and cooperate with the French and other allies in the common effort to contain and, where opportunities occur, roll back Libyan inroads and influence; and
- Support refugee programs and work to alleviate suffering and prevent death from famine, disease—including acquired immune deficiency syndrome (AIDS)—and natural disasters.

Economic Assistance Required

As I mentioned earlier, this year the Administration is seeking approximately $820 million in economic assistance for sub-Saharan Africa. Of that request, we propose $565 million for the Development Fund for Africa, a total of $171 million in PL 480 food assistance, and $83.3 million for economic support funds (ESF).

An increasing flow of U.S. assistance will be necessary to sustain the trend toward continent-wide abandonment of statist and antimarket economic strategies and to promote African accommodation to and respect for the existing international economic order. In addition to government and international institution-provided assistance, we need to attract greater U.S. private sector resources to support Africa's economic growth. Consolidation of the existing movement toward a reduction of statist economic strategies and allowing greater freedom to the private sector is a major American success. The economic bind in which most African states find themselves, and the prevalence of one-party and military regimes, have tended to promote a search for radical solutions in, for example, Burkina Faso, Ghana, and Uganda. Severe economic problems have created low cost opportunities for Libya, Cuba, North Korea, and, in some cases, the Soviet Union. By contrast an African disavowal of statism has the potential, over time, to transform and stabilize the international politico-economic landscape to U.S. advantage. We need to do everything we can to promote continuation of this trend.

Market economics is now on trial in Africa, as government after government moves at our urging toward politically risky structural adjustment and economic reform policies. The United States has a high stake in making this approach work. Our goal must be to demonstrate convincingly that it is the

Vest which is the natural and effective artner of African countries seeking to evelop and modernize, just as it is the Vest which steps forward to mitigate nd offset the effects of natural isasters.

Economic Action Program. We annot afford to back away from Africa t a time when we believe it is walking oward us. Critical to the success of our fforts to assist Africa is an understanding that sub-Saharan Africa presents unique problems which merit pecial solutions. As African governments adopt extraordinary measures, he goal of donors and creditors will be o provide enough resources to permit he new economic policies to bear fruit. 'he international agenda will focus on orking with other donors to help reuce Africa's debt burden and increasng the effectiveness of assistance.)ther major activities will include:

- Marshaling public and private ector resources for growth;
- Assuring the International Monetary Fund's (IMF) and multilateral development banks' continued active and ffective roles in sub-Saharan Africa;
- Enhancing donor coordination;
- Exploring ways to improve the uality of our bilateral activities; and
- Sustaining progress on the part f the more than two dozen sub-aharan African governments which ave courageously adopted fundamenal economic reform and adjustment rograms.

The international atmosphere is nusually receptive to innovative approaches to sub-Saharan African ecoomic problems. The Venice economic ummit in 1987 endorsed the concept of more generous Paris Club treatment f the poorest debtors and an expanded MF Structural Adjustment Facility. 'he IMF and World Bank are speareading efforts to increase concesional flows to African reformers, to aise levels of fast-disbursing assistnce, and to develop a strategy to alleiate sub-Saharan Africa's ndebtedness.

We face the diplomatic challenge of nsuring that African hopes are not aised to unrealistic heights in these ight budget times. But we must also ontinue to assess ways to muster reources commensurate with African reormers' needs. In our contacts with ub-Saharan African leaders, we must onsistently stress the importance of ound economic performance, while understanding the political and social limits to and consequences of change.

U.S. aid is essential to enable African governments to make and sustain the tough policy measures necessary for policy reform and to create conditions which will eventually attract the foreign and domestic private investment necessary for a sustained economic growth. Should we be unable to sustain necessary assistance levels, we risk the collapse or delay of economic reforms, injury to friendly governments, and acrimonious charges of a breach of faith.

Development und for Africa (DFA)/Economic Support Funds (ESF). In 1988 the Congress created the Development Fund for Africa via specific line items in the FY 1988 appropriations legislation. In the process of creating the DFA, most ESF programs were folded into the development account, and the ESF account was decreased by more than one-third from $165 million in FY 1987 to $90 million in FY 1988.

Military Assistance Required

We view selective arms transfers as a valid instrument among the various instruments or levers of influence that we possess. We have acknowledged that African governments and militaries have legitimate military requirements. Bilateral military assistance programs have a variety of justifications:

- To gain access to military and civilian facilities for our own military forces;
- To gain access to senior African officials, many of whom are military; and
- To respond to the legitimate requests by a number of governments for technical and equipment assistance to organize and professionalize their militaries.

The FY 1990 military assistance request continues to be focused on countries where we have important military interests—the Horn countries, Kenya, Chad, and Zaire. We seek to expand our civic action and coastal security programs from $2 million this year to $6 million in FY 1990. We believe that through these programs, we can help turn the military toward nationbuilding activities.

U.S. military assistance will continue to go primarily for spares and support of previously furnished equipment and will emphasize basic training and infrastructure requirements—transportation, engineering, communications, and personal equipment such as boots and uniforms. Of the $85 million requested for FY 1990, I would stress that $73 million addresses only necessary support, not additional equipment for attrition or new programs that are badly needed in some countries. Another $12 million would fund training under the international military education and training (IMET) program.

Overview. As I mentioned earlier, military assistance to Africa—except for IMET funding—has been reduced to a fraction of the 1985 level of $158 million. FY 1989 military assistance for all of sub-Saharan Africa has fallen to just $25 million—$25 million to support 18 individual programs in Africa.

In relative terms, we have put very little military assistance into Africa. As stated above, the vast majority of

Cease-Fire in Sudan

DEPARTMENT STATEMENT, MAY 5, 1989[1]

The cease-fire in southern Sudan, now approved by both sides, is a most welcome, positive development on the path to ending the human tragedy. Both sides deserve credit for taking this important step which sets an encouraging benchmark and, we hope, signals their determination to negotiate a peaceful, lasting end to this conflict. A political solution requires will, vision, and statesmanship by both sides. We remain poised to help support this process in any appropriate way.

As the cease-fire begins, we urge all Sudanese to use it effectively to continue prepositioning critically needed relief supplies for the welfare of victims of the war.

[1]Read to news correspondents by Department spokesman Margaret DeB. Tutwiler. ■

U.S. assistance has gone for basic development and military infrastructure requirements.

We have, however, been able to maximize our effectiveness through careful use of scarce resources by establishing meaningful, small programs in countries that require only limited funding to meet their needs. Two of these programs are the civic action and coastal security programs mentioned above. These two regional programs have enjoyed the interest of the Congress and been very successful with the Africans.

Civic Action Program. The civic action program is designed to demonstrate that there are excellent peacetime uses of the African military. Too often, particularly in Africa, the military is seen by the civilian population as a liability and drain on the society when, in many cases, the military is a competent, trained work force that can be an asset to the nation. Civic action projects are primarily engineering projects, such as road and airfield improvement, construction of health clinics and schools for the military and their dependents, and water projects.

Coastal Security Program. The coastal security program is even more successful. It provides assistance to West African navies to allow them to better patrol their coasts and exclusive economic zones. Although only 4 years old, the program has made an enormous difference in the abilities of these small navies to enforce fishing agreements and apprehend poachers and smugglers. The coastal security program has gained us direct access to top leadership in half a dozen countries in West Africa.

Due to the decline in overall funding levels, we were able to fund these two valuable programs at only $5 million total in FY 1988 and 1989, compared to an initial level of $5 million in 1985—a level we had hoped to maintain to meet our objectives. This year's request is for $6 million.

The decline in military assistance for African countries has put U.S. reliability and credibility in jeopardy. One of the key tenets of U.S. military assistance is that we support what we provide. In Africa we have not done that. This year we are unable to provide sufficient funding even to support Niger's two C–130 aircraft. By our calculations, approximately $73 million (the FY 1990 request) is required annually to provide support, spares, and maintenance for the equipment we have provided.

The reduction in military assistance for Africa, which has meant a cutoff of assistance for FY 1988 and FY 1989 in many countries, has put U.S. access to facilities and leadership in grave danger this year. Our negotiated access agreements with Kenya and Somalia are subject to renegotiation in 1990. These agreements, originated under the Carter Administration and sustained by succeeding Administrations, are in support of U.S. strategic interests in the Middle East and Persian Gulf, Southwest Asia, and Indian Ocean. Continued access may not be possible if we are unable to provide higher amounts of military assistance—assistance which we have agreed is a legitimate requirement.

The combination of lower funding levels and high earmarks in FY 1989 left only $25 million in military assistance for all of Africa. Because Congress earmarked $15 million for Kenya, this left us with only $10 million in grant funds to spread across the continent for all of our other key programs—Somalia, Zaire, Chad, civic action, and coastal security, to name a few. This is an excellent example of why the Administration opposes earmarks even when, as in the case of Kenya, an important friend benefits.

One of our most difficult accounts in the Horn is Somalia. Concerns about human rights and the insurgency in the north led to congressional holds on ESF (balance-of-payments) support for the government. We fully share these concerns. National reconciliation and human rights improvements are in the U.S. interest as well as Somalia's. The progress that has been achieved since last summer demonstrates that our policy on this issue is taking hold. Somalia remains important to us, both in political terms and as a location for U.S. forces to exercise, fly training missions, stage surveillance missions in the Gulf of Aden and Indian Ocean, and, most importantly, as it has the only facilities available to our ships and planes near the Bab el Mandeb Strait, through which an increasing amount of oil flows. In assisting this friendly government to resolve its internal problems, we should remember that it is in our interest to do so not only for bilateral and regional objectives but to maintain our negotiated access to Somali facilities.

We understand fully the foreign assistance constraints due to the serious U.S. domestic budget situation. We also know Africa and African countries have the lowest worldwide priority for military assistance funding. But the United States does have a military interest in Africa, and we have well-defined policy objectives that necessitate a reasonable funding level for our military assistance programs.

Foreign Assistance Strategy

Africa's most pressing needs are economic and humanitarian, but many countries which have dire economic needs also have serious security threats due to aggression or internal instability requiring military assistance to deal with the situation. We can not address one need without addressing the other. We must recognize that in many African countries, the military is often the most powerful political and social institution and clearly benefits from material assistance provided with professional guidance.

Although real growth in the foreign assistance account is unlikely in the near term, we still seek the wherewithal to respond to both urgent requirements and windows of opportunity, particularly on the economic front. Both economic and military resources need be increased only modestly to meet our current policy objectives if those resources can be flexibly and effectively applied.

The consequences of further reductions in our assistance in terms of instability on the economic and security fronts are not in our interest. The cost to the United States in dollar terms to prevent this is minimal. We believe that dollar for dollar, we get an excellent return on investment of foreign assistance funds in Africa. We have a tremendous opportunity at relatively low cost, and we should not pass it up.

In conclusion I want to reemphasize our desire and willingness to work with the Congress to make our assistance as effective as possible. I believe that the recent examples of the creation of the Development Fund for Africa and the instituting of the civic action and coastal security programs under the military assistance account are evidence that we can work together to maximize the effectiveness of our resources to achieve U.S. national objectives in Africa. I look forward to a continuing partnership.

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[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Biological Weapons Proliferation

by H. Allen Holmes

Statement before the Senate Governmental Affairs Committee and its Permanent Subcommittee on Investigations on May 17, 1989. Ambassador Holmes is Assistant Secretary for Politico-Military Affairs.[1]

I am pleased to appear before you today to discuss the foreign policy implications of the problem of biological weapons proliferation. These hearings are coming at an opportune time. We are presently witnessing a disturbing and dangerous trend in the increasing efforts by states to acquire biological weapons. The technology to produce them is improving, and the agents themselves are becoming ever more threatening.

I should like to state from the outset that the United States is adamantly opposed to the development, production, or use of biological weapons, and we are committed to doing all we can to eliminate them from the world's arsenals.

I would like first to give you some background on the development of U.S. policy on biological weapons and on the present state of play in this area. I will then describe how we are working to achieve our goal of eliminating these weapons.

Background

There are, in fact, two relevant international agreements, both of which have proven inadequate to prevent the proliferation of biological and toxin weapons.

The 1925 Geneva protocol prohibits the first use in war of chemical and biological weapons but not their development, production, possession, or transfer. The 1972 Biological and Toxin Weapons Convention prohibits the development, production, stockpiling, acquisition, retention, and transfer of biological and toxin weapons.

The United States itself unconditionally renounced all aspects of biological warfare in 1969. President Nixon ordered the Department of Defense to draw up a plan for the disposal of existing stocks of biological agents and weapons. In 1970 this unilateral ban was extended also to cover toxins; that is, poisonous chemicals produced by living organisms. All research in the area of biological warfare has since been confined to the development of strictly defined defensive measures; for example, development of vaccines.

Biological and Toxin Weapons Convention

The United States followed up these unilateral actions by leading the fight for an international ban—the 1972 Biological and Toxin Weapons Convention. Article I of the convention and the treaty's negotiating record make clear, however, that protective and prophylactic activities are permitted.

The Biological and Toxin Weapons Convention was approved by the U.S. Senate on December 16, 1974, and entered into force on March 26, 1975. All U.S. military stocks of biological and toxin agents, weapons, equipment, or means of delivery prohibited by the convention had already been destroyed unilaterally. Facilities in the United States which had been built and used for biological or toxin weapons purposes were converted to other use. For example, military facilities at Ft. Detrick, Maryland, and Pine Bluff, Arkansas, previously used for biological weapons activities, are now the property of the U.S. Department of Health and Human Services and are used by the National Cancer Institute and the National Center for Toxicological Research.

After the Biological and Toxin Weapons Convention was completed, many thought that the security problem posed by biological and toxin weapons had been solved. However, this clearly is not the case. Despite the limitations of the convention, which has no verification provisions, we have identified a number of compliance problems. In previous years and again in 1988, President Reagan reported to the Congress that the Soviet Union had continued to maintain an offensive biological warfare program and accompanying capability and that the Soviet Union has been involved in the production, transfer, and use of mycotoxins for hostile purposes in Laos, Cambodia, and Afghanistan in violation of the 1972 Biological and Toxin Weapons Convention. Furthermore we have yet to receive a satisfactory official explanation of the unprecedented outbreak of anthrax at Sverdlovsk in the Soviet Union in 1979.

Two review conferences for the Biological and Toxin Weapons Convention have been held—in 1980 and 1986—with the next scheduled for 1991. At the two review conferences, the United States confirmed that it is in full compliance with the convention.

At the second review conference, the United States expressed its concern that the Soviet Union, Laos, and Vietnam had violated the convention. Several other states party to the convention also expressed concern about compliance. These concerns are reflected in the final declaration of the 1986 review conference, which notes statements that compliance with Articles I, II, and III of the Biological and Toxin Weapons Convention was "subject to grave doubt" and that efforts to resolve the concerns expressed had not been successful. Since then our concerns have intensified as evidence mounts of biological weapons proliferation, especially in areas of particular concern to us.

Technological Advances

In addition the rapid advance of technology in the biological field has led to another set of problems for the convention. In many ways, recent progress in biological technology increases the ease of concealment of illicit manufacturing plants, particularly for biologically derived chemicals such as toxins. Verification of the Biological and Toxin Weapons Convention, always a difficult task, has been significantly complicated by the new technology. The ease and rapidity of genetic manipulation, the ready availability of a variety of production equipment, and the proliferation of safety and environmental equipment and health procedures to numerous laboratories and production facilities throughout the world are signs of the growing role of biotechnology in the world's economy. They also make it easier for nations to produce the lethal agents banned by the convention.

As advances are made in the field of biotechnology, the potential for using this technology for biological and toxin weapons increases commensurately. Not only has the time from basic research to mass production of lethal weapons decreased but the ability to create agents and toxins with more optimal weapons potential has increased. Simply put the potential for undetected breakout from treaty constraints has increased significantly.

Growth of Biological Weapons Capability

When the Biological and Toxin Weapons Convention was negotiated, only the United States acknowledged having biological weapons. In contrast to the openness we have practiced regarding our military programs, the Soviets, to date, have never officially acknowledged having a biological weapons program and, in fact, admitted only in 1987 to having a chemical weapons program.

Today a number of countries are estimated to be working to achieve a biological weapons capability. Our information on which states are involved in biological weapons programs is based on extremely sensitive intelligence sources and methods, and I would defer to the intelligence community to provide you a fuller description of these programs in closed session.

We are especially concerned about the spread of biological weapons in unstable areas and about the prospects of biological and toxin weapons falling into the hands of terrorists or into the arsenals of those states which actively support terrorist organizations. To date we have no evidence that any known terrorist organization has the capability to employ such weapons nor that states supporting terrorism have supplied such weapons. However, we cannot dismiss these possibilities. If the proliferation of biological weapons continues, it may be only a matter of time before terrorists do acquire and use these weapons.

U.S. Research Program

The unilateral U.S. renunciation of biological weapons in 1969 was accompanied by the recognition that maintaining a strong program to provide for defense against biological weapons is essential for national security. That requirement is reflected in Article I of the convention which permits production of biological agents and toxins in quantities required to develop protective measures. In today's circumstances, with the concerns about compliance, proliferation, and rapid advances in biotechnology, the requirement for defensive measures is even greater than in 1969.

The Biological and Toxin Weapons Convention clearly permits research and development for protection against biological and toxin weapons. The U.S. biological defense research program is in full compliance with the provisions of the convention. It is also open to public scrutiny. No other country even comes close in its openness.

Eliminating Biological Weapons

Vigorous action is needed to deal with the problems that I have just outlined. These problems are tough ones that will not be resolved easily or quickly. But we are determined to deal with them.

What do we need to do? We need to persuade states that are not parties to the Biological and Toxin Weapons Convention, particularly states in the Middle East, to renounce the option of possessing biological and toxin weapons. We have expressed our desire to have consultations with the Soviets under Article V of the convention, and this continues to be our position. We also need to explore possible means for strengthening the international norms against biological weapons.

With respect to the Soviet Union, we have repeatedly raised our concerns about noncompliance both through diplomatic channels and at the 1980 and 1986 review conferences. Fortunately the use of "yellow rain" appears to have stopped several years ago. However, the Soviet response to our compliance concerns has not been satisfactory. I might add that it is not primarily a matter of explaining the anthrax outbreak at Sverdlovsk in 1979. After 10 years, we can probably never know with certainty what happened. At this stage, it is more important to resolve our concerns about the very unusual military biological facility in Sverdlovsk that was reportedly the source of the outbreak. That facility still exists and raises serious apprehensions.

We continue to believe that the Soviet Union must deal seriously with our concerns and resolve them. We urge the new Soviet leadership to demonstrate some "new thinking" in this important arms control area.

In addition to ensuring that states fulfill their commitments not to possess biological or toxin weapons, we must persuade additional states to

CFE and CSBM Talks Resume in Vienna

WHITE HOUSE STATEMENT, MAY 5, 1989[1]

Today marks the resumption in Vienna, Austria, of both the negotiation on conventional armed forces in Europe (CFE), which involves all 23 nations of NATO and the Warsaw Pact, and the talks on confidence- and security-building measures (CSBMs) among the 35 participants in the Conference on Security and Cooperation in Europe (CSCE).

In the CFE negotiations, the United States and its allies are seeking a stable and secure balance of conventional forces in Europe at reduced levels, the elimination of destabilizing disparities of forces, and the elimination of capabilities for surprise attack and large-scale offensive action. NATO's approach reflects a continuing commitment to realizing these goals through a realistic, militarily significant, and verifiable agreement. The work ahead is complex. The United States and its allies are, however, encouraged by the seriousness with which the Soviet Union and its allies have entered into this negotiation. What is needed now is for them to join NATO in exchanges that are frank and constructive and enhance the chances for success.

In the CSBM talks, NATO has tabled a set of proposals which build upon and expand the Stockholm document. The centerpiece of the NATO proposal is an annual exchange of information on military organization, manpower, and equipment in Europe and a corresponding system to evaluate the information that is exchanged. These and other NATO proposals apply equally to all participating states, in contrast to the Eastern proposals that clearly seek to constrain NATO's ability to train and reinforce its troops.

During this second round, NATO will be elaborating the practical details of its proposals to demonstrate their effectiveness, feasibility, and the contribution they can make to furthering openness, transparency, and predictability about military organization and activities in Europe.

[1]Text from Weekly Compilation of Presidential Documents of May 8, 1989. ■

make that important commitment. Currently more than 110 states have renounced the option of possession of biological and toxin weapons by becoming parties to the Biological and Toxin Weapons Convention. Unfortunately, while most states in the Middle East have signed or acceded to the convention, only about half have ratified it and deposited their instruments of ratification, the legal steps necessary to become full parties to the convention. A number of these states have said that they will not take these actions until their neighbors do so. We need to break this vicious circle.

We believe that it would be in the interests of all states in the Middle East to eliminate the spectre of biological warfare from this already very volatile region. For that reason, we have recently renewed our effort to bring all states in the Middle East into the convention. We will persist in this attempt to break the vicious circle.

We are also carefully considering whether export controls could help reinforce our efforts to prevent the acquisition of biological and toxin weapons by other countries. Our preliminary impression is that such controls can play only a minor role. From a technical standpoint, unfortunately, the problem we face is much more difficult even than curbing the spread of chemical weapons. The equipment needed is all dual-use, common, and not very expensive. There are many suppliers around the world. In contrast to chemical weapons agents, there are no real precursor materials for biological agents. While states seeking a chemical weapons capability may need hundreds of tons of precursor chemicals, a state with a biological weapons program needs only a tiny quantity of a disease-producing organism as a seed stock. For these reasons, an export control regime analogous to that coordinated by the 19 countries belonging to the Australian group for chemical precursors seems to offer little benefit.

In addition to resolving compliance issues and promoting broader adherence to the Biological and Toxin Weapons Convention, we should consider new and innovative approaches to making the international arms control regime for biological weapons more effective.

One way to strengthen the regime is to strengthen international reaction to deal effectively with proven violations of the ban on use embodied in the 1925 Geneva protocol. The Paris Conference on Chemical Weapons Use could be a good example of an initial step to build an international consensus. But there must be concrete actions, including international sanctions, to put some teeth into the reaction.

Another way to strengthen the regime is through additional confidence-building measures to create greater openness about biological activities. The United States has taken the lead here. I doubt that any other state anywhere can match the openness we already practice with regard to our defensive research. We need to push others, especially the Soviet Union, to match this openness.

We have joined with other states party to the Biological and Toxin Weapons Convention in agreeing that more information should be made available concerning legitimate biological research activities. By creating greater openness in these areas, we hope that the norm against biological weapons created by the convention can be strengthened. The United States joined with others at the second review conference in calling for an annual exchange of information on each party's research activities using the U.S. policies on program openness as the standard.

Furthermore we should continue programs where researchers from different countries work for extended periods in each other's laboratories. It would be more difficult to conceal significant research programs of intentions from qualified exchange scientists than it would be to fool inspectors making a brief, one-time visit.

We must continue to strive to prevent biological weapons proliferation by reinforcing the moral, legal, and political constraints against biological weapons and, where feasible, seek to prevent states from obtaining sensitive materials and technology for biological weapons purposes. This will be a particularly difficult task and, quite frankly, we do not have the answers yet on how to achieve this. We do know that we cannot do it alone. Our efforts to constrain biological weapons proliferation will require a sustained multilateral approach, involving both U.S. leadership and cooperation with friends and allies.

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[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

President Meets With Prime Minister Mulroney

Following are excerpts from the question-and-answer session President Bush and Canadian Prime Minister Brian Mulroney held with news correspondents after their luncheon on May 4, 1989.[1]

President Bush. May I just, at the outset of this scrum in which we each answer questions, say what a joy it's been to have Prime Minister Mulroney back here with his very special Mila. Barbara and I froze them to death on the balcony. It's warm now, but 20 minutes ago, it was cold—temperature; warm in terms of the feeling that existed at that little lunch and, indeed, over in the Oval Office.

And I cite that because the relationship between the United States and Canada remains strong. Our respect for the Prime Minister and his objectives remains strong. The fact that he fought hard for this breakthrough Free Trade Agreement has the respect for him at an altogether high level. And so, I can report that the conversations that we had that touched on a wide array of subjects—on the environment and on the importance of the NATO meeting and on the bilateral relations—were good. We found that we can look each other in the eye and talk out any differences with no rancor. We salute him and welcome him as a good friend.

Prime Minister Mulroney. We had a very delightful and effective meeting, I thought, with President Bush and his colleagues. And Mila and I had an especially delightful lunch with Barbara and the President.

Our discussions today on the agenda dealt with the environment, which is very important, and I applaud the leadership the President is giving to the environment, particularly on the question of acid rain.

We discussed as well something that [British Prime Minister] Margaret Thatcher has described as a model for the rest of the world, and that's the

Canada-U.S. Free Trade Agreement, which is in its infancy, is growing and growing strongly, and I think to the benefit of both of our nations.

We discussed the role of NATO and the importance of the Western alliance in the world—the role of the United States in that alliance. The position of Canada is unequivocal in that regard.

Q. Are you willing to compromise your position now on short-range missiles in terms of starting negotiations with the Soviet Union on that area?

President Bush. I want the NATO summit to be a success. And we will be working with the Germans and with others to see that there is a common NATO position. This is no time for one to compromise or somebody not to compromise. We've made proposals to the Germans. I expect we'll be hearing from them soon. I'd prefer to do whatever negotiation among allies that is required in private, recognizing that we all want the NATO summit to be successful. There's a lot of public discussion of this issue, and that's fine. I don't plan in detail to join in on that public discussion. The U.S. position is well known. NATO's last stated public position is well known. We're prepared to go from there.

Q. It sounds like you're ready to negotiate.

President Bush. I'm always willing to negotiate. But we're not going to go for any third zero or getting SNF [short-range nuclear forces] out of whack in terms of negotiations; let's be clear on that. But certainly, I'll be willing to discuss these issues, as we did in a very constructive way with the Prime Minister.

Q. What did you say to the President about the SNF issue?

Prime Minister Mulroney. What I said to the President was that NATO was founded on, in my judgment, two concepts: first, solidarity; and second, the American leadership of the Western alliance. And it's the solidarity that has brought about the success that the West has engendered thus far. We have to stick together on all of these fundamental questions, and we will.

NATO is a grouping of sovereign independent nations. There is going to be vigorous debate, unlike the Warsaw Pact. In NATO there are independent nations which get together and which come together willingly under a common shield to achieve common objectives. While there has to be this kind of debate, in the end, there must be solidarity—total solidarity. There must be a common view of leadership, which has served the world so well for 40 years. We're going to Brussels to celebrate the achievements of NATO. That's exactly what we are going to be doing, and that is why we look forward to President Bush's presence there—to celebrate that particular achievement in which the United States has played such a pivotal role.

Q. Did you urge the President to begin negotiations—to at least back negotiations—on SNF reductions?

Prime Minister Mulroney. I've just said what the position of Canada is in regard to—there's one NATO position. This is not an association where everybody freelances.

Q. —different views on this, though.

Prime Minister Mulroney. We have a common NATO position, and while there are divergence of views that emerge from time to time, the object of our getting together is to harmonize those views into one position. And that's what we're going to be able to do.

. . . .

Q. You were very careful, I thought, to say you didn't want the third zero. That still allows for the possibility of reducing the number of short-range nuclear weapons.

President Bush. My emphasis will be on conventional force reductions. We will be talking very soon with the Germans on a proposal we made to them. We've listened very carefully to the constructive suggestions that Prime Minister Mulroney has raised, and that's really all I care to say about it. I want the NATO meeting to be a success. One way you guarantee success is not to go out and fine tune nuance differences that may exist between various staunch allies. The German position was made public last week. I will continue to work with the leaders of the NATO countries to see that we have a successful summit.

. . . .

Q. —any new commitments on acid rain?

Prime Minister Mulroney. Acid rain, we had an excellent discussion on that. The President has made a very strong statement in regard to his intentions in acid rain, which will involve legislation and cooperation with the Congress. We look forward to that, and once that is achieved, we look forward to the conclusion of a mutual accord which will allow our countries to bring an end, hopefully, a problem that has been a major challenge to both of our governments and one that has blighted the environments of the United States and Canada. We're moving along on that. I'm pleased with what the President had to say today. I met with congressional leaders, including Senator Mitchell [Senate Majority Leader George J. Mitchell], earlier this morning. As the Prime Minister of Canada, I'm pleased with the manner in which this very important matter is going.

. . . .

Q. Mr. Gingrich [Congressman Newt Gingrich] this morning suggested if the Panama election is as fraudulent as many think it will be that perhaps you shouldn't give back the canal. What's your view on that? What's your response to him?

President Bush. My view on that is to warn Panama that the world will be looking at them, not just the United States. In terms of these elections and deciding what to do if the elections are fraudulent—calling on them for free and fair elections—there will be international observers there—and then we will cross whatever hypothetical bridge we have to cross later on. But it's too hypothetical at this point to go beyond that.

But this does give me an opportunity to say that I have been very disturbed by the reports that the election will be less than free and less than fair and less than open. I simply want to encourage the people in Panama to do everything they can to guarantee free and fair elections. What pressures they can bring to bear on the PDF [Panamanian Defense Forces] leader, Mr. Noriega, I don't know. But I would hope, with the world watching, they would insist on free and fair elections.

. . . .

Q. Senator Mitchell mentioned is morning that Canada should be ushing for a bilateral accord on acid ain consecutively, while the Admin-tration introduces its legislation on cid rain. Was there any talk about iat, and will you be pushing for iat?

Prime Minister Mulroney. I think ie President knows my position full-ell. We know that there have to be gislative changes here in the United tates to kind of equate the initiatives iken in Canada. Once that is done, or hile in the process of that being done, ien there has to be an international ecord that is an enforceable document y which we can measure our progress id enforce delinquency in that event. resident Bush is known as a strong ivironmentalist. He's made some very gnificant statements in regard to not ily acid rain but its impact on our bi-teral relationship and his resolve to ean it up. I'm very encouraged.

Q. Did you make any undertak-igs in your lunch in terms of what's oing to be in your clean air legisla-on that's going to help this acid rain roblem?

President Bush. We didn't go into ie specific amounts. As the Prime inister said, he knows of my commit-ent. He knows now that we are in the nal stages of formulating our recom-endations to the Congress—the Clean ir Act. And, indeed, we'll be pre-ared, after those recommendations go rward, to discuss in more detail the ibject that you're asking about. We id have a chance to do what you asked out. If there's anything that the rime Minister of Canada has been ear with me about—and he's been ear with me on everything—it is this ibject. He forcefully brings it up, and tell him where we stand.

Q. The President said you made oncrete suggestions on the issue of ort-range missiles. Can you give us n idea what some of those sugges-ons entailed?

Prime Minister Mulroney. Mr. lark [Canadian Secretary of State for xternal Affairs] has been in touch ith Secretary Baker and others in gard to how this matter might be roached. We discuss it privately with ir allies, and that's what we have ied to do.

But the position of Canada is the one I've set out—it deals with the effectiveness of NATO being predicated on our solidarity and the leadership, a very particular role of leadership by the United States in that equation. We think that within those parameters, we can resolve differences of degree and emphasis that will come up from sovereign states from time to time. We think that this is what the President and I and Secretary Baker and Minister Clark have been working on and will continue to work on.

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Q. Your good friend, Michael Dukakis [Governor of Massachusetts and Democratic Party candidate for President in 1988], said the other day to the Prime Minister that he thought that it was possible for an acid rain treaty between Canada and the United States to be signed within a year. I don't know what your feelings are on this, but could you give us kind of a timeframe? Do you think it's possible that there might be a treaty signed at least before you leave or the next election?

President Bush. There will be great progress made. Whether the treaty proves to be the vehicle for demonstrating that progress, I don't know, and I can't say.

Q. Was there any discussion of a global warming convention, and if so, what direction did it take?

Prime Minister Mulroney. The President and I had an excellent discussion of the entire environmental formula. I expressed the view as well that there can be little progress in terms of the environment unless there's a very strong leadership role played by the United States. I've already indicated to you President Bush's very strong commitment to the environment in all of its related and ancillary and principal dimensions. This is a very, very important one. You can hold all the conferences you want, but if the principal players are not there, then progress can be fairly modest. President Bush indicated to me, as he did in Ottawa, his intention to play a very significant leadership role in all aspects of the environment, and I think we're all very encouraged by that.

Q. Your Administration has been very outspoken in promoting democratic efforts in places like Poland and Nicaragua and around the world. But you haven't really said anything about China. Do you have some words of encouragement for the students who are defying a government ban in order to protest in favor of freedom and democracy?

President Bush. I have words of encouragement for freedom and democracy wherever, and I would like to see progress in China, in the Soviet Union, and in other systems that have heretofore not been in the forefront, to put it mildly, of human rights or of democratic rights. I wouldn't suggest to any leadership of any country that they accept every demand by every group. But I will say that as I reviewed what the demands are today, we can certainly, as the United States, identify with them. When they talk about more free press, we would encourage that, wherever it might be. When they talk about—I forget what the list was of every demand, but a lot of them had my enthusiastic backing, in a broad, generic sense. I would like to encourage China or the Soviet Union or other totalitarian countries—countries that have not enjoyed democratic practices—to move as quickly as they can down democracy's path.

I've been pleased with some of the changes in China. It's changed dramatically since I was living there. But they've got a way to go and other countries in this hemisphere have a long way to go and countries over in Europe have a long way to go. I would encourage them all. Democracy is on the move. This is one thing that the Prime Minister and I talked about. When we go to that NATO meeting, we're going to be on the side that is winning and the side that is right, fundamentally right. Freedom, democracy, human rights—these are the things we stand for. I would encourage every government to move as quickly as it can to achieve human rights.

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[1]Held at the South Portico of the White House (text from Weekly Compilation of Presidential Documents of May 8, 1989). ■

Student Demonstrations in China

by Richard L. Williams

Statement before the Subcommittee on Asian and Pacific Affairs of the House Foreign Affairs Committee on May 4, 1989. Ambassador Williams is Acting Deputy Assistant Secretary for East Asian and Pacific Affairs.[1]

Thank you for the opportunity to appear today to discuss current developments in China.

As you know, since the death of former party leader Hu Yaobang on April 15, there have been demonstrations involving students and others in several cities in China, most prominently in Beijing. Students have also boycotted classes in the capital and elsewhere. Although there have been reports of scattered incidents of violence, the demonstrators—particularly the students who make up the great majority—on the whole, have been quite peaceful in their conduct. And for their part, the authorities to date have shown restraint and caution in dealing with the demonstrators.

Before attempting to explore the causes and possible outcome of these demonstrations, it may be useful to say a few words about the role of students and universities in China.

Role of Students

Briefly China's history for most of this century has been a turbulent one, in which students and others associated with universities, particularly Beijing University, have played leading roles.

Sun Yatsen, the father of the 1911 revolution which overthrew the last dynasty, was a returned student from Japan. The May 4th Movement, in which Chinese expressed outrage that the Treaty of Versailles allowed Japan to gain control of a part of China, was led by students from Beijing University. One of the two founders of the Chinese Communist Party was a professor at Beijing University, and an assistant librarian there later became better known as the leading figure in the party, Mao Zedong. Many years later, it was a wall poster by another Beijing University professor that helped trigger the turbulent period known as the Cultural Revolution. And to bring things down to the present, Deng Xiaoping, still China's paramount leader, is himself a returned student from France.

This brief history helps explain why the authorities have paid considerable attention to the student demonstrations, particularly those in Beijing, and will likely continue to do so.

Student Concerns

What do the demonstrators want? They seem to have a variety of related concerns. Judging by the posters they have carried and the slogans they have shouted, some are concerned about allegations of official corruption; some want to move faster in instituting democratic reforms, while others have economic grievances. In general they are interested in reform of a system which they see as insufficiently responsive to their needs. Their demands and slogans have been carefully cast in a fashion which seeks to avoid a direct challenge to the system, asking that the party and the government live up to ideals in China's Constitution, such as freedom of the press, anticorruption measures, and freedom of association.

As noted the authorities have reacted with caution so far and have not attempted to forcibly restrain the demonstrations or arrest large numbers of participants. At the same time, a *People's Daily* editorial has threatened those seen as challenging the authority of the Communist Party, and the authorities have declared illegal newly formed independent student organizations at Beijing University. According to a report broadcast in both the Chinese and Western media, the authorities have discussed grievances with some student leaders but have not met with those in the "illegal" organizations.

In Shanghai, authorities closed down the outspoken *World Economic Herald* and dismissed its editor.

U.S. Reaction

With regard to the U.S. reaction to the events in China, we have made several points in our noon press briefings.

- We believe in and support the right of peaceful assembly, including peaceful protest and the freedom of expression.
- We regret measures taken contrary to those principles, such as the closing of the *World Economic Herald*.
- We hope that demonstrations in China, if they continue, will remain peaceful and that the authorities will act with restraint.

The future course of the student movement, of course, is hard to predict, as is its possible impact on China's future. China has made much progress in the past decade. Economic reforms have resulted in significant growth, particularly in the countryside. There has also been progress in human rights matters, including greater toleration of religion, relaxed emigration controls, and the beginnings of an effective legal system.

At the same time, China has continued to place restrictions on basic political and civil rights, such as freedom of the press and freedom of speech. We hope that the trend toward more openness and more respect for basic human rights will continue.

[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

U.S., Japan Agree to Codevelop FSX Aircraft

Following are statements by President Bush on April 28, 1989, and Deputy Secretary of State Lawrence S. Eagleburger before the House Foreign Affairs Committee on May 3.

PRESIDENT'S STATEMENT, APR. 28, 1989[1]

I am pleased to announce that the Governments of the United States and Japan have reached understandings that will allow us to proceed with joint development of the FSX fighter aircraft. I am ready to submit the FSX agreement to Congress for its review.

We have been conducting talks with the Japanese to clarify both sides' understandings of this agreement. I am convinced that the codevelopment of this aircraft is in the strategic and commercial interests of the United States. And we weighed this matter from the standpoint of trade, of our industrial growth, and technology transfer, as well as strategic and foreign policy considerations.

This aircraft will improve the basic
-16 design and will contribute to the
ecurity of the United States and our
ajor ally, Japan. There will be no cost
o the American taxpayer, and, at the
ame time, the Japanese will improve
neir ability to carry their share of the
efense burden. The United States will
ave a 40% work share in the initial de-
elopment stage of this aircraft, and
e will have a similar share when the
ircraft goes into production.

We did have several initial con-
erns about the agreement, but I want
o assure you that sensitive source
odes for the aircraft's computer will
e strictly controlled; access will be
ranted to only those codes that are es-
ential to complete the project.

In conclusion the United States is
he world's leader in aircraft manufac-
uring. I believe this aircraft will im-
rove the defense of the United States
nd Japan, and this agreement also
elps preserve our commitment that
.S. aerospace products of the future
ill continue to dominate the world
arkets.

EPUTY SECRETARY
EAGLEBURGER,
AY 3, 1989[2]

ast Friday the President announced
is support for the FSX codevelopment
greement recently reached between
he United States and Japan. Accord-
gly the State Department, on May 1,
rmally notified Congress of the FSX
rogram, in accordance with Section
3(d) of the Arms Export and Control
ct. Beyond the requirements of the
ct, we have transmitted copies of the
emorandum of understanding and re-
ted documents to the Congress.

The final agreement represents a
act not only between the United
tates and Japan but between the Ad-
inistration and the Congress. When
he President entered office, he or-
ered, in response to congressional
oncerns, an interagency review of the
SX agreement, with particular atten-
on to its economic and technological
nplications for the United States.
hat review was undertaken with
reat care; there was no rush to judg-
ent. The review underscored a need
r certain clarifications from the Japa-
ese side—clarifications which we ob-
ained as a consequence of protracted
egotiations. Secretary Baker, who, as
ou know, takes congressional concerns
eriously, was instrumental in securing
hose clarifications.

The Secretary of State was particularly concerned about U.S. jobs. Even before the interagency review was concluded, he stressed to the Japanese in Tokyo the need for assurance that the U.S. share in the production phase would be similar to that for the development phase. We now have that assurance, as well as assurances with regard to U.S. technology flows to Japan and the flow of Japanese technology to the United States. U.S. industry will get 40% of the work in the development phase and approximately a 40% share during production. The consequent benefits to the American worker and American industry have already been described by Secretaries Cheney [of Defense] and Mosbacher [of Commerce].

In considering FSX, we must keep in mind the larger dimensions of our security ties and our overall relationship with Japan. The U.S.-Japan Treaty of Mutual Cooperation and Security, under which Japan furnishes bases in exchange for our commitment to defend Japan, is the foundation for our political and strategic relations throughout the Pacific. Our deployment of forces in Japan is key to our forward defense strategy and our ability to meet global defense commitments.

The FSX will bolster Japan's defense capability with an upgraded version of an already front-line fighter, strengthen our overall alliance, and allow Japan to assume a larger share of the common defense burden. In addition as the first military codevelopment project between the world's two most technologically advanced countries, FSX sets an important precedent for future U.S.-Japan cooperative defense efforts.

We made suggestions to Tokyo on ways to clarify the FSX agreement. The Japanese in turn gave us the assurances we sought. We now have an agreement that clearly serves the national interests of the United States.

[1]Text from Weekly Compilation of Presidential Documents of May 1, 1989.

[2]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Competitiveness in the Global Marketplace

by Richard T. McCormack

Address before the President's Executive Exchange Alumni Association on May 11, 1989. Ambassador McCormack is Under Secretary for Economic Affairs.

I'd like to talk to you today about the future of America's competitiveness. We now live in a world in which far-reaching changes in international economic and financial relationships, accelerated by advances in technology, transportation, and communications, have stimulated increasing global competition. As we approach the economic summit in Paris this summer, now is a good time to take stock of our position and prospects in this emerging global marketplace.

My basic theme is that the key to our international competitiveness is also the key to our trade policy and to our leadership role in the world economy: that is, to maintain responsiveness to market forces domestically and internationally. The key to competitiveness, in other words, is competition. We must be ready, willing, and able to move resources around—to structurally adjust our economy—in order to meet global standards of excellence.

There has been a lot of talk in recent years about America's declining competitiveness in world markets. Yet, for all the pronouncements of doom and gloom, the facts suggest a different, more nuanced story.

In fact, we are currently in the seventh year of sustained economic growth, an unprecedented accomplishment in peacetime. Nearly 20 million jobs have been created since November 1982, and the civilian unemployment rate in recent months has reached the lowest figure since 1973. The U.S. economy is not only alive and well, it is booming.

If this is the case, then what is the controversy over competitiveness? Much of the problem, as I see it, lies in how we define the word. In some quarters, for example, the trade balance is often mistakenly seen as a yardstick of competitiveness. One is then led to the conclusion that the large U.S. trade deficits of recent years are indication of competitive decline. Yet the trade bal-

ance is not an accurate measure of competitiveness. Using this criterion, we would conclude, for example, that the Cote d'Ivoire, which had a trade surplus in 1988, is more competitive than the United States.

The Budget Deficit

But let's take a closer look at our trade imbalance. There are three basic factors that can explain our trade performance—one explaining the overall balance, the other two explaining the performance of specific industries.

Domestic Economic Environment. The first and by far the most important one is the domestic economic environment that provides the setting for trade. The essential truth is that the trade deficit is a macroeconomic phenomenon. A deficit means that our spending for consumption, investment, and government programs together are greater than production, with the difference coming from abroad. Increases in the government's budget deficit, in consumption, or in domestic investment in the United States can create an offsetting trade deficit. Since we do not want to discourage investment, in order to reduce the trade deficit, we must produce more, consume less, and save more or reduce the Federal budget deficit. Since the trade deficit is the result of imbalances in these broad aggregates, economic policies bearing on consumption, savings, investment, and the Federal budget are the appropriate tools for correcting our trade deficit.

Sectoral Competitiveness. When we observe the trade performance of specific sectors of the economy, a second factor—sectoral competitiveness—emerges. While we continue to be leaders in many sectors of the economy, in some U.S. industries the quality of goods, marketing, and distribution efforts have been inferior to that of foreign competitors. When inferior quality develops, it is immediately reflected in consumers' choices in the marketplace. If a product made in the United States is not as desirable as the item produced by the the foreigner, or as efficiently marketed, then the U.S. producer will lose market share to the foreign rival.

Protectionist Policies. Finally, protectionist policies play a role in the trade of specific goods. Everyone involved in international business knows of foreign government policies or business practices which effectively closed market access. The "level playing field" is an important issue in our trade negotiations, and for specific industries, trade policy measures can be geared to open markets abroad. Nonetheless, foreign tariffs, quotas, and other barriers to trade are not the principal cause of the overall trade deficit. The U.S. trade deficit widened significantly in the 1980s, yet there was no massive increase in trade barriers during this period. The principal reason for the trade deficit lies not in foreign barriers nor in the stars, it lies within ourselves.

Policies of massive retaliation and "managed trade" will, therefore, not solve the trade deficit issue or the competitiveness issue for that matter. They will only succeed in wrecking the international trading system. We must never forget that the massive increase in trade barriers in the 1930s made the depression even deeper. We must also remember that trade liberalization is a key reason for widespread economic progress in the last 40 years.

Without minimizing our trade deficit problems, let me offer an alternative definition of national competiveness: the ability of a country's economy to sustain a high and growing standard of living compared with other countries, based on the quantity and quality of the goods and services it produces. This, it seems to me, is what we're really after—a measure of overall economic performance.

With this in mind, we can ask the really important questions: Is the U.S. economy performing at its maximum potential? And how do we stack up against the rest of the world?

Using this new definition, the United States remains very competitive, indeed. In terms of real standards of living, the United States ranks highest among OECD [Organization for Economic Cooperation and Development] countries. In 1987, we were approximately 20% ahead of both Japan and West Germany.

Many of our trading partners have begun, to be sure, to "catch up" with the United States in recent years by closing the gap in productivity and living standards; but that should not be viewed as a failure on our part. On the contrary, the economic recovery of Europe and Japan in the postwar period, as well as the emergence of the newly industrialized economies, should be viewed as major successes to which U.S. foreign and economic policies have made a significant contribution. Economic growth is the best friend of democracy, and stable democracies in these countries serve U.S. interests.

More to the point, competition among these countries and the United States is the lifeblood of a healthy world economy, and every country which joins the challenge gains from it. Too often, the trend toward increasingly competitive world markets is viewed with apprehension as a zero-sum game. The remarkable record of trade liberalization, increasing competition, and economic growth in the postwar period belies this fear.

These remarks are not to suggest, of course, that American companies should look with equanimity on their performance or on foreign trade barriers. Although U.S. labor productivity still ranks highest in the world in absolute terms, a recent MIT [Massachusetts Institute of Technology] study cites lagging U.S. productivity ***increases*** in recent years as a major problem, for example. In specific companies, there are other problems, too, such as poor product quality and marketing efforts mentioned earlier, inadequate worker training, and an inordinate emphasis on short-term profits. These difficulties can be summarized as lack of responsiveness to the marketplace—now increasingly global.

Adjustment to Changing Markets

The successful economic performance of the United States over the years has been the result of our flexibility in deploying our labor force, our capital, our know-how, and our other economic resources to their most productive use. Our future economic success will similarly depend on our ability to provide a responsive economic environment and adequate incentives to maintain this dynamism.

Economic growth, in other words, requires continuous adjustment. Our economic welfare is improved when our workforce and capital readily shift to more highly valued activities in response to changes in demand, technology, and the costs of production.

In sum, the key to international competitiveness is maintaining a high degree of openness to change in the domestic economy. Ossification—through policies and practices that block this

djustment process—kills our ability to mpete, just as it nearly paralyzed the onomies of certain European coun- ies in the 1970s.

Promoting domestic competition so requires a free and open policy ward the international flow of goods, rvices, capital, and technology. In- rnational competition will shift our sources to areas where we have a mparative advantage. This means, of urse, that we cannot be number one every endeavor, but an open trading stem based on specialization means at we do not have to be number one every industry. The performance of dividual sectors is not the key issue determining who is number one any ore than in sports; the statistics of ny individual player measure the per- rmance of the team.

Secondly, competitiveness depends the quality of our labor force. Edu- tion and training embodied in Ameri- n workers are estimated to account r about three-quarters of the United ates' total stock of productive capital. uring the postwar era, improvements this human capital—which we con- nue to strive for—contributed 10%– % of real output growth. Similarly, vestments in research and develop- ent have led to technological ad- ncements which have improved oductivity. With this framework in nd, we can now put the policy issues to clearer perspective.

overnment's Role in conomic Competitiveness

erall, there is a certain, but limited, le for government; the best way to en- nce competitiveness is basically to t it happen on its own. While govern- ent's role is essential in some areas to otect the common good, American trepreneurs as a rule don't need gov- nment officials making decisions for em. We might be better off, for ex- ple, reducing legal restrictions on int high-tech production ventures for e sake of stimulating technological vancement. The role of active gov- nment policies should be to create an onomic environment conducive to mpetition, innovation, and growth.

First, we must all work to reduce e Federal budget deficit. As I sug- sted earlier, this is one key to reduc- g our current account deficit. But yond that, reducing the need for e Federal Government to borrow creases the capital available for ivate-sector investment.

World Trade Week, 1989

PROCLAMATION 5971, MAY 5, 1989[1]

At no other time in U.S. history has international commerce been so important to domestic economic growth. Increased exports mean prosperity for America. World Trade Week provides an excellent opportunity for American business men and women to reaffirm their commitment to the pursuit of export markets.

Trade figures for the past year indicate that American businesses are moving in the right direction. U.S. export performance during 1988 was responsible for the highest growth rate this decade and the largest reduction in the trade deficit in history. During 1988, U.S. merchandise exports grew 28 percent, reaching record levels ($320 billion). These exports generated 40 percent of real GNP growth during the year and contributed to the creation of a near record number of jobs. An improved global economic climate and measurable improvements in the quality of American goods and services contributed to this promising export performance.

The favorable market conditions that made our goods and services competitive in 1988 continue to exist in 1989, and U.S. businesses must take full advantage of this situation. American industry can benefit substantially from trade opportunities created by recent events in the world marketplace. For example, when the historic United States-Canada Free Trade Agreement entered into force on January 1, 1989, it heralded the beginning of a new era in America's economic relations with our largest trading partner. It also created abundant opportunities for U.S. firms to reach the market offered by our 26 million neighbors to the north.

The European Community's formation of a single market by the year 1992 has the potential to provide even more trading opportunities for American business. However, U.S. firms need to prepare for 1992 now if they are to realize greater export sales.

This Administration is committed to forging a partnership with our Nation's business community to help ensure continued economic prosperity and growth into the 1990s. Trade and U.S. competitiveness are top priorities. I am firmly committed to opening world markets to U.S. exports and promoting our free trade agenda on both multilateral and bilateral levels.

The United States led in initiating the current round of General Agreement on Tariffs and Trade (GATT) negotiations, and we shall remain vigilant in our efforts to ensure that the GATT negotiations result in a strengthened international trading system that creates new opportunities to expand trade and achieve economic growth.

We shall pursue our quest to eliminate unfair trade practices, and we shall also use the tools provided by the Congress in the Omnibus Trade and Competitiveness Act of 1988 to ensure an open world marketplace.

In short, this Administration will continue to do its part to ensure a strong economy into the 1990s. American business, however, must take the lead in meeting the important challenge of increasing our competitiveness in world markets.

NOW, THEREFORE, I, GEORGE BUSH, President of the United States of America, by virtue of the authority vested in me by the Constitution and laws of the United States, do hereby proclaim the week beginning May 21, 1989, as World Trade Week. I invite the businesses and workers of America to join together with the Federal Government in observance of World Trade Week. Together, we can ensure continued prosperity for our country through global trade.

IN WITNESS WHEREOF, I have hereunto set my hand this fifth day of May, in the year of our Lord nineteen hundred and eighty-nine, and of the Independence of the United States of America the two hundred and thirteenth.

GEORGE BUSH

[1]Text from Weekly Compilation of Presidential Documents of May 8, 1989. ■

A related policy objective is to maintain a stable macroeconomic environment. Hard experience has taught us how inflation can damage our economic system by distorting relative prices and investment decisions. The Federal Government owes it to all Americans to erase the specter of inflation.

The next, and equally important, role of government is to maintain open markets, both here and abroad. For in a rapidly changing high-tech environment, the free flow of goods, services, information, and capital is essential if we are to maintain flexibility in world markets.

To this end, the Administration is pursuing policies of open trade. These efforts are taking place, I need not remind you, in the face of strong protectionist pressures. But we should all clearly understand that openness to international markets in maintaining our competitiveness makes the Bush Administration's commitment to an open trading system not only a matter of principle but also one of national self-interest.

Furthermore, barriers to imports are a tax on our export industries. They deprive our exporters of access to the range of intermediate goods available to their foreign competitors. Moreover, they push resources into less efficient industries, decreasing our economic welfare, and raising costs for exporters.

At the same time, we are attempting to reduce foreign trade barriers. The centerpiece of this strategy is the Uruguay Round of multilateral trade negotiations, which holds the potential of achieving significant agreements on trade in agriculture and services, protection of intellectual property rights, and strenghtening the GATT [General Agreement on Tariffs and Trade] system. These negotiations are, therefore, of great importance in providing fair access to the growing foreign markets in which U.S. exporters can flourish.

Finally, this Administration supports free international investment flows. Barriers to foreign direct investment deprive us of foreign capital and restrict our access to foreign technology.

We are also pursuing policies to promote domestic investment which creates new jobs, new markets, and new technologies. Let me mention two ways to promote investment. Earlier I mentioned the benefits of deficit reduction for investment. In addition, the President favors reducing the capital gains tax to 15% on long-held assets, which would further encourage private investment.

Increased investment should greatly benefit research and development, with decisions made primarily by the private firms which receive the benefits of such investments. Acknowledging the key role of patent protection in stimulating innovation in publicly supported research, we now encourage the patenting of technologies resulting from research performed in Federal laboratories.

The government has taken other steps to promote research and development.

- The President has proposed a permanent extension of the research and experimentation tax credit.
- The Administration is funding a number of new university-based interdisciplinary science centers to perform long-term research in emerging technologies.
- The Administration has also called for increased funding for NASA [National Aeronautics and Space Administration] and the superconducting-supercollider.
- Finally, the President has proposed doubling the budget of the National Science Foundation by 1993.

Education Innovation and Reform

President Bush has stated his desire t be known as the "education President The government is, therefore, stressing improvements in the quality of ou system of education. Without improve education, we cannot remain flexible, and without flexibility we cannot be competitive.

In this regard, we must improve the knowledge and skills of the workforce needed to create new technologies and convert them into new products and services. Just as we reoriented our educational system after Sputnik, perhaps the time has come t see we are adequately equipping the next generation to compete in the world marketplace.

We are already working with the National Science Foundation on a wid range of programs to improve the science and engineering workforce. The proposed education excellence act of 1989 will further improve elementary and secondary education by building on earlier initiatives which have stimulated educational innovation and reform.

Education has even broader and more far-reaching importance for the future of America's competitiveness. For in a flexible, dynamic economy, ec

Deconfrontation on Cyprus

DEPARTMENT STATEMENT, MAY 18, 1989[1]

On May 17, the United Nations announced in Cyprus that a deconfrontation plan had gone into effect that morning in Nicosia. Under the plan, Greek Cypriot and Turkish Cypriot forces evacuated a number of positions on the cease-fire line in the old walled city of Nicosia.

This represents an important practical step toward alleviating tensions and averting incidents. It is a measure which we strongly supported. We congratulate the parties concerned and the United Nations which worked with them to bring about this success.

This deconfrontation agreement is the product of leadership and vision. As the parties continue their discussions under the auspices of the UN Sec retary General, we hope that this significant achievement will be a prelude to further progress on immediate problems and on the larger issues bound up in the Cyprus dispute.

[1]Read to news correspondents by Department deputy spokesman Richard A. Boucher. ■

cation must never stop. We must be illing to assimilate new ideas and ap- ly our skills and ingenuity to ever- hanging markets, just as the great merican inventors have done in the ast.

In the global marketplace, this eans that we must maintain an in- ernational outlook on new ideas and echnologies. American engineers, cientists, and business executives ust be encouraged to gain interna- onal experience, to recognize emerg- ng market opportunities abroad, and ven to learn the foreign languages ecessary to remain at the forefront of ew developments in their respective elds.

onfidence in America's Future

et me sum up by returning to the riginal question: Where does America and in the world economy? My answer that we have a very sound economy ith continuing high potential.

We can best understand the basic undness of the U.S. economy by bserving two very significant facts. irst, in testimony to economic per- rmance, the rest of the world has cho- n to invest heavily in the United tates in recent years. That, in itself, a vote of confidence in America's ture.

An even more direct sign that we ill respond positively in the years ead, finally, is the fact that so many ghly motivated immigrants still seek make the United States their home. s did our parents, grandparents, and ose before them, the new immigrants nstantly renew the American spirit enterprise and hope. Their contribu- ons, in themselves, immeasurably add our strength to forge ahead.

Thus, while government lays the roundwork, the ingenuity and drive the American people and American nterprises will be called upon to re- ond to the major challenges we face— djustment to changing markets, the dget deficit, and the need for a well- ducated labor force. Our reply to ese challenges will determine the fu- re of American competitiveness. I, r one, am confident of the outcome. ■

Visit of King Hussein I

(White House photo by David Valdez)

His Majesty King Hussein I of the Hashemite Kingdom of Jordan visited Washington, D.C., April 17–21, 1989, to meet with President Bush and other government officials.

Following are remarks made by the President and His Majesty after their meeting on April 19.[1]

President Bush

I have had the pleasure and honor of an intimate discussion with an old friend, His Majesty King Hussein of Jordan. The relationship between Jordan and the United States has deep roots; it's founded on a commonality of interests and mutual respect. And it is in this spirit that His Majesty and I reviewed the situation in the Middle East and, in particular, the search for Arab-Israeli peace. We talked also of the concerns that we both have about Lebanon.

Few individuals can match the dedication of His Majesty King Hussein to the cause of peace, for his is a commitment to explore opportunities, examine options, pursue possibilities. I explained to him our thinking on the need to diffuse tensions, to promote dialogue, to foster the process of negotiations that could lead to a comprehensive settlement. I reiterated my belief that properly designed and mutually acceptable elections could, as an initial step, contribute to a political process leading to negotiations on the final status of the West Bank and Gaza.

I also reaffirmed to His Majesty our longstanding commitment to bring about a comprehensive settlement through negotiations based on UN [Security Council] Resolutions 242 and 338 and the principle of territory for peace. Through these negotiations, peace and security for Israel and all states, and legitimate Palestinian political rights,

Jordan—A Profile

'From 1949 to 1967, Jordan administered that part of former mandate Palestine west of the Jordan River known as the West Bank. Since the 1967 war, when Israel took control of this territory, the United States has considered the West Bank to be territory occupied by Israel. The United States believes that the final status of the West Bank can be determined only through negotiations among the parties concerned on the basis of Security Council Resolutions 242 and 338. The US view is that self-government for the Palestinians of the West Bank in association with Jordan offers the best chance for a durable, just, and lasting peace.

Geography

Area: 91,000 sq. km. (35,000 sq. mi.). **Cities:** *Capital*—Amman (pop. 648,000). *Other cities*—Irbid (112,000), Az-Zarqa (215,000).

People

Nationality: *Noun and adjective*—Jordanian(s). **Population** (1980 census): 2.8 million. **Annual growth rate** (1986 est.): 3.65%. **Religions:** Sunni Muslim 95%, Christian 5%. **Languages:** Arabic (official), English. **Education:** *Literacy* (1984)—71%. **Health:** *Infant mortality rate* (1984)—50 1,000. *Life expectancy* (1984)—64 yrs. **Ethnic groups:** Mostly Arab, but small communities of Circassians, Armenians, and Kurds. **Work force** (1981): *Agriculture*—80%. *Manufacturing and mining*—20%.

Government

Type: Constitutional monarchy. **Independence:** May 25, 1946. **Constitution:** January 8, 1952.

Branches: *Executive*—king (chief of state), prime minister (head of government), Council of Ministers (cabinet). *Legislative*—bicameral National Assembly (appointed Senate, elected Chamber of Deputies). *Judicial*—civil, religious, special courts.

Political party: Only the government-sponsored Arab National Union is officially recognized. **Suffrage:** Universal.

Defense: About 12% of GNP.

Economy

GDP (1986): $4.3 billion. **Annual growth rate** (1986): 2.6%. **Per capita GDP** (1986): $1,530.

Natural resources: Phosphate, potash.

Agriculture: *Products*—fruits, vegetables, wheat, olive oil. *Land*—11% arable.

Industry (20% of GDP): *Type*—phosphate mining, manufacturing, cement, and petroleum production.

Trade (1986): *Exports*—$732 million: fruits, vegetables, phosphates. *Major markets*—Iraq, Saudi Arabia, India, Romania, Kuwait, Pakistan. *Imports*—$2.4 billion: machinery, transportation equipment, cereals, petroleum products. *Major suppliers*—US, UK, FRG, Iraq, Japan, Saudi Arabia, Syria.

Fiscal year: Calendar year.

Official exchange rate (1986): .35 Jordanian dinar = US$1.

US economic aid received: $1.7 billion (1952–87)—loans, grants, PL–480 (Food for Peace) programs.

Membership in International Organizations

UN and several of its specialized and related agencies, including the Food and Agriculture Organization (FAO), International Atomic Energy Agency (IAEA), World Health Organization (WHO), World Bank, International Monetary Fund (IMF); Organization of the Islamic Conference (OIC); INTELSAT; Nonaligned Movement; Arab League.

Taken from the *Background Notes* of June 1988, published by the Bureau of Public Affairs, Department of State. Editor: Juanita Adams ■

can be realized. In addition, a properly structured international conference could serve, at the appropriate time, as a means to facilitate direct negotiation between the parties.

The time has come to encourage fresh thinking, to avoid sterile debate, and to focus on the difficult but critical work of structuring a serious negotiating process. His Majesty committed Jordan to this task.

An important part of this effort, and of the stability of the Middle East as a whole, will be the continued economic and military strength of Jordan. Jordan's security remains of fundamental concern to the United States, and I have reassured His Majesty that the United States will do its utmost to help meet Jordan's economic and military requirements.

His Majesty King Hussein and I delved deeply into the broader regional and internal problems, and as always, benefited greatly from the wisdom of my friend. Together we pledge to continue the close cooperation and coordination that mark the relations between Jordan and the United States.

In closing, I would like to express my best wishes to King Hussein and to the people of Jordan for an auspicious month of Ramadan and a blessed 'Id holiday.

His Majesty King Hussein I

It is a great pleasure, as always, to return to the United States, a country with which Jordan has enjoyed a special relationship for so many years. It is even a greater pleasure on this occasion to be meeting with you, a treasured friend of longstanding. Your dedication to the service of your great country has been a source of inspiration, respect, and admiration to me, as it is to all who know you.

I know how devoted you are to the cause of peace. I share this devotion. I sincerely hope that through our common devotion to peace, we can, with those who are equally devoted, finally bring peace to the Middle East.

You are the sixth President with whom I have joined to pursue that peace. I first visited this historic house in 1959 to meet with President Eisenhower. It marked the beginning of a warm and productive relationship between our two countries, a relationship which has flourished because of our shared values, shared interests, and shared goals. It is a relationship

hich my country and I cherish. I am eartened that the talks we are enaged in will contribute to a deepening f this relationship.

One of our goals, which despite 2 years of efforts we have yet to chieve, is a comprehensive settlement f the Arab-Israeli conflict. The princiles for that settlement were estabshed many years ago: UN Security ouncil Resolutions 242 and 338. These esolutions provide for the withdrawal f Israeli forces from the territories ocupied in 1967 in return for the estabshment of peace, arrangements for ecure and recognized borders, and egotiations under appropriate auspices o implement these provisions.

Your recent expressed reaffirmaion of American support for the end of sraeli occupation and return for peace nd for the political rights of the Palstinian people are integral parts of ny comprehensive settlement is both onstructive and commendable. As a esult of a recent decision by the Palstine Liberation Organization (PLO) o accept the right of Israel to exist, to egotiate a settlement with Israel ased on Security Council Resolutions 42 and 338, and to renounce terrorsm, a significant contribution to peace as been made.

This historic decision has the overhelming support of the Arab world. he decision by the United States to ndertake substantive discussions with he PLO has further improved the rospects for peace. I hope this will rompt Israel to respond similarly to he requirements of peace and recogize the legitimate representative of he Palestinian people. Peace can neher be negotiated nor achieved without 'LO participation.

I believe the bases for peace are aleady established. What is required is o implement them. The forum for a neotiated comprehensive settlement is a eace conference under the auspices of he United Nations. In my opinion, any teps taken should lead to such a conerence, if our efforts to arrive at a omprehensive settlement are not to be iverted. All the people in the Middle ast need peace and an end to this ragic and interminable conflict. The ewards of peace are limitless and far utweigh any advantage which might e gained by any party from continued ontroversy and conflict. The condiions for peace exist. We all must display the vision and determination to apitalize on them.

Allow me to say, as one of your many friends and as one who knows well your qualities, abilities, devotion, and dedication to the cause of peace, that you are the right leader in the right office at the right time. I know the high esteem with which you are held throughout the Middle East. You are in a unique position to help the protagonists in our area to engender the needed trust and hope and to assist us in bringing the conflict to a just and durable conclusion. I can assure you that I fully support you and all your efforts in this regard.

[1]Made in the Rose Garden of the White House (text from Weekly Compilation of Presidential Documents of Apr. 24, 1989). ■

Relief Aid to Lebanon

DEPARTMENT STATEMENT, MAY 19, 1989[1]

The United States is pleased to announce that $200,000 has been allocated for disaster relief efforts in Lebanon. The assistance will be used to provide medical supplies and to meet other urgent relief needs to the Lebanese affected by the recent fighting. These supplies are intended for all segments of the affected population through the several private voluntary organizations active in Lebanon.

We are also happy to announce that a shipment of 7,302 metric tons of U.S. food for the Lebanese people has arrived in Lebanon. This food—rice, lentils, and vegetable oil—is part of a Food for Peace program through which the U.S. Government will provide the Lebanese people nearly 30,000 metric tons of foodstuffs worth $18 million from October 1988 to October 1989.

Through this humanitarian relief program, we provide about half the food for nearly 700,000 Lebanese.

[1]Read to news correspondents by Department deputy spokesman Richard A. Boucher. ■

Situation in Lebanon

DEPARTMENT STATEMENT, APR. 28, 1989[1]

The United States welcomes the call by Arab League Foreign Ministers for a cease-fire and the lifting of all blockades. We fully support the decision to send Arab League observers to monitor the cease-fire.

We note that Gen. Awn [Christian-backed leader] and Dr. Huss [Muslim-backed leader] have accepted the cease-fire, and we urge all other parties to the fighting to abide by the Arab League's call. Outside parties involved in Lebanon must exercise the utmost restraint. The United States applauds the determined efforts of the Arab League to restore security and stability to Lebanon.

We encourage the Arab League to continue its initiative to help the Lebanese resolve their political impasse. The United States remains committed to the restoration of Lebanon's sovereignty, unity, and territorial integrity with the withdrawal of all foreign forces and the disbandment of militias.

DEPARTMENT STATEMENT, MAY 4, 1989[1]

The United States welcomes the announcement by Gen. Awn that he will suspend temporarily his blockade of the ports. Gen. Awn's decision can strengthen the political process underway to restore Lebanon's security and stability and to end the suffering of the Lebanese.

We call on all parties to cooperate fully with the Arab League effort to send observers to Lebanon as soon as possible to monitor the cease-fire. We congratulate the Arab League and its Committee on Lebanon for the success it has achieved so far in arranging a cease-fire, and we encourage the league to renew its initiative to promote a political dialogue among Lebanese leaders on the issue of national unity and constitutional reform.

The United States remains fully committed to the restoration of Lebanon's unity, sovereignty, and territorial integrity with the withdrawal of all foreign forces and the disbandment of militias.

[1]Read to news correspondents by Department spokesman Margaret DeB. Tutwiler. ■

U.S. Responsibilities in International Fisheries Matters

by Edward E. Wolfe

Statement before the Subcommittee on Fisheries and Wildlife Conservation and the Environment of the House Merchant Marine Committee on May 2, 1989. Mr. Wolfe is Deputy Assistant Secretary for Oceans and International Environmental and Scientific Affairs.[1]

I am pleased to be here today to discuss the reauthorization of the Magnuson Fisheries Conservation and Management Act. I would like to say at the outset that, from the perspective of the Department of State, the act and its implementation have been a noteworthy success. The Department has no changes to recommend to the act.

As the subcommittee is aware, among the fundamental purposes of the Magnuson act are to conserve and manage U.S. fisheries resources, to promote domestic commercial and recreational fishing under sound conservation and management principles, and to encourage the development by the U.S. fishing industry of fisheries off the coasts of the United States. The principal role of the Department of State, in the process established by the act to achieve these purposes, has been to negotiate governing international fisheries agreements with foreign nations desiring to operate off the U.S. coasts and to allocate surplus American fisheries resources to fishermen from countries with which the United States has governing international fisheries agreements in force.

"Americanization" of Fisheries

The principal fisheries policy which the United States has pursued since 1980 has been called the "Americanization" of fisheries in the U.S. exclusive economic zone (EEZ). Consistent with this policy, the Department of State and the Department of Commerce have followed the allocation criteria specified in Section 201 of the Magnuson act. During the decade of the 1980s, direct allocations to foreign countries have fallen from a high in 1980 of 2,176,789 metric tons (MT) on both coasts, to 51,577 MT (Atlantic mackerel and bycatch species) thus far in 1989. The policy has been responsible for and, at the same time, has been driven by dramatic changes in our fisheries. The growth in the U.S. catch of Alaska pollock and the development of the squid fisheries on the east coast are two examples which come to mind. As the foreign fisheries declined, joint ventures expanded during the early part of the same period. Joint ventures, usually involving U.S. fishermen selling their catch to foreign vessels in our zone, reached a peak in 1986, when 1.5 million MT were caught. Americanization is rapidly reducing joint venture fishing operations each year, which is the intent of the law.

To send the diplomatic signal to foreign countries fishing in the U.S. EEZ that the United States was changing its approach with regard to bilateral fisheries agreements, we began several years ago to extend certain agreements for only a 2-year period. We have not renegotiated a governing international fisheries agreement for several years. Our approach has been to offer each governing international fisheries agreement nation the choice of accepting a 2-year extension of their existing agreement (with changes to make it conform with current U.S. law and policy) or to allow their agreements to expire. During the 1980s, the number of governing international fisheries agreements in force has been reduced from 17 to 9, counting the comprehensive bilateral fisheries agreement with the Soviet Union. I might note at this point that we do not have a goal of elminating all governing international fisheries agreements, since in some cases they are a useful vehicle for arrangements, such as joint ventures, which may benefit U.S. fishermen during this stage of development of the U.S. fishing industry.

From an international perspective, the problems which the Magnuson act intended to address when it was written over a decade ago, for the most part have been resolved. That is, the United States is now fully controlling the fisheries resources off our coasts. In fact, for all practical purposes, foreign fishing in the U.S. zone has been eliminated. One might say that, in a sense, a chapter in U.S. fisheries relations with countries which traditionally fished off the U.S. coast has been closed.

We are now pursuing new and innovative methods of doing business with our foreign fishing partners. For example, we have been promoting the establishment of equity joint ventures between U.S. and foreign companies. Japan has participated in the development of several *surimi* [a processed fish product] processing plants in Alaska, and other countries are currently involved in other equity investment projects.

As we have gone about the process of reducing and, in fact, practically eliminating the foreign fishing off the U.S. coast, we have inevitably encountered a reaction from the foreign governments involved. While U.S. fisheries policy and corresponding actions have not been popular with our foreign colleagues, all of the foreign nations involved have accepted the reality of coastal state control over the management of coastal fisheries resources inside 200 miles and its inevitable consequence. I might add for the record that we have not experienced any serious foreign policy problems as a result of the phase out of foreign fishing in our zone.

As one chapter of our international fisheries relations has come to a close, other international areas are requiring more of our attention. In some cases, these areas have long been the focus of considerable attention by the Department of State. We have important responsibilities in international fisheries matters other than the allocation of surplus resources to governing international fisheries agreement countries. Three broad areas of U.S. international fisheries interests come to mind.

Cooperation in Multiple Fisheries Zones

The first area involves the question of how to deal with fishery stocks which are partly in the U.S. zone and partly in either the zones of neighboring countries or in the high seas areas beyond the 200-mile jurisdiction of any nation. For example, one of the main issues we face in the North Pacific is the dramatically increased level of fishing by third countries in the Bering Sea beyond 200 miles, the so-called donut area. In this region, fishing vessels from Japan, Korea, Poland, and China have concentrated their efforts and increased harvests of pollock from some 100,000 MT in 1984 to about 1.3 million MT in 1988. This is totally unacceptable. According to our scientists, this dramatic increase in fishing is adversely affecting economically vital U.S. pollock stocks as well as other stocks in the

ering Sea. We are currently working th the Soviet Union, the other Ber- g Sea coastal state, to develop meas- es for addressing the unregulated sheries in the donut area. In these lks, the United States has proposed lling for a temporary moratorium on shing in the donut by all countries, cluding the United States, until an equate multilateral conservation re- me for the region can be established.

Talks with the Soviet Union on mu- al fisheries concerns will resume in oscow in late May or early June. In dition to the Bering Sea donut issue, e two sides will discuss measures to nserve salmon on the high seas. Un- r a memorandum of understanding gned on February 9, both countries ve agreed to the principle that high as salmon fishing is a wasteful prac- e and should be eliminated. We also reed to increase bilateral coopera- n on high seas salmon enforcement sues. During the next meeting in oscow, we will be discussing possible ng-term regimes for the conservation salmon throughout the North Pacific.

We also face a major conservation oblem in the form of the large squid d tuna driftnet fleets from Japan, brea, and Taiwan operating through- t the North Pacific. These fleets uti- e daily some 30,000–40,000 miles of bating driftnet, which entangle those arine resources migrating through e fishing grounds. This type of asteful and indiscriminate fishery kes large quantities of marine mam- als, seabirds, and other nontarget liv- g marine resources. In addition, if e fisheries operate in certain north- n areas, they will intercept valuable S.-origin salmon. There is, in fact, idence that squid driftnet vessels m Taiwan, and possibly other coun- ies, are involved in illegal directed lmon fishing. For instance, the U.S. oast Guard recently sighted several iwan squid driftnet vessels operat- g in an area that is closed to them. his incident has added to our concern th the activities of the driftnet fleets the North Pacific.

Pursuant to the 1987 Driftnet Act, e have been involved in talks with Ja- n, Korea, and Taiwan with the aim of aching adequate agreements for the nitoring and enforcement of these iftnet fleets. Although we continue actively press for such agreements, ogress has been slow in some in- ances and practically nonexistent in hers. We have faced resistance on the rounds that fisheries on the high seas should be controlled only by the flag state. If adequate agreements are not reached by June 29, the Driftnet Act requires that the Secretary of Commerce certify such fact to the President under the Pelly amendment. The President then has the discretion to place sanctions on imports of fisheries and aquatic products from the countries involved.

U.S. Bilateral Fisheries Relationships

Soviet Union. On a more positive note, turning to the matter of neighboring countries, one approach to bilateral fisheries relations is the recently concluded comprehensive bilateral fisheries agreement with the Soviet Union, which covers all aspects of our bilateral fisheries relationship. The agreement provides for access to each other's waters on a reciprocal basis and for cooperation on fisheries issues of mutual interest. The agreement also lays the groundwork for increased cooperation on bilateral fisheries science and research issues.

This landmark agreement, which was the product of 8 years of talks, provides U.S. fishermen, for the first time, access to the Soviet 200-mile zone. Because of ongoing economic restructuring efforts in the U.S.S.R., our Embassy in Moscow informs us that there is strong Soviet interest in establishing joint enterprises with foreign companies, especially in the field of fisheries. Several U.S. companies are now in the process of finalizing joint enterprises with their Soviet counterparts which will provide for joint harvesting, processing, and marketing of fish from Soviet waters.

The Soviet agreement also provides for increased bilateral cooperation on fisheries issues of mutual concern. As noted previously, one of the major issues both countries have been considering is the effect of the vastly increasing fishing levels in the Bering Sea donut on adjacent fish stocks in the U.S. and Soviet EEZs. We have also been working jointly to address the conservation of salmon in the high seas areas of the North Pacific. I believe we are making progress in this area.

Canada. The idea of reciprocal fishing arrangements may not be appropriate in other cases involving U.S. fisheries relations with neighboring countries. In the case of the U.S.-Canada fisheries relationship, for example, such an approach would likely be very controversial. On the U.S. side, there is no domestic consensus that the United States and Canada should have a more formal fisheries relationship involving reciprocal fishing rights or joint management efforts. As we know from past experience, unless such a domestic consensus exists, it is futile for the government to proceed. At the same time, we recognize the need for close cooperation with Canada on fisheries matters, since in some instances both countries are managing the same stocks of fish, and historically our overall fisheries trade and industry relationship has been a very close one.

Our approach has been to enhance U.S.-Canada communications on fisheries matters and to find as much common ground as possible on fisheries issues of mutual interest. At a minimum, we need to ensure that the different approaches to fisheries management used in the Canadian and U.S. systems do not conflict and thus counteract each other.

There are examples of cooperation between U.S. and Canadian fishing interests in some sectors. Canadian authorities in Nova Scotia have put in place minimum size restrictions which parallel our own. In the area of enforcement, U.S. and Canadian authorities have taken steps to increase cooperation and reduce conflicts along the U.S.-Canadian maritime boundary. Also, we are in the process of attempting to arrange with Canada a jointly sponsored conference on the scientific basis for fisheries management, which we believe could be an important step in fostering better mutual understanding of each nation's management system. The U.S. approach to our fisheries relationship with Canada has been to proceed cautiously and to pursue, on a step-by-step basis, somewhat limited and hopefully achievable goals, consulting with Congress and U.S. fishing interests as we proceed. In recognition of the long-term fisheries relationship which we will inevitably have with Canada, it is our view that we should keep the door open for closer cooperation on fisheries management issues in the future. In an effort to enhance such cooperation, we have proposed that the two governments meet in the near future to exchange views on a variety of fisheries matters.

Mexico. The United States also has an important fisheries relationship with Mexico which will require more of

our attention in the years ahead. Leaving aside for the moment the question of tuna, which is probably the most important aspect of our fisheries relationship with Mexico, we do have important fisheries interests in both the Gulf of Mexico and off the Pacific coast which require cooperative efforts on the part of both countries. For example, in the gulf there are stocks of fish such as mackerel which, in effect, are shared stocks migrating throughout the 200-mile zones of both Mexico and the United States. On the Pacific side, the same situation pertains to such fish stocks as northern anchovy and coastal migratory species which move along the coasts of both California and Baja, California. In the long run, the United States and Mexico need to work closely together in order to most effectively manage these shared stocks of fish. I recently had a very productive meeting with the new Mexican Secretary of Fisheries and other Mexican officials, and we plan to have a second meeting later this month.

Conservation and Management of Resources

A second broad international fisheries area which is the responsibility of the Department of State involves the conservation and management of anadromous U.S. fisheries resources beyond the U.S. 200-mile zone. Such conservation and management is, in my opinion, one of the more important purposes of the Magnuson act. Our conservation efforts are complicated by the fact that foreign fleets may take U.S.-origin salmon beyond the U.S. exclusive economic zone. It seems clear that a cooperative international effort is mandatory if we are to do effectively the job required of us under the act. As I noted earlier, the driftnet negotiations with Japan, Korea, and Taiwan represent one of our major efforts to address salmon management issues. However, I would be less than candid if I reported to the committee that all of the involved countries have been cooperative.

In recent years we have also been involved in other international action to conserve U.S.-origin salmon on the high seas. In the early 1980s, the Department, through the International North Pacific Fisheries Commission, raised the issue of excessive salmon harvesting by the Japanese salmon fleet. As a result, the Japanese imposed new area restrictions on their fleet in 1982 in order to reduce the interception of North America salmon. In 1986, the Department negotiated an amendment to the commission whereby Japan would cease fishing for salmon in the high seas area of the Bering Sea by 1994.

As noted earlier, the Department is also currently seeking new ways to cooperate with the Soviet Union toward better conservation of salmon in the North Pacific. Toward this end, we signed a memorandum of understanding in February of this year at the Soviet Embassy which provides for increased sharing of information and cooperative enforcement against high seas salmon poaching. This was the first U.S.-Soviet agreement signed during the Bush Administration. The Department is continuing to explore every avenue, consistent with international law, to conserve U.S. salmon on the high seas.

I might make the observation at this point: that it was considerably easier to deal with these management issues beyond our zone when there were U.S. fisheries resources to allocate to the foreign nations with which we have to negotiate. A few years ago, when there were surplus U.S. fisheries available for allocation to foreign nations, we had considerable leverage with which to help us achieve our goals. Now that we do not have—and are not likely to have—any surplus U.S. fish to use as a negotiating carrot, it is more difficult for us to persuade foreign governments to reduce their fishing or undertake other economically disadvantageous actions with regard to their fisheries beyond 200 miles. As I am sure the chairman [Gerry Studds] recalls, the U.S. "fish and chips" policy was an important tool in achieving our goal of full utilization and development of U.S. resources by U.S. fishermen in our EEZ. It is unclear whether under these circumstances the United States will be able to achieve all that it wants, but we are determined to do our best with the situation facing us.

Distant Water Fisheries

A third broad area of international fisheries which is the responsibility of the Department of State involves the so-called distant water fisheries which are conducted by U.S. flag vessels. To a considerable extent, these activities are not really a part of the Magnuson act process, although one of the act's purposes is to support and encourage international fisheries agreements for the conservation and management of highly migratory species. While the United States has other distant water fisheries interests, tuna is the most important distant water fishery which we have. The U.S. tuna industry continues to be one of the major U.S. fisheries, and, indeed, it is one of the world's major tuna industries. The Department has expended considerable effort around the world in attempting to negotiate both conservation and access arrangements involving U.S. tuna vessels. One of our more notable recent successes was the negotiation and entry into force of the South Pacific Regional Fisheries Agreement, which provides access for the U.S. tuna fleet for 5 years, to a 10 million-square-mile area of the western Pacific Ocean. Sixteen Pacific island countries are parties to this treaty.

In the eastern Pacific, we have been encouraged by recent developments which offer new hope for the negotiation of a comprehensive tuna management organization for the eastern tropical Pacific. The Inter-American Tropical Tuna Commission continues to do an outstanding job in monitoring the status of the tuna and porpoise stocks of the eastern tropical Pacific Ocean. In the Atlantic, we believe that the International Commission for the Conservation of Atlantic Tunas has been very effective in providing a mechanism for effective conservation and management of Atlantic tuna and billfish species.

Conclusion

In closing, let me reiterate that the Department of State believes—in terms of international fisheries matters as they relate to the Magnuson act—that we have successfully achieved the intent of the act and the "Americanization" of the U.S. zone. A chapter has been closed. The new chapter is evolving which will require international cooperation, albeit differently, to continue to advance U.S. fisheries interests.

[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

pdate on Immigration and Refugee Issues

Jonathan Moore

Statement before the Subcommittee Immigration, Refugees, and International Law of the House Judiciary mmittee on April 6, 1989. Ambasdor Moore is U.S. Coordinator for fugee Affairs.[1]

he occasion for this important hearing the surge in emigration from the Soet Union. The Administration views is phenomenon as a signal success for e sustained, bipartisan policy of the ited States toward the Soviet Union the postwar era, a policy which emasizes human rights for Soviet citins and specifically calls for freedom emigration. I am pleased to have the portunity today to review the policy tiatives the Administration is taking response to the current unprecented rate of application by Soviet emrants for resettlement in the United ates. In particular, as U.S. Coordinar for Refugee Affairs, I wish to preat formally the President's proposal raise the refugee admissions ceiling FY [fiscal year] 1989. Finally, in reonse to the subcommittee's invitan, we will offer some preliminary ews on the bill introduced by Mr. Berin and on your own draft bill, : Chairman [Bruce A. Morrison].

Before moving to these specific tters, I would like to report briefly the major refugee situations in the rld with which we are now engaged. r policies for dealing with Soviet migration cannot be developed in isoion from other refugee needs, both domestic resettlement here and for ternational assistance abroad. Our ternational refugee policies and resonsibilites are linked intimately with sic bilateral and multilateral foreign licy objectives. And, with limited resources to meet multiple refugee probns, the United States cannot respond individual demands without maintning equity in our humanitarian sponses worldwide.

ajor Refugee Issues

here are some 13 million people in the rld who have fled persecution and med conflict, often combined with tural disasters, and less than 1% of em in a given year will be resettled any third country.

In **Africa**, there is the all-too-familiar catalogue of intractable, long-term populations of refugees and displaced persons, but also a few hopeful signs. In the past 5 years, over 1 million Mozambicans have fled the RENAMO [Mozambique National Resistance Movement] insurgency and its attendant terrors for neighboring nations; tiny Malawi alone gives shelter to some 650,000 of them. Ethiopia—which itself produces refugees and displaced persons from the long-term, civil conflict there—shelters an estimated 350,000 Sudanese and as many as 400,000 Somalis fleeing civil conflict within their countries. On the hopeful side, most of those who fled last summer's ethnic violence in Burundi have now returned home, and there are hopes that—under terms of recent peace agreements—thousands of Namibians will begin to return home from their long-term exile.

In **East Asia**, in spite of years of international assistance, the fate of the 320,000 Khmer in camps along the Thai-Cambodian border remains precarious, and those in camps controlled by the Khmer Rouge are particularly vulnerable to the cross-border conflict between Khmer Rouge combatants and Vietnamese troops. The upcoming international conference on Indochinese refugees will try to put in place a new international policy consensus among the refugee-producing, first-asylum, and resettlement and donor nations. We seek a resolution which preserves first asylum and offers open access to safe and orderly emigration as a true alternative to the dangerous boat trips of Vietnamese asylum seekers that continue today at the highest level in many years.

The situation in **Central America** is as troublesome as ever. The enemies are repression and armed conflict, but they are also desperate poverty and the desire for a better life. All four—usually in some combination—have produced large-scale displacement within the region and a particularly difficult situation along our southern border as thousands flee toward the United States. Here in particular the recognized refugee and displaced person population—that is, those in camps and given assistance by the international community—is only part of a much bigger migration picture.

In the **Near East and South Asia**, there are two refugee populations constantly in the news whose long-term fate remains unclear. After a decade in temporary asylum, and even after the withdrawal of Soviet troops, it remains to this moment unclear when the long-awaited return to Afghanistan of the 3 million refugees in Pakistan will begin. And the deprivation of the Palestinian refugees in the occupied territories is now compounded by the urgent need for medical and social services resulting from the response to the *intifada* [uprising].

Finally, there is a rather different challenge in **Europe**. The loosening of exit controls in the Soviet Union and some of the countries of Eastern Europe is first of all a victory for their nationals. It is also a tribute to the long-term, patient insistence of the United States and others that those countries are beginning to recognize one of the most fundamental human rights: the right to leave and enter one's country at will. In the short term, however, this very success has led to enormous pressures both on our own refugee admissions system and on the asylum policies of the nations of Western Europe.

Our challenge in dealing with new refugee crises around the world, as well as with the continuing tragedy of longstayers in refugee camps—a tragedy especially for the children whose future lives are formed there—is that, despite our far-flung energies and strong leadership in humanitarian assistance to refugees, we face both inadequate international resources to meet all of the needs and the moral dilemma of deciding who needs help the most.

U.S. Response to Soviet Emigration

In the past year, we have witnessed the effects of a major change in the emigration policy of the Soviet Union. Persons, or categories of persons, who had never before been allowed that opportunity became eligible to apply for exit permits to the United States, to Israel, to Germany, and elsewhere. Applications at the U.S. Embassy in Moscow have soared from a rate of about 1,500 per month in FY 1988 to a current rate of upward of 4,000 a month. Simultaneously, the number of Soviets enter-

ing Austria with permission to go to Israel, almost all of whom opt to apply to the United States, has more than tripled in the past 6 months, from less than 1,000 per month in FY 1988 to between 3,000 and 4,000 per month since December. These are far and away the highest rates in this decade, and Congress and the Administration can share credit for the role the United States has played in bringing about this new Soviet emigration policy.

Our national, bipartisan policy *vis-a-vis* the Soviet Union places the highest emphasis on human rights, including the right of a citizen to travel freely and to emigrate from his country. The success of this leadership, however, does not equate immediately or easily with the more complex reality which the Congress and the executive branch share—and which cuts across their various jurisdictions—of U.S. immigration and refugee policies defined in specific statutes that set eligibility standards, prescribe a process to establish annual numerical ceilings, and appropriate funds for federally supported services.

Let me briefly recount the steps the Administration has taken to date.

First, in December, we advised Congress of a decision to reallocate 7,000 refugee admissions numbers from other regions to the Soviet Union, as an interim measure, in order to ensure that all regional programs could continue without interruption. Along with the frontloading of admissions numbers earlier into the fiscal year, this enabled us to maximize the use of numbers available under the worldwide ceiling and to continue processing all groups, including Soviet applicants, at rates which minimized the backlog problem. We also instituted humanitarian parole and encouraged private funding as further efforts to manage the increased pressures in the short-term.

Second, we have been addressing the processing capacity in Rome and Moscow to meet the increased workload. INS [Immigration and Naturalization Service] officer strength is obviously a critical variable in determining how many applicants can be processed per month, but it is not the only one. Consular staff, other embassy support personnel, practices of host nations, and the ability of the voluntary agencies are also important factors in our efforts to keep up with an increasing flow of applicants. In Moscow, as the subcommittee knows, we face also the particular impediment of the bilateral personnel ceiling, within which we have to find space not only for INS and consular officers, but also for American citizen clerical and support personnel.

Third, we have been working hard on an initiative to create a new provision in U.S. immigration law to give the United States the flexibility to admit for permanent resettlement persons of humanitarian and foreign policy concern who do not qualify under current immigrant or refugee provisions. Secretary Shultz and [INS] Commissioner Nelson testified to the need for such a provision in the consultations hearings last September, and this Administration sent its proposed legislation to Congress yesterday. Under our proposal, the beneficiary groups would be identified through an annual consultative process between the executive branch and Congress.

The Administration has been concerned, as have you, that the use of the Attorney General's parole authority as an avenue of admission to the United States for applicants who are not found eligible for refugee status, although a valuable interim resource and the only statutory available, is inadequate. The new legislation seeks to correct that deficiency and most importantly will accord the beneficiaries the full rights of other permanent residents of the United States—including the right to qualify for citizenship, which parolees do not have. With specific regard for the problems faced by Soviets who enter as parolees this fiscal year, our legislation proposes a retroactive adjustment of status to come under this new special immigrant category. We hope and request that Congress will give this legislation prompt and serious attention.

Fourth, on March 24 the President submitted a request for FY 1989 supplemental appropriations which includes $85 million for the refugee admissions program and $15 million for critical refugee assistance needs in Africa and Southeast Asia that I spoke of earlier. The $85 million for refugee admissions is expected to provide funding for the State Department costs for 28,500 persons. Added to the 84,000 refugee admissions which were funded in our FY 1989 appropriations, this could provide State Department funding for a new total of 112,500 refugee admissions.

Fifth, I would like to advise the subcommittee that the Department of State has commenced a comprehensive interagency policy review of the whole subject of Soviet emigration. When this has been completed, we will want to come to Congress to discuss our conclusions.

The **sixth** step is to engage in emergency consultations with Congress prior to a determination by the President to raise the FY 1989 admissions ceilings, and I am here today in fulfillment of the statutory requirement to present formally the President's proposal to raise the refugee admissions ceiling for FY 1989.

The President's Proposal

Pursuant to the procedures for emergency consultations which are set fort in Section 207 of the Immigration and Nationality Act, as amended, the Congress has been advised by letter of th President's proposal. Because this is a truly urgent matter, we appreciate th opportunity to discuss this proposal a today's hearing, in full recognition th the subcommittee has not had time to study the proposal in detail. We inten that the requirement of the statute fo in-person discussions by a cabinet off cer representing the President will be met by a meeting to be arranged in th near future.

The President proposes that the refugee admissions ceiling for FY 198 be raised from 94,000 to 116,500 and that the regional refugee admissions ceilings authorized under Presidentia Determination No. 89-2 of October 5, 1988, would be modified to be as follows.

Africa	2,0
East Asia, First Asylum	28,0
East Asia, Orderly Departure Program	22,0
Eastern Europe/Soviet Union	50,0
Near East/South Asia	7,0
Latin America/Caribbean	3,5
Total	**112,5**

There would be a total of up to 112,500 admissions for which federal funding could be used, and the 4,000 numbers reserved for private-sector initiatives would be retained for a total of 116,500. This is an increase of 22,500 over the currently authorized 94,000 figure.

I would like to mention two speci effects of this proposal.

First, we are now proposing in our upplemental appropriations request provide State Department funding r all refugee admissions within the 2,500 total. In other words, from the oint of view of the State Department rogram, the 6,000 so-called semi-nded numbers with which we began e fiscal year will now be fully nded.

Second, under the President's pro-sed new ceilings and the supplemen-l appropriations request we propose restore 4,000 numbers from the De-mber reallocation. The East Asia rst-asylum regional ceiling will be re-ored to the original presidential de-rmination levels—28,000. The Near ast/South Asia regional ceiling will so be restored to the original level—000. For the Vietnam orderly depar-re program, we propose to restore 500 numbers to a new level of 22,000 lmissions compared to the original ,000 ceiling. At this point in the fis-l year—taking into account actual d anticipated rates of departure from etnam as well as the numbers of .S.-approved persons now in our aining programs—it is most unlikely at more than 22,000 persons funded der this ceiling—which includes fund-g for Amerasian immigrants as well refugees—could enter the United ates this fiscal year. I regret to re-rt that despite our continuing ef-rts, the Socialist Republic of Vietnam s not yet agreed to resume discus-ons on a program to permit resettle-ent of former reeducation center tainees through the orderly depar-re program.

Consultations With Public and Private Agencies

U.S. Coordinator, on March 30 I nvened a meeting to obtain the views the voluntary agencies, which have sponsibility for overseas processing refugees and for the early stages of eir resettlement in the United ates. The agencies were generally pportive of both the need for using e emergency provision to raise the missions ceiling and the range of mbers presented to them (an in-ease of 20,000–25,000). They did, how-er, raise several particular issues: e need for additional numbers for st Europeans, for Pentecostal appli-nts from the Soviet Union, and for menians in the Near East region; e higher rate of rejection in the latest round of processing of Vietnamese orderly departure program applicants; and the fear that any supplemental funding for Soviet admissions might result in diminished funds for other parts of the refugee program. I and representatives of the Department of State expressed concerns about the agencies' capacity to maintain quality and timeliness in processing higher numbers, especially in Europe, and again encouraged them to organize privately funded projects to support the 6,000 semifunded numbers, pending enactment of supplemental appropriations, and the use of humanitarian parole.

I also consulted with 25 representatives of state and local governments at a March 31 meeting. While generally recognizing the need for some increase in admissions, they pressed for a commensurate increase in domestic funding for the Department of Health and Human Services (HHS) and asked for detailed answers on what shape it might take, timeframes, the proportion of offsets to new funding that might be involved, and the consequences for the FY 1990 budget. They also asserted that it seemed the federal government was relying too much on the success of the matching grant program in its calculations of domestic need for both welfare and social services funding, pointing out recent surveys which showed that almost half of the refugees who had been in the matching grant programs in New York State were found to be using public welfare. The state and local representatives also voiced concerns about the effect of increased parole and regular immigration admissions—for which no domestic benefits are provided—on their financial ability to provide adequate resettlement support.

Representative Berman's Bill

We believe that the revised refugee admissions ceilings proposed by the President, if supported by the supplemental appropriations we have requested, will enable the United States to sustain our generous admissions programs for refugees from the Soviet Union and the rest of the world for the remainder of this fiscal year.

In presenting this proposal, we wish to give full credit to all of the Members of Congress and representatives from the private sector who have called for prompt action to address the rising tide of Soviet emigration and the shortage of refugee numbers and funding, including the chairmen and ranking members of the House Judiciary Committee and this subcommittee.

Mr. Berman has also been one of the leaders in this effort, and he has recently introduced legislation which would authorize an increase in the refugee admissions ceiling for FY 1989 by 28,000 numbers and which would transfer funds to pay for such admissions to the HHS Office of Refugee Resettlement and to the State Department's Emergency Refugee and Migration Assistance Fund. We note that the revised ceilings proposed in Mr. Berman's bill are very close to those being proposed by the President. Where Mr. Berman's bill would add an aggregate of 21,000 numbers for Eastern Europe and the Soviet Union—which I believe would result in a new total of 52,500 for that region—the President's proposal would bring the regional ceiling to 50,000. For the Vietnam orderly departure program, Mr. Berman's bill adds 5,500 numbers, for a total of 25,000, where the President's proposal sets the revised orderly departure program ceiling at 22,000, for reasons I have explained earlier. For East Asia first-asylum and for the Near East/South Asia region, the two proposals are identical.

With respect to the funding requirements for the State Department's programs, we believe that the amount requested in supplemental appropriations for refugee admissions, $85 million, is needed to fully fund the State Department costs for the proposed level of 112,500 funded admissions, rather than the $50 million proposed in this bill. We urge congressional approval of the Administration's request.

Representative Morrison's Bill

I would also like to comment briefly on the chairman's draft legislation, which addresses both admissions ceilings and the question of eligibility of certain Soviet applicants. First, with respect to the numbers, this bill would set a subceiling for Soviet applicants for FY 1989 at 60,000—50,000 Soviet Jews and Pentecostals and 10,000 other Soviets—which compares with the President's proposal of approximately 43,500. (The President's proposal sets a regional ceiling for East European and Soviet refugees at 50,000.) Although we know

that estimates of the rate of emigration from the Soviet Union vary, we believe that the President's proposal contains sufficient numbers to carry us through the current fiscal year. Moreover, we wish to adhere to the principle of alignment between the admissions ceilings and the availability of funding, as we failed to do last year, but as we have done in our supplemental appropriations request.

For FY 1990, we believe that the consultations process prescribed in the statute is the proper way to set the regional ceiling. In September, we will have more current information about Soviet emigration rates, and we will also be able to benefit from discussions between the Congress and the executive branch on the results of our policy review.

Your draft bill would also amend our immigration laws by exempting Soviet Jews and Pentecostals from the refugee definition. We share your objective of ensuring our nation's ability to continue generous resettlement of emigrants from the Soviet Union, and we share your special concern for Soviet Jews and Pentecostals. We believe that your draft legislation reflects a judgment that current law does not provide the United States with sufficient authorities to admit for permanent resettlement certain types of aliens who are of special humanitarian concern to the United States.

We have recognized that current law does not enable the United States to admit certain applicants of special humanitarian concern to the United States who do not meet the specific statutory criteria for immigrant visas or for refugee status. It is precisely to address that gap in current statutory authority that the Administration has proposed that new special immigrant category.

We believe the Administration's proposal has two advantages over your draft bill. First, by providing for consultations between the Congress and the executive branch, our bill gives the United States the flexibility to respond in future years to applicants of priority concern of different nationalities, including persons affected by events we cannot now foresee. Second, as a general principle, we believe our laws should accord benefits on the basis of needs in as equitable, nonpreferential a fashion as possible and should avoid the designation of specific groups.

We believe that the resettlement needs of the Soviet Jews and Pentecostals in FY 1990 and future years can be met by the combination of authorities which would exist under our proposed new legislation and the current refugee and immigrant visa categories. Although we cannot at this time project a number of Soviet admissions in FY 1990 under these combined authorities, under our proposal this number would be determined through two consultative processes—one on refugees and one on special immigrants—prior to the start of the new fiscal year. Prior to these consultations we will also be able to report on the results of our comprehensive review of Soviet emigration policy.

Furthermore, we do not favor legislation that would establish a presumption or confer automatic refugee eligibility on a particular group or groups of Soviet applicants. We support neutral decisionmaking under a uniform worldwide standard as contemplated by the Refugee Act of 1980.

Last August the Department of Justice and INS, who have the legal responsibility for implementing the Refugee Act and adjudicating refugee applications, reaffirmed that the statute requires refugee applications to be judged on a case-by-case basis, throug individual interviews, and based on uniform, worldwide standards. The De partment of State supports the policy of the Attorney General and believes that INS should apply the definition contained in the Refugee Act properly and consistently to all refugee applicants, including Soviets.

Nonetheless, we are deeply concerned about the plight of the many Soviets who undoubtedly have been persecuted or have a well-founded fear of persecution and who qualify as refugees. We are concerned at the current high level of denial rates in Rome, as well as in the Vietnam orderly departure program. We will assist INS in every way possible to ensure that INS interviewers have available all necessary information concerning conditions in the Soviet Union, including the treatment of the various religious and ethnic groups in the applicant pool. We hope that, through these efforts and proper application of the law, we can ensure that those who are refugees will be recognized as such for admission into the United States.

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[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

U.S. Contributions to Communications Development

Following is the summary of a May 1989 report entitled "U.S. Government and Private Sector Contributions to Communications Development." It is a study of bilateral contributions to communications development prepared by the Bureau of International Communications and Information Policy.[1]

From September 1988 to March 1989, the State Department's Bureau of International Communications and Information Policy undertook a study to identify U.S. Government and private sector bilateral contributions to communications development. This work complements a 1985 survey, funded by the Department of State's Bureau of Intelligence and Research, on U.S. Government contributions to commun cations development. The current stu not only updates that earlier work but also demonstrates the scope and impo tance of nongovernment telecommunications assistance.

This study is intended to help U.S Government policymakers coordinate more effectively scarce communicatio development resources, to aid the U.S private sector in reassessing its role in communications development activities, and to offer developing countries a better global picture of U.S. efforts so as to identify possible unexplored sources of assistance.

he ITU Looks at elecommunications evelopment

he U.S. commitment to communica-ons development has as its backdrop e pivotal report by the International elecommunication Union (ITU) Inde-endent Commission for World-Wide elecommunications Development, "he Missing Link." The report fol-lwed the 1982 amendment to the ITU nvention that lists communications evelopment as one of the priority con-rns of the ITU. Issued in January 85, "The Missing Link" identified the arp disparity between the telecom-unications capabilities of the devel-oed and developing worlds. The nited States fully agrees with the ed, outlined in "The Missing Link," promote joint efforts in which "gov-nments and development assistance encies must give a higher priority an hitherto to investment in telecom-unications." The United States has ken seriously the challenges defined the independent commission and, as is study reveals, has been working stematically to meet them.

Even before the "The Missing Link" as issued, the United States had re-onded to the calls at the 1982 ITU enipotentiary conference for in-eased technical cooperation and as-tance. Shortly after that conference, e U.S. Telecommunications Training stitute (USTTI), a nonprofit organiza-n, began operations. Since 1983, STTI has provided training for near-1,500 trainees from 108 developing untries. More than 60 American com-nies and foundations, as well as the S. Government, have provided $13.3 llion in cash and in-kind support to ake this program a shining example one successful government-private ctor approach to communications velopment.

S. Multilateral Assistance

hile the focus of this study is on bilat-al programs, it should be noted that nificant levels of U.S. public and pri-te funding promotes communications velopment activities in several multi-eral organizations. Between 1986 d 1988, for instance, World Bank ding for telecommunications pro-ts was nearly $769 million. The ited States, with a 20% subscription are in the World Bank, provided out $154 million of these funds.

In 1988, the International Telecommunications Satellite Organization devoted about $650,000 to communications development. The U.S. signatory to INTELSAT—the Communications Satellite Corporation (COMSAT)—provided $165,000 of this amount through its 25% holding of INTELSAT's shares. COMSAT also holds 27% of the shares of the International Maritime Satellite Corporation (INMARSAT), making it responsible for about $54,000 of the $200,000 that INMARSAT devoted to communications development last year. The United States contributes approximately two-thirds of the total budget of the Organization of American States (OAS) and its agencies, such as the Inter-American Commission on Telecommunications (CITEL). In addition to its regular budgetary contributions, the United States has made special contributions for OAS communications development activities. The U.S. Trade and Development Program (TDP), for example, completed in early 1989 funding of a $1.5-million OAS feasibility study on digitalization in five Latin American countries. TDP has also begun funding through the OAS additional digitalization and fiber optics projects in five Latin American countries totaling $2.75 million.

In the International Telecommunication Union, the United States contributes approximately 7% of total voluntary funds for technical cooperation and assistance. Of the nearly $13.5 million that the ITU has expended on technical cooperation of regular budget funds between 1984–87, the United States provided around $945,000. The ITU also executes projects for the UN Development Program (UNDP). The U.S. share of the $170 million in ITU-executed UNDP projects between 1982–88 was about 19%, or $32 million. From 1986 to March 1989, the U.S. public and private sectors have also contributed $405,000 to the ITU's Center for Telecommunications Development. While the United States strongly supports the multilateral communications development programs, which have grown in recent years in the ITU and in other international forums, the lion's share of U.S. activities have been bilateral and will continue on that basis in the foreseeable future.

Official Aid

The U.S. commitment to the economic development of the Third World is rooted in a basic premise: a vibrant world economy in which all nations fully participate tends to produce wider trade and investment opportunities for all players. To foster this goal, the U.S. Government will commit some $7.8 billion in international economic assistance in fiscal year (FY) 1989—more than $6.3 billion bilaterally and more than $1.5 billion through multilateral economic assistance.

U.S. Government assistance for communications development has already increased significantly over the past 3 years—from about $422 million in 1985 (the date of the last survey) to about $504 million in 1988. These figures include grants, loans, loan guarantees, loan insurance, investment guarantees, training, technical assistance, and training and feasibility studies. Other activities, such as exchanges of technical information, cannot be quantified and are not reflected in the figures. The following table summarizes the results by sector based on the survey responses from 10 U.S. Government agencies:

U.S. Government Communications Development Assistance, FY 1984 and 1988

($Millions)

	1984	1988
Grants	45.0	45.0
Loans, loan guaranties, investment guaranties, and insurance	316.5	390.3
Technical assistance	45.0	49.4
Training	15.0	15.8
Feasibility studies	0.7	3.8
TOTAL	**422.2**	**504.3**

Of the many U.S. Government agencies involved in this effort, five have been most active over the last 4 years. These are the Agency for International Development (AID), the Department of Commerce, the Export-Import Bank, the Overseas Private Investment Corporation (OPIC), and the United States Information Agency. Five other agencies had major programs: the Department of Defense, Department of Agriculture, Trade and Development Program, Peace Corps, and U.S. Postal Service. Their programs are examined in detail elsewhere in this study.

The principal U.S. development assistance organ, the Agency for International Development, has concentrated on integrating communications into the basic development sectors of health, education, and agriculture. While the total amounts devoted to such programs are relatively small—$168 million from 1985 to 1988—the multiplier effect they have produced is significant. The U.S. Congress is also becoming more directly involved in communications development. In a significant first step, Congress earmarked a total of $500,000 for communications development activities in the State Department's FY 1988 and 1989 budgets. At the time of writing, the State Department had disbursed $200,000 of this sum to the ITU's Center for Telecommunications Development and $50,000 to the U.S. Telecommunications Training Institute. Other U.S. Government agencies are also reexamining their development programs in light of growing evidence that telecommunications is one of the most effective vehicles for generating revenue for development purposes.

Private Sector Assistance

The U.S. private sector, with resources infinitely greater than those of the U.S. Government, has provided a far greater level of communications development assistance. The U.S. private sector contribution to communications development is broad and significant but defies easy characterization due to the diversity of goods and services provided and the decentralized context in which such activity takes place.

U.S. Corporations. Although only a limited number of companies participated in the survey, among them are some of the most active participants in communications development activities: AT&T, COMSAT, IBM, NYNEX, and Southwestern Bell.

Most U.S. telecommunications assistance to developing countries takes place in a commercial context. Although American companies have been slow to recognize the vast growth potential in the developing world, the tide has started to turn. With new business opportunities and a more propitious investment climate in many developing countries, U.S. companies have increased their commercially related communications development activities. These include equipment donations and loans, feasibility studies, seminar participation, fellowships, training, consulting, exchanges of technical information, and other technical assistance. It is virtually impossible to calculate an accurate global figure for these activities, which run into hundreds of millions of dollars. However, the study gives several examples of illustrative programs in each sector.

Universities, Foundations, Cooperatives, and Associations. U.S. educational and nonprofit groups carry out a multitude of programs to assist developing countries improve their communications and information capabilities. Scholarships and fellowships for developing country journalists and broadcasters represent a major effort of these organizations. The 25 most active U.S. foundations and associations awarded more than 550 grants in 1988 varying between $200 and $35,000 each. Among these foundations are the World Press Institute, Alfred Friendly Foundation, Council for International Exchange of Scholars, East-West Center, Gannett Foundation, Inter-American Press Association, and Rotary International. Over 400 U.S. colleges and universities also offer a wide range of scholarship opportunities for developing country journalists and broadcasters.

U.S. voluntary and cooperative organizations—such as the U.S. Telecommunications Training Institute mentioned earlier— have made very significant efforts to help develop Third World telecommunications. The Volunteers in Technical Assistance (VITA) is another exemplary nonprofit program. Established almost 30 years ago by scientists and engineers eager to share their skills and experience, VITA has built a cadre of 5,000 volunteers who answer more than 1,000 requests for information per month from developing countries—many of them r lated to communications. VITA is dev loping a low-orbiting satellite networ called PACSAT, to support developing countries in health, education, disast relief, agriculture, and other activities. The work of three other U.S. no profit organizations—the National Telephone Cooperative Association, t Global Technology Foundation, and th Public Service Satellite Consortium—is listed in the survey narrative.

Cooperative Approaches

The U.S. Government established in 1985 the Ad Hoc Advisory Group on Communications Development to systematically gain private sector input communications development matter The group, chaired by a private secto representative, reports to the U.S. C ganization for the ITU International Telegraph and Telephone Consultativ Committee (CCITT). The major U.S. Government agencies and the princip U.S. private sector organizations involved in communications developme activities are represented on the ad h group. The State Department Burea of International Communications and Information Policy serves as secretariat for the group.

The U.S.-China Protocol in Telecommunications Sciences represents an outstanding model of government-to-government cooperation in commu cations development. The protocol—signed on May 16, 1986, for a 5-year period—is an agreement to "conduct scientific and technological exchange and cooperation in the field of civil a commercial telecommunications on th basis of equality, mutual benefit, and reciprocity." Since then, four major v its between the two countries by U.S and Chinese officials and technical e perts have resulted in useful studies and ample exchange of information. The United States hopes to reach sim lar agreements with other developing countries in the future.

nclusion

rmer Secretary of State George ultz in December 1988, eloquently ated why communications devel- ment is receiving increased atten- n by senior U.S. Government licymakers:

Modern telecommunications are no ger a luxury for developing countries. ther, in a world increasingly dependent the latest information, telecommunica- ns have become a powerful engine of nomic growth. A growing number of es shows that modern telecommunica- ns create new jobs, attract foreign invest- nt, and provide the revenue to meet basic man needs.

The key for U.S. and developing ntry policymakers will be to effec- ely catalyze market-oriented activ- es in a way that will foster basic velopment goals. Numerous examples ted herein demonstrate that signifi- nt progress is currently being made ward this end. However, the nascent blic-private partnership needs to be newed and strengthened if the pace is be accelerated. Similarly, coopera- n between the United States and de- oping countries requires creative v approaches. This report should p identify some areas where fur- r government-to-government and vernment-private sector coopera- n is possible and some new possi- ities for spreading more widely unprecedented benefits of the ormation age.

[1]To receive a copy of the full report, call rite: Bureau of International Communi- ons and Information Policy, Rm. 6317, S. Department of State, Washington, C. 20520 (Tel: 202–647–8345). ■

U.S. Opposes PLO Admission to UN Agencies

by Sandra L. Vogelgesang

Statement before the Subcommittee on Foreign Operations of the Senate Appropriations Committee on May 4, 1989. Dr. Vogelgesang is Deputy Assistant Secretary for International Organization Affairs.[1]

I will address the issue of Palestine Liberation Organization (PLO) admission to membership in the World Health Organization (WHO) and other UN agencies. This pressing matter has been highest on the agenda of the Bureau of International Organization Affairs for the last few weeks.

As you know, we are currently facing a serious challenge in the WHO, where the PLO, which has observer status, has submitted an application for membership for the "state of Palestine." This application is expected to be considered at the upcoming annual meeting of the World Health Assembly, which begins May 8. The PLO has also expressed interest in making similar applications in other UN agencies; success in WHO could encourage the PLO to do so.

The Administration fully appreciates congressional concerns over these developments. I can assure you we share those concerns. We are engaged in a major effort to head off these attempts, which, if successful, would politicize the specialized agencies, thus complicating their essential technical work and would also be seriously detrimental to the search for Middle East peace.

U.S. policy in this regard is clear.

- The self-declared Palestinian "state," which the United States does not recognize, does not satisfy the generally accepted criteria under international law for statehood and thus does not qualify for membership in UN agencies.
- The United States is opposed to the introduction of such a divisive political issue into the technical work of the specialized agencies.
- Moreover we are convinced that any effort to bestow legitimacy on the self-proclaimed Palestinian "state" would harm efforts underway in the region to promote peace. The Arab-Israeli problem can be resolved only through a process of negotiations between the parties, not through unilateral acts by either side—such as the declaration of Palestinian statehood—that seek to prejudge the outcome of such negotiations.

To emphasize the depth of our concern, the Secretary announced May 1 that he will recommend to the President that the United States make no further contributions—voluntary or assessed—to any international organization which makes any change in the PLO's present status as an observer organization. This would be a major step, and the Secretary's statement should leave no doubt in others' minds as to how seriously the United States views this issue.

To ensure that our concerns over this issue are clearly understood by others, we have undertaken a series of worldwide demarches in capitals, reinforced by high-level meetings with embassy representatives in Washington. With the support of like-minded allies, we have urged that, at a minimum, some mechanism be found to defer

Secretary's Statement

MAY 1, 1989[2]

The United States virorously opposes the admission of the PLO to membership in the World Health Organization or any other UN agencies. We have worked, and will continue to work, to convince others of the harm that the PLO's admission would cause to the Middle East peace process and to the UN system.

Political questions such as this should not be raised in specialized agencies because such politicization detracts from the important technical work of these organizations.

To emphasize the depth of our concern, I will recommend to the President that the United States make no further contributions—voluntary or assessed—to any international organization which makes any change in the PLO's present status as an observer organization.

[2]Press release 75. ■

Department Statement

MAY 12, 1989[1]

The United States welcomes the decision today by the World Health Organization to defer consideration of the membership application of the Palestine Liberation Organization.

In deciding not to admit the self-declared "state of Palestine," the WHO rejected the PLO's efforts to politicize WHO's important work.

We believe today's vote demonstrates that other nations are determined, as we are, that such maneuvers should not detract from the central effort of bringing peace to the Middle East.

Although we objected to parts of the WHO resolution, we believe its decision to defer the PLO application will help ensure that the WHO can proceed with its vital health agenda. The Administration reaffirms U.S. support for the World Health Organization and its important programs for helping to ensure better health for people around the world.

The United States will continue to oppose any change in the observer status of the PLO in the World Health Organization or other UN bodies.

[1]Made available to news correspondents by Department deputy spokesman Richard A. Boucher. ■

consideration of the membership application. We just completed useful meetings here in Washington with WHO Director General Nakajima, who clearly appreciates the potential danger to his organization posed by the PLO's efforts and supports efforts to avoid a vote on this explosive issue. We hope that other states will conclude that it would be in the best interests of all if the WHO deferred action on the application.

I can assure you that we will continue our vigorous efforts to oppose the admission of the self-proclaimed "state of Palestine" as a member in WHO or any other organization in the UN system. We appreciate the expressions of congressional support we have received for this policy.

[1]The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Panama Elections

PRESIDENT'S STATEMENT, APR. 27, 1989[1]

The people of Panama clearly yearn for a free and fair election on May 7th so that their country can again take its rightful place in this hemisphere's community of democratic nations. Only the threat of violence and massive fraud by the Noriega regime will keep the Panamanian people from realizing that aspiration for democracy.

Free and fair elections on May 7th, and respect for the results, can produce a legitimate government in Panama, which will end that nation's political and economic crises and international isolation. That is clearly what the people of Panama deserve and desire.

The Noriega regime promised that free and fair elections would, in fact, take place May 7th and that international observers would be permitted to observe them. In recent weeks, the Noriega regime has taken steps to commit systematic fraud. Through violence and coercion, it threatens and intimidates Panamanian citizens who believe in democracy. It is attempting to limit and obstruct the presence of observers from around the world and the ability of journalists to report freely on the election.

Nevertheless many observers intend to travel to Panama to shine the spotlight of world opinion on the Panamanian elections just as they did previously in nations like the Philippines and El Salvador. We admire their commitment to democracy and their courage and will fully support their efforts.

The days of rule by dictatorship in Latin America are over. They must end in Panama as well. There is still time for Panama to resolve its current crisis through free and fair elections. The people and Government of the United States will not recognize fraudulent election results engineered by Noriega. The aspirations of the people of Panama for democracy must not be denied.

DEPARTMENT STATEMENT, MAY 2, 1989[2]

The Noriega regime continues its calculated campaign to harass and intimidate opposition parties, journalists, and foreign visitors in an effort to carry out its plans for election fraud.

In the last 10 days, incidents have increased dramatically. The following a incidents representative of Noriega regime actions.

• Opposition legislative candidat Felipe Escobar was beaten unconscio by proregime thugs on April 27 and h to be hospitalized.

• The regime has reserved large blocks of rooms in all hotels, and all new reservations must be cleared through Panamanian military intelligence, G–2. The G–2 will inspect passports and luggage. No "political" meetings can be held in any hotel.

• On April 21, two Costa Rican newsmen reporting on the elections were arrested and held incommunica for 15 hours because their report allegedly contained "seditious materia

• On April 27, 10 days before the election, the regime COLINA [Coali tion for National Liberation] ticket h a "victory" dinner for its candidate, Carlos Duque. On April 24, the regime announced in a full-page ad tha COLINA would win by more than 65,000 votes.

• The opposition TV program, "F ward Victory," was temporarily suspended on April 24, allegedly becaus the anchorwoman's license had expir

• Two opposition radio program ("Voice of the Christian Democratic Party" and "Heightening Awareness have been suspended by the regime.

• The Panamanian Supreme Cou has agreed to hear a suit filed by "in pendent" PPA [Authentic Panamenis Party] candidate Hildebrando Nicos claiming that Guillermo Endara can run for president under another part label because he never "resigned" fr the PPA.

• The Catholic Church is so concerned about regime-instigated violence that it is urging family and neighborhood groups to vote togethe

• There has been a 29% increase the number of registered voters; the should have been no more than a 12% increase in registered voters.

• The regime said it would announce the election results within 24 hours. Challenges to the vote will dealt with after the official results a announced.

• A Chilean pollster, commissio by the opposition, was arrested by N riega's police on April 29, his inform tion confiscated, and he was deporte

• The regime has denied visas t Chilean and Venezuelan nationals pl ning to observe Panama's elections.

**:PARTMENT STATEMENT,
AY 3, 1989[2]**

the final days of the election cam-
gn in Panama, regime propaganda
s taken on an increasingly threaten-
tone. The campaign of intimidation
lertaken by the regime press and
Panama Defense Forces is aimed at
ducing voter turnout and discourag-
any popular protest following the
nouncement of a "victory" for regime
sidential candidate Carlos Duque.
gime efforts to control the outcome
he election include the following.

• The government and the Justice
nister said yesterday that any media
adcasting election results other
n those released by the govern-
nt's election media center will be
nished by warnings, fines, and possi-
closure.

• The government and Justice Min-
ry's national media directorate has
nounced that local and foreign corre-
ndents covering the May 7 election
prohibited from carrying press cre-
tials issued by any office not author-
l by the Noriega regime; penalties
lude arrest and deportation.

• Two opposition radio programs
e been suspended by regime
horities.

• Government-owned media have
n devoting significant coverage to
readiness of the so-called civilian
nity Battalions to defend the gov-
ment coalition's victory on May 7.
y have reported Dignity Battalion
nbers gathered at installations of
Panamanian Air Force to receive
es and other weapons. In contrast,
government issued a decree requir-
all civilians, including private secu-
guards, to turn in their weapons
or to the elections.

**PARTMENT STATEMENT,
LY 4, 1989[2]**

spite Noriega regime efforts at har-
sment, such as suspending public
nsportation services, an opposition
ipaign closing rally drew an enthusi-
c crowd estimated by reliable
rces at over 200,000, which is rough-
0% of Panama's entire population.

Despite the obstacles that continue
e placed in the way of an honest
toral process, the people of Panama
tinue to demonstrate their deter-
nation to manifest their will at the
tion polls.

We continue to believe that a free and fair election provides the opportunity for Panamanians to find a solution to the political and economic crises that have gripped Panama for more than 20 months. Subverting the election results will do nothing more than perpetuate Panama's crises.

At the opening of the election press center, operated by the regime's Electoral Tribunal, a decision was announced to allow the international news media free access to the May 7 election. This decision reverses an earlier decree that would have barred entry to Panama to all but officially invited journalists.

However, the restrictions that affect housing, transportation, communication, and that forbid reporting of unofficial election results remain in effect. Spanish newsmen have reported that another journalist—a Barcelona-based reporter—was prevented from entering Panama yesterday.

**DEPARTMENT STATEMENT,
MAY 5, 1989[2]**

The Noriega regime continues its systematic campaign to discourage observation of the elections and independent reporting of the results, even while it publicly welcomes observers to the elections on May 7.

On May 1, Noriega's presidential candidate, Duque, said, "We want pure, honest elections, and we wish thousands of observers would come. Hopefully all observers who want to come to observe these elections could come and will come." He added that Presidents Ford and Carter are welcome.

However, some Latin American representatives in the Ford-Carter delegation have not received visas, and the regime continues to place hurdles in the way of meaningful election coverage by journalists.

The Costa Rican Newsmen's Association has reported that two reporters for Costa Rican television were detained in Panama last week for videotaping and recording reports on Panama and comments by Panamanians. The regime has also threatened to arrest and jail any journalist covering the elections who carry credentials from U.S. SOUTHCOM [Southern Command]. SOUTHCOM routinely issues press credentials to journalists covering SOUTHCOM.

The regime's Electoral Tribunal has released figures on voter registration. According to this source, 1,184,324 Panamanians are registered to vote in Sunday's election. This represents an unbelievable increase of over 160% of the total number of votes cast in the 1984 election.

The Panama Defense Forces continue to arm Panama's Dignity Battalions in public ceremonies as part of an ongoing campaign to further intimidate the domestic opposition and discourage any thoughts of organized protests after the May 7 election results are announced. Members of the Dignity Battalions are primarily young, unemployed Panamanians. The combat slogan of the so-called Dignity Battalions is, "For Panama, our lives. Panama first. The fighting will be bitter, bloody, and without quarter in rich neighborhoods."

The regime's political parties held their final rally yesterday. Only 70,000 people turned out. This stands in sharp contrast to the rally of 200,000 people held 2 days ago by the opposition parties.

**DEPARTMENT STATEMENT,
MAY 8, 1989[3]**

In Panama, voters faced extraordinary efforts by the regime of the past weeks to frustrate the free expression of their will. Voter turnout in yesterday's election was extremely heavy. Reliable sources estimate it at 80%. Our Embassy reports that independent exit polls project the opposition coalition with 68% of the vote and the regime coalition with 23%.

President Carter this morning said it appeared, based on observations at polling stations in Panama City last night, that the vote was running between 2– and 3–to–1 against the regime. We look forward to hearing the views of our presidential observer delegation which is holding a press conference at 4:00 p.m. Washington time.

At this juncture, it appears clear that the people of Panama have voted for democracy. It is now up to Gen. Noriega to respect the wishes of the Panamanian people.

**DEPARTMENT STATEMENT,
MAY 8, 1989[4]**

We are deeply concerned by evidence pouring in of electoral fraud on the part of the pro-Noriega forces.

The leader of the presidential observer delegation, Representative John Murtha, stated at his press conference

Elections in Argentina

DEPARTMENT STATEMENT, MAY 10, 1989[1]

On May 14, 1989, the Argentine people will have the opportunity to vote for their new president and members of congress. Since the last presidential elections in 1983, the Argentines have voted in two national elections for members of congress and local officials.

The people of Argentina have demonstrated throughout the last 6 years their commitment to democracy and their support for the rule of law. Against this backdrop of shared democratic values, the Government of the United States looks forward to continuing cooperative relations based on mutual respect and a constructive dialogue with whatever government the Argentine people freely choose through constitutional processes.

DEPARTMENT STATEMENT, MAY 15, 1989[1]

We congratulate the people of Argentina and their leaders for the demonstration of democracy at work which just took place in their elections. We also congratulate Dr. Carlos Menem for his apparent victory.

Argentina's election for president and members of congress yesterday was an example of civic responsibility and democratic values. These elections took place in an atmosphere of free and open debate and under procedures in accord with the Argentine Constitution. The United States looks forward to continuing good relations, based on mutual respect and constructive dialogue, with the Government of Argentina in the transition period and with the new government when it is inaugurated.

[1]Read to news correspondents by Department deputy spokesman Richard A. Boucher. ■

that he saw "fraud and manipulation" by COLINA, the pro-Noriega political coalition, and that he cannot "justify saying that there was a just and fair election." He also said that he was "impressed by the Panamanian peoples' desire for democracy."

European parliamentarians have been reported as stating that 127,000 ballots have been destroyed.

The opposition held a demonstration, led by unity candidate Guillermo Endara, in which 4,000–5,000 people participated. They were met by a regime show of force which included water cannons, "doberman" special riot police, and armed regime civilian supporters. After a face-off of approximately half an hour, the opposition marchers dispersed. In the aftermath of this event, sporadic gunfire has occurred in the areas in which U.S. Embassy personnel live. No injuries have been reported.

The official vote tabulation has been interrupted and remains largely incomplete. The regime has promised numerous times to publish results but still has not complied.

PRESIDENT'S REMARKS, MAY 9, 1989[5]

I would like to comment on the Panamanian elections. I met with the Murtha delegation to hear their report, and I have now received a preliminary report from President Ford and President Carter. President Carter and his whole delegation will be here shortly to give me a full report.

In addition, we have the report of other observer groups, including that of the Archbishop of Panama, which demonstrates clearly that despite massive irregularities at the polls, the opposition has won a clearcut, overwhelming victory. The Panamanian people have spoken. I call on Gen. Noriega to respect the voice of the people. I call on all foreign leaders to urge Gen. Noriega to honor the clear results of the election.

I might add that I applaud the statement by Peru's Alan Garcia who has spoken out against the fraud. I noted with interest that the Archbishop of Panama felt that 74% of the vote went to the opposition. I understand that Carlos Andres Perez of Venezuela is talking to some of the neighboring countries there to encourage a joint statement against the fraud that has taken place and calling on Noriega to honor the results of this election.

DEPARTMENT STATEMENT, MAY 9, 1989[3]

Scattered and sporadic incidents of shooting and violence were reported throughout Panama last night, but th morning the streets are quiet. Our Embassy reports no visible troop pre ence this morning.

We have no indications that the o ficial vote count has ever begun. A range of international observers has concluded that the Noriega regime e gaged in massive fraud in an attempt steal the election, notwithstanding t fact that the Panamanian people hav voted overwhelmingly for democracy and for a change of regime. We share these conclusions.

The bishops have called on autho ties to respect the will of the people. The church's statistical sampling of 115 polling places showed the opposi tion coalition winning 74% of the vot with 25% for the regime.

We believe the situation is clear cut. The Panamanian people have vo by margins of 2- or 3–to–1 to replace the Noriega regime with the opposit candidate.

Once again we call upon Noriega respect the will of the people and to the winner win.

DEPARTMENT STATEMENT, MAY 10, 1989[3]

The U.S. Embassy reports Panama City is quiet. Stores and banks are open, but there is little activity. Schools remain closed. Panamanian combat troops have been deployed in Panama City.

The regime's Electoral Tribunal has released partial results from tw provinces purporting to show the re gime leading the opposition by 2–to– At the same time, with about 50% of the vote tallied, the opposition's para lel vote count shows the opposition c alition with 68.4% of the vote and th regime coalition with 23.4%.

The reports of the U.S. and fore observers, as well as reports from r able independent sources within Par ama concerning the handling of the ballots and the vote tally sheets afte the polls closed on May 7 indicate th the fraud perpetrated by the regime has continued after the voting stopp

Having failed in his attempt to rig
e election in advance, Noriega is now
ng everything he can to steal it af-
the fact despite the clear message
m the people of Panama.

HITE HOUSE STATEMENT, AY 10, 1989[6]

esident Bush condemns the violence
v underway in Panama. Gen. No-
ga has thwarted the desire of the
namanian people for democracy by
ducting a fraudulent election. He
s now escalated this to include vio-
ce against opposition leaders, in-
ding Mr. Endara. This action
derscores that Gen. Noriega does not
ve the interests of the Panamanian
ple at heart.

At about 4:40 this afternoon, Presi-
t Bush called U.S. Ambassador [to
nama Arthur H.] Davis to receive a
st-hand description of the situation
Panama. They discussed the condi-
n of Mr. Endara, the status of the vi-
nce, and the reported harassment of
S. servicemen. The President tried
call Mr. Endara but could not imme-
tely get through. He asked Ambas-
or Davis to contact Mr. Endara to
r his encouragement to the opposi-
n leader, to commend him for his
ength in standing up to the Noriega
es, and to praise him for his convic-
ns in striving to represent the demo-
tic interests of the Panamanian
ple.

The President today also contacted
lers of other countries with inter-
s in the region. Those conversations
ated to Latin American unity in
ng the blatant attempts at intimida-
n now being conducted by the No-
ga regime. The President continues
monitor the situation closely and will
tinue to consult with the states in
region.

PUTY SECRETARY AGLEBURGER'S INTERVIEW, OOD MORNING, AMERICA," AY 11, 1989[7]

**How does the government read the
ding of the [Panama] election?**

A. It was one of the possibilities
t we have been expecting for some
e. It's clear that Noriega is half
nt, that it was a fraudulent election.
e trouble is it was his fraud, and he
l lost the election heavily. But where
go from here remains yet to be seen. Clearly we expected this was a possibility.

Q. Bob Zelnick has been reporting from the Pentagon that today there may well be an announcement of more U.S. troops to go into Panama. Do you anticipate that today?

A. The President hasn't made up his mind on that subject, as far as I know, and it is one of those things he is looking at. He'll be looking at a series of options, and he'll make his announcements when he's ready.

Q. In light of the violence that took place against the opposition candidate, can the U.S. Administration stay as passive as it has been?

A. I'm not at all sure you can say the Administration has been passive. We've been waiting to see how the election results came out. It's clear the people of Panama want Noriega out. We now have to make our choices on the basis of this robbery that Noriega has perpetrated against his own people.

Q. And practically, what can we do?

A. I think there is a series of things we can do. However, I'd rather wait and let the President make those announcements than I do it myself.

Q. What would you have other Latin American nations do?

A. Some of the other Latin American nations have already taken some steps. There has been a call for an extraordinary meeting of the Organization of American States (OAS). President Carlos Andres Perez in Venezuela has been active. A number of the Latin Americans have been active. And there have been some condemnations already of the thievery in Panama City.

I think we'll get, at least, fairly substantial diplomatic support and a fairly substantial open attack on Noriega's robbery.

Q. Aren't those other nations in Latin America, though, edgy about the U.S. response in that it may be too strong, that there may be signs of the U.S. stepping in militarily, etc.?

A. The Latins are always going to be edgy about our response in the sense that they are always worried about intervention in the internal affairs of states in Latin America. That's historically the case.

In this particular case, however, I think it's fairly clear that there is going to be almost universal condemnation of Noriega's robbery this week; and I think we will find very substantial Latin American support for our response, whatever it may be, to Noriega.

Q. Including if we send troops in?

A. I'm not going to make any guesses about whether we do or do not send troops in and how the Latin Americans will react. I will simply say it is clear, as of this moment, that the Latins are at least as upset as we are.

Q. There is some talk among Members of Congress about a military reaction, not just sending troops in to protect Americans who are there but an actual military action against Panama. There are some in Congress talking about their desire to abrogate the Panama Canal Treaties. Is that talk helpful or harmful at this point?

A. Helpful, harmful—they get a chance to express themselves. The President is having a leadership meeting this morning. They will also get a chance to express themselves to the President. I don't think it makes much difference in terms of the effect itself in the area. They have the right to tell the President and the American people what they think.

Q. Are either one of those possible options?

A. I think it's very unlikely, very unlikely, that we will do anything with regard to the treaty itself. Again, I leave that decision obviously to the President, but I don't think he's going to move away from the treaty.

With regard to the use of armed force or what we do with the military, I just don't want to make any guesses at this point.

Q. Is there a feeling that Americans now in Panama are in danger?

A. No, I don't think there's a feeling that they're in danger. Obviously we are concerned about them, and there have been some steps taken, as I think you already know. We're moving the dependents from the embassy into safer areas, and the dependents of the military are, in fact, under—not house arrest obviously—but they don't travel as much. I don't think we're terribly nervous at this point about it, but it is something that we have to keep an eye on.

Q. How do you read Gen. Noriega's position now? That he is so firmly in control he doesn't concern himself with the backlash or that he is very worried now about his own situation?

A. One of the two. I'm not at all sure you can read Noriega at this

point. But what is clear is he made a terrible misjudgment with regard to the election. He tried to steal it and even then, he lost heavily. I think at this point, there is no question that his position in Panama, and certainly internationally, is much weaker than it was before the election.

DEPARTMENT STATEMENT, MAY 11, 1989[3]

The situation in Panama remains extremely tense in the aftermath of yesterday's unprovoked and outrageous violence by Noriega's thugs against opposition leaders.

A massive police presence in the streets of Panama City has been reported. As of now, there are no marchers out. Numerous people were injured yesterday when a peaceful march was attacked. We understand that President-elect Endara is still hospitalized after being hit in the head with a metal bar. The latest reports are that he looks forward shortly to returning to full activity.

Second Vice President-elect Ford was also beaten by regime thugs. You have all seen the pictures of him being attacked. He is also hospitalized but doing well. We understand that First Vice President-elect Arias Calderon, who was also assaulted, is now safe.

Despite all of his attempts to rig the elections, even Noriega found it impossible to declare his man the victor in the face of overwhelming rejection by the Panamanian people. As a result, last night the regime officially announced that it was declaring the annulment of the election results. As the attacks on the winners have shown, Noriega will stop at nothing to maintain his strong hold on the country.

We condemn in the strongest possible terms this attempt to hijack the democratic process which, as Secretary Baker noted, is a subversion and perversion of the will of the Panamanian people. We again call upon Noriega and the Panamanian Defense Forces to respect the results of the election.

Finally, let me note the rising tide of foreign condemnation. We are consulting widely with other nations. So far to our knowledge at least, Argentina, Guatemala, El Salvador, Peru, Costa Rica, Spain, the United Kingdom, the Federal Republic of Germany, Canada, and Venezuela have spoken out against Noriega. We understand that Colombia has released a statement on behalf of the so-called Group of Eight countries expressing dismay at what has happened.

PRESIDENT'S STATEMENT, MAY 11, 1989[5]

The people of Latin America and the Caribbean have sacrificed, fought, and died to establish democracy. Today elected constitutional government is the clear choice of the vast majority of the people in the Americas, and the days of the dictator are over. Still, in many parts of our hemisphere, the enemies of democracy lie in wait to overturn elected governments through force or to steal elections through fraud.

All nations in the democratic community have a responsibility to make it clear, through our actions and our words, that efforts to overturn constitutional regimes or steal elections are unacceptable. If we fail to send a clear signal when democracy is imperiled, the enemies of constitutional government will become more dangerous. And that is why events in Panama place an enormous responsibility on all nations in the democratic community.

This past week, the people of Panama, in record numbers, voted to elect a new democratic leadership of their country. And they voted to replace the dictatorship of Gen. Manuel Noriega. The whole world was watching. Every credible observer—the Catholic Church, Latin and European observers, leaders of our Congress, and two former Presidents of the United States—tell us the same story. The opposition won. It was not even a close election. The opposition won by a margin of nearly 3–to–1.

The Noriega regime first tried to steal this election through massive fraud and intimidation and now has nullified the election and resorted to violence and bloodshed. In recent days, a host of Latin American leaders has condemned this election fraud. They have called on Gen. Noriega to heed the will of the people of Panama. We support and second those demands. The United States will not recognize nor accommodate a regime that holds power through force and violence at the expense of the Panamanian people's right to be free.

I have exchanged these views over the last several days with democratic leaders in Latin America and in Europe. These consultations will continue.

The crisis in Panama is a conflict between Noriega and the people of Pa ama. The United States stands with the Panamanian people. We share the hope that the Panamanian Defense Forces will stand with them and fulfi their constitutional obligation to defe democracy. A professional Panamania Defense Force can have an important role to play in Panama's democratic future.

The United States is committed t democracy in Panama. We respect th sovereignty of Panama, and, of course we have great affection for the Panamanian people.

We are also committed to protect the lives of our citizens. And we are committed to the integrity of the Pan ama Canal Treaties, which guarante safe passage for all nations through t canal. The Panama Canal Treaties ar a proud symbol of respect and partne ship between the people of the Unite States and the people of Panama.

In support of these objectives an after consulting this morning with th bipartisan leadership of the Congres I am taking the following steps.

First, the United States strongl supports and will cooperate with init tives taken by governments in this hemisphere to address this crisis through regional diplomacy and actic in the Organization of American Stat and through other means.

Second, our Ambassador in Pan ama, Arthur Davis, has been recalle and our Embassy staff will be reduc to essential personnel only.

Third, U.S. Government employ and their dependents living outside c U.S. military bases or Panama Cana Commission housing areas will be re cated out of Panama or to secure U.S housing areas within Panama. This a tion will begin immediately. It will b completed as quickly and in as orderl a manner as possible.

Fourth, the State Department, through its travel advisory, will encourage U.S. business representativ residing in Panama to arrange for th extended absences of their dependen wherever possible.

Fifth, economic sanctions will c tinue in force.

Sixth, the United States will ca out its obligations and will assert an enforce its treaty rights in Panama u der the Panama Canal Treaties.

And finally, we are sending a brigade-size force to Panama to augment our military forces already assigned there.

Elections in Bolivia

DEPARTMENT STATEMENT, MAY 8, 1989[1]

Yesterday, while efforts were being made in Panama to rig an election, Bolivia held an open, honest vote for a new president and a new congress. Bolivia's three major political parties are committed to democracy and carried out hard-fought, well-organized, serious campaigns.

With over half the vote counted, the results are very close. Former President Hugo Banzer of the Nationalist Democratic Action (ADN) Party took the lead in early returns which were primarily from urban areas. But as the vote has come in from rural areas, Gonzalo Sanchez de Lozada of the Nationalist Revolutionary Movement (MNR) has been catching up. Jaime Paz of the Movement of the Revolutionary Left (MIR) is a strong third. The popular vote is still too close to call.

If none of the candidates receive a majority of the popular vote, in accordance with Bolivia's Constitution, the next president will be chosen from the three top candidates by the newly elected congress when it meets in August.

The Bolivian election is a victory for democracy. The candidates and the people of Bolivia are to be congratulated.

[1]Read to news correspondents by Department deputy spokesman Richard A. Boucher. ■

If required, I do not rule out further steps in the future.

The United States and all democratic nations in this hemisphere hope that a peaceful resolution can be found to the crisis in Panama. And we urge all those in Panama—every individual, every institution—to put the well-being of their country first and seek an honorable solution to this crisis. The way is still open.

DEPARTMENT STATEMENT, MAY 12, 1989[2]

Panama City was quiet overnight. The regime continues to put police and military on the streets in a show of force in order to intimidate the opposition and to suppress popular reaction to the annulment of the election. Businesses are open, but there is little activity. Schools remain closed.

The Department of State travel warning, issued May 11, warns U.S. citizens that the extremely unsettled conditions and the reduction of embassy personnel in Panama complicate embassy efforts to provide full protective and consular services to Americans. U.S. citizens are advised not to travel to Panama until further notice.

U.S. citizens aboard ships transiting the Panama Canal are well advised to remain aboard the vessel while in Panamanian territory. Private sector and other U.S. citizens are advised to arrange for their dependents in Panama to depart until conditions return to normal. The U.S. Embassy will remain open to assist U.S. citizens. They should contact the embassy's Consular Section for information and assistance.

Foreign reaction continues to strongly condemn developments in Panama. Peru has issued a second statement, condemning the annulment of the election and has stressed its support of democracy in Panama.

President Oscar Arias of Costa Rica has said the Panamanian people were betrayed and quotes the Costa Rican Supreme Electoral Tribunal as rejecting the legitimacy of the results.

Salvadoran Foreign Minister Ricardo Acevedo notes that it is clear that the opposition was victorious in the May 7 election and says El Salvador intends to reject all forms of manipulation and fraud in the Panama election.

Ecuadoran Foreign Minister Cordovez has condemned the imposition of press restrictions in Panama.

The European Community has condemned election fraud and violence in Panama.

By latest count, I note 11 individual countries, in addition to the United States, that have issued individual statements. In addition, Colombia made a statement on behalf of the Group of Eight, and the European Community's 12 nations have issued a statement.

DEPARTMENT STATEMENT, MAY 15, 1989[3]

The flood of international condemnation of Noriega continues to flow in. The Governments of Argentina, Belize, Canada, Costa Rica, Dominica, El Salvador, the Federal Republic of Germany, Guatemala, Japan, Mexico, Norway, Peru, the Philippines, Spain, Trinidad and Tobago, the United Kingdom, Uruguay, and Venezuela have all spoken out, as has the Group of Eight through Colombia and the 12 nations of the European Community. The OAS, of course, will meet on Wednesday.

In addition, condemnation continues inside Panama. We salute the courage of the leaders of the Catholic Church in speaking out against Noriega's dictatorship, especially in light of the contempt for life which the regime showed in the killing of Father Van Cleef, the Dutch priest working in Panama.

We second the words of the bishop's letter, which states, in part, "What moral justification is there to disperse with blows and bullets men and women whose only crime has been to demand peacefully their rights?" The letter calls upon the regime to honor the will of the people, expressed freely in the ballot boxes. We, too, believe that this is the only way to end the crisis which Panama now faces.

DEPARTMENT STATEMENT, MAY 16, 1989[4]

The struggle in Panama continues. The democratic opposition has called for a 24-hour general strike tomorrow, May 17, the same day the consultation of the OAS foreign ministers is to take place here.

The Noriega regime's response thus far has been to declare business strikes illegal and to threaten to apply sanctions against violators. In a blatant attempt to thwart public employee participation in the general strike, the regime has announced it will pay employees overdue salaries tomorrow. Those who do not report for work may risk being fired or losing their pay.

Other regime efforts to frustrate public demand to honor the elections include ongoing censorship of independent radio and TV stations in Panama and jamming and interference with U.S. Southern Command broadcasts of network news.

At the Organization of American States meeting tomorrow, supporters of democracy can take an important step to help the people of Panama. We welcome the fact that a large number of foreign ministers will attend this meeting. We hope the meeting will result in a clear examination of the situation in Panama, and we look forward to working with governments from throughout the hemisphere to develop action in support of democracy. This is a meeting called by Latins, led by Latins, and we expect the result to reflect Latin interest in democracy.

DEPARTMENT STATEMENT, MAY 17, 1989[3]

Today in Panama, the general strike was called by the democratic forces. In Washington the foreign ministers of the OAS member nations will be urgently considering the struggle in Panama.

It is still too early to tell what the level of participation in the strike will be. Certainly Noriega is making every effort to try to frustrate it. The regime is forcing buses and taxis to operate. It is making today payday for government employees. It has made threats against businesses that may join in the strike and threatened to use its Dignity Battalion goon squads.

We are now seeing press reports of beatings and torture of regime opponents who were tortured while detained. If true, these violations of fundamental human rights are intolerable.

The President has talked to Guillermo Endara and congratulated him on his victory. The President also stressed the American people's support for the Panamanian people's desire for democracy.

International condemnation of Noriega continues. President Cerezo of Guatemala has stated that "the Panamanian regime no longer has any justification for what it is doing."

Finally, I would note that Luis Anderson, a Panamanian member of the Canal Commission Board of Directors since 1983, has resigned his position in protest of Noriega's policies. Mr. Anderson is Secretary General of ORIT, the Inter-American Regional Workers Organization, Latin America's regional labor grouping.

OAS RESOLUTION 1, MAY 17, 1989[8]

Reaffirming: That the true significance of American solidarity and good neighborliness can only mean the consolidation on this continent, within the framework of democratic institutions, of a system of individual liberty and social justice based on respect for the essential rights of man; and

That no State or group of States has the right to intervene, directly or indirectly, for any reason whatever, in the internal or external affairs of any other State; and

Considering: That the grave events and the abuses by General Manuel Antonio Noriega in the crisis and the electoral process in Panama could unleash an escalation of violence with its attendant risks to the life and safety of persons;

That these events have abridged the right of the Panamanian people to freely elect their legitimate authorities;

That the outrageous abuses perpetrated against the opposition candidates and citizenry violate human, civil and political rights;

That the crisis, which involves internal and external factors, is escalating rapidly, and could seriously endanger international peace and security;

That the solidarity of the American States and the high aims which are sought through it require the political organization of those States on the basis of the effective exercise of representative democracy;

That every State has the right to choose, without external interference, its own political, economic and social system and to organize itself in the way best suited to it;

That the Organization of American States must offer its collaboration in promoting the measures required for an effective and urgent solution to the Panamanian crisis that will preserve the standards of inter-American comity;

That an essential purpose of the Organization of American States is to promote and consolidate representative democracy with due respect for the principle of nonintervention—a purpose that is being seriously jeopardized by the current political situation in Panama; and

That the continuation in force of the 1977 Panama Canal Treaties and compliance with them constitute a fundamental commitment of all of the Governments of the Americas that has received universal approval,

Resolves: 1. To entrust to the Ministers of Foreign Affairs of Ecuador, Guatemala and Trinidad and Tobago the urgent mission of promoting, with the assistance of the Secretary General of the Organization of American States, conciliation formulas for arriving at a national accord that can bring about, through democratic mechanisms, a transfer of power in the shortest possible time, and with full respect for the sovereign will of the Panamanian people.

2. To exhort the Government of Panam to cooperate fully in the implementation of this resolution.

3. To urge the authorities and all polit cal forces in Panama to refrain from any measure or act that could aggravate the crisis.

4. To urge all States to cooperate in tl implementation of this resolution.

5. To instruct the Mission to present t this Meeting of Consultation a report on t fulfillment of its mandate, to be considere at its session of June 6, 1989, the date on which the Meeting is convened so that further appropriate measures may be determined.

6. To exhort all States to refrain from any action that may infringe the principle nonintervention in the internal affairs of States.

7. To keep the Meeting of Consultatio of Ministers of Foreign Affairs in session long as the current situation persists.

DEPARTMENT STATEMENT, MAY 18, 1989[3]

We are very pleased with the OAS re olution. It constitutes a condemnatior of Noriega by name for his abuses. It calls for a transfer of power to those who enjoy the support of the Panama nian people, and it calls for sending a mission to Panama to report back by June 6 at the reconvening of the gro The vote had the support of all the O. states.

Two specific anti-U.S. amendments concerning U.S. troops in Panama that were introduced by Nicaragua were voted down overwhelmingly. Some countries which voted against these amendments wou normally vote against measures invo ing troops, but in the event, only Nicaragua and Panama supported th negative amendments.

The language to condemn Norieg by name was introduced by the Latir We support them and the process wh has emerged. Noriega should listen t the clear message from his people an from his neighbors. It is time for hin to leave.

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[1]Text from Weekly Compilation of Pr dential Documents of May 1, 1989.

[2]Read to news correspondents by De partment spokesman Margaret DeB. Tutwiler.

[3]Read to news correspondents by De partment deputy spokesman Richard A. Boucher.

[4]Made available by Department depu spokesman Richard A. Boucher.

[5]Text from Weekly Compilation of Pr dential Documents of May 15.

[6]Text from White House press releas

[7]Press release 82.

[8]Adopted by consensus. ■

.S.-Mexico Relations

e importance of U.S.-Mexico ties s underscored on November 22, 8, when President-elect George sh met with Mexican President-elect rlos Salinas in his first postelection eting with a foreign leader. Mexico mportant to the United States not y as a neighbor sharing a 1,952-mile rder, and one of our largest, secure eign oil suppliers, but as our third gest trading partner. It is a country h which we have longstanding cul- ral ties and a shared history. The ited States is important to Mexico its major market and trading part- , a close neighbor and world power, investor in the Mexican economy, l the home of many emigres who intain family ties in Mexico. For se reasons, Mexico and the United tes desire closer relations and are rking together more closely than r on economic, border, tourism, and enforcement issues.

Recent U.S.-Mexican agreements lude: a bilateral trade and invest- nt framework understanding; a mu- l legal assistance treaty; and eements on textiles, steel, civil avi- n, telecommunications, and the bor- environment. Ongoing dialogue has rted potential friction over U.S. im- gration reform. And Mexican acces- n to the General Agreement on riffs and Trade (GATT) has marked important step in relating Mexico to world economy and enhancing the sibility of further strengthening S.-Mexico trade relations.

> Mexico, with some 82 million inhabitants, is the 11th most populous country in the world. Its capital is the world's largest city. But while Mexico has one foot in the developed world, much of Mexico is still a Third World country. Also Mexico is in the throes of massive social change: from a rural nation of 26 million people 40 years ago, Mexico has become a largely urban industrializing nation, whose population will exceed 100 million by the year 2000. Each year, 1 million young people enter the job market—most of whom seek work in metropolitan centers or the United States.
>
> Mexico is going through perhaps its worst economic recession of this century and massive systemic changes largely driven by economic and demographic forces. Per capita income is down 15% since 1982, and there is widespread unemployment, but this has given rise to modernization efforts that have already begun to bring major and beneficial changes to the economy and also may have accelerated the evolution of Mexico's political system.

ıde

e trade relationship with our south- neighbor is extremely important. ch a 1988 total of $44 billion in two- y trade, Mexico was our third larg- trading partner—after Canada and an, with which U.S. total trade ounted to $150 billion and $131 bil- , respectively. Mexico was the third gest U.S. export market and fifth gest supplier of 1988 U.S. imports. the same time, the United States is n more important to Mexico's trad- picture—some two-thirds of its to- trade was with the United States.

Since 1986 Mexico has liberalized tariff levels and cut its use of import nsing and official reference prices. part of this reform package, Mexico liversifying its exports to reduce its nerability to fluctuations in the price of oil. Though affected somewhat by low petroleum prices, exports of manufactured goods produced more revenue in 1986, 1987, and 1988 than did oil exports, testimony to the impact of Mexican economic reforms and their emphasis on developing exports.

Under an umbrella Framework Understanding on Trade and Investment in 1987, the United States and Mexico have concluded separate accords on trade in textiles, steel, beer and wine, and—outside the framework—on civil aviation. Following the signing of the Free Trade Agreement with Canada in 1988, some discussion has centered on the possibilities for developing a similar accord with Mexico. The gap in development levels between the United States and Mexico makes that unlikely at this time, but there is interest on both sides in expanding trade relations.

Investment

The United States accounts for more than 60% of some $20 billion in foreign direct investment in Mexico. More foreign and domestic investment is needed to promote Mexican economic growth. Though the investment climate is improving, domestic ownership restrictions, local content and performance requirements, poor intellectual property protection, and unclear rules still discourage foreign investment. However, an extensive liberalization of these rules reportedly is underway.

The 1987 trade and investment framework established a consultative mechanism for resolution of these issues. It can serve as a vehicle for working toward future trade and investment agreements and marks a significant advance in the bilateral negotiating climate.

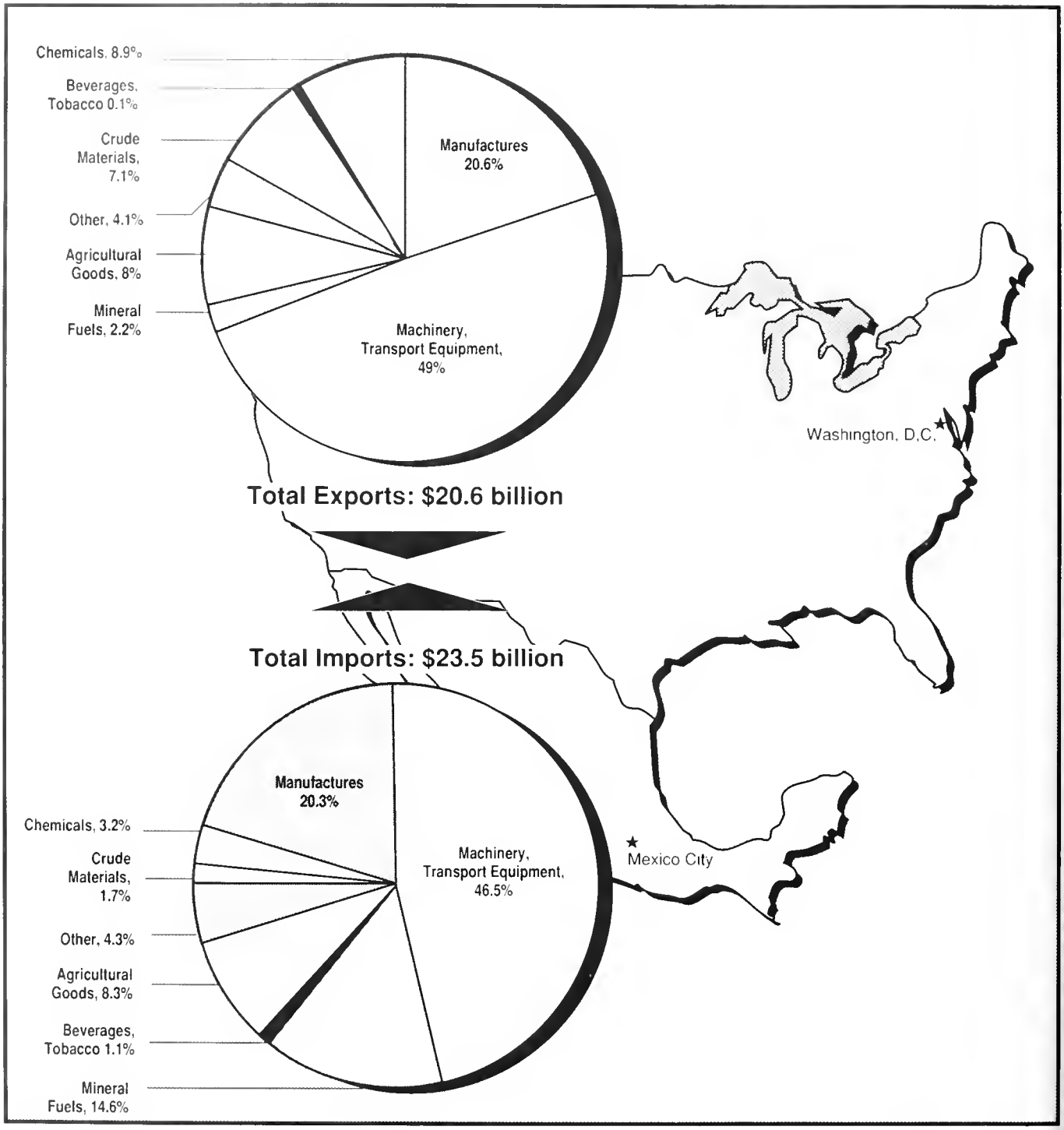
The growth of the Mexican in-bond assembly plant industry (*maquiladora*)—where imported components are transformed and reexported as finished goods—and its use by major U.S. manufacturers have led to a substantial degree of U.S.-Mexico industrial integration. This has spurred economic growth on both sides of the border.

Debt

About 25% of Mexico's $107-billion debt and $13-billion annual debt service is owed to U.S. banks. A large portion of this debt was acquired in the late 1970s when the discovery of vast additional oil reserves in Mexico removed constraints on foreign borrowing.

However, by 1982 Mexico was beset by falling oil prices and rising real interest rates, coupled with poorly managed fiscal and monetary policy. This resulted in a substantial decline in real wages and per capita output over the subsequent 6 years. Mexico has undertaken and persisted in difficult economic reform measures which have curbed inflation sharply and trimmed, somewhat, the government's inflation-adjusted fiscal deficit. These essential

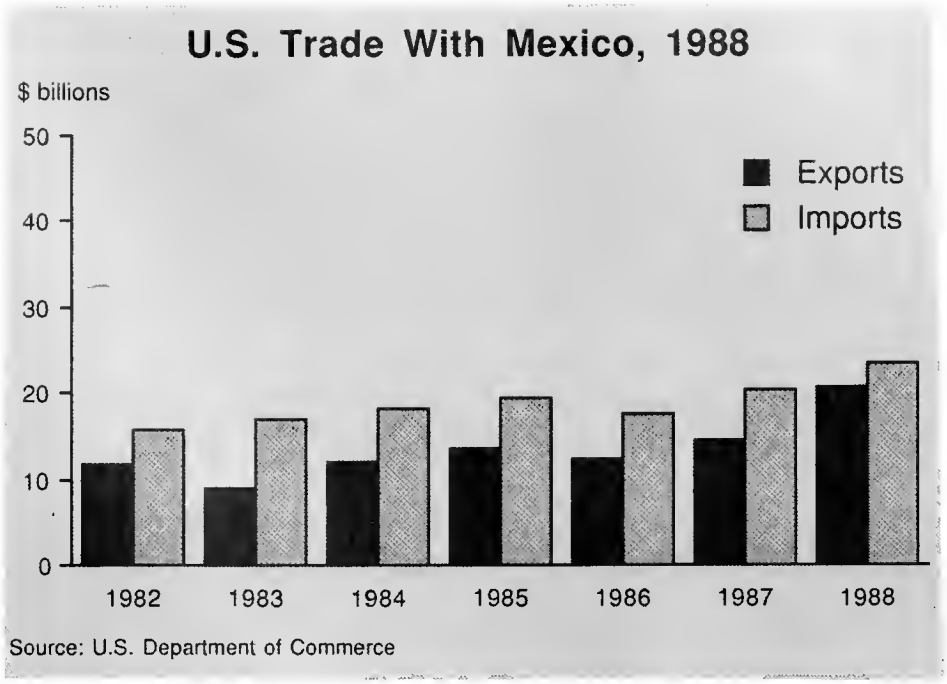
U.S. Trade With Mexico, 1988



sures, on the heels of already de-
ing real wages, have been seen as
osing a heavy social cost. Mexico
remained current in paying its in-
ational debt obligations, despite
fact that interest alone, at $9 bil-
in 1988, represented over 5% of to-
output.

An economically healthy Mexico is
ne U.S. interest, both for the sake
ocial stability and to maintain its
acity to function as a major market
U.S. goods and services.

Mexico may need help in order to
ure that it resume growth. It is try-
to negotiate a reduction in its re-
ments to international lenders over
next 5 years in order to devote
e funds to resuming growth. In
y March 1989, U.S. Secretary of
Treasury Nicholas Brady an-
nced a proposal for debt and debt
ice reduction which would apply to
rd World debtors. Mexico presented
wn plan for debt management to
World Bank and International Mon-
y Fund meetings in April.



migration

migration, legal and illegal, has a
or impact on U.S.-Mexican rela-
s. The United States issues more
igrant visas to Mexican nationals
to those of any other nation—
00 in fiscal year 1987. Visitor visas
led nearly one-half million in the
e period. Yet immigration issues
been contentious for some time.
the United States, the problem is
of controlling entry across borders
assuring that immigrants do not
lace American workers. Mexico
ts to protect the human and labor
ts of its workers in the United
es, whether legal or otherwise. Mi-
ion to the United States is often
as a social "safety valve," as an al-
ative to unemployment or under-
loyment at home. The U.S. and
ican Governments share a deep
ern over violent acts against Mexi-
committed by smugglers of illegal
migrants or other criminals.

Substantial portions of the Immi-
ion Reform and Control Act of 1986
ern the twin issues of illegal immi-
ion and the need for agricultural
rers in the United States. The
—which seeks to reduce illegal im-
ration by providing enforcement of
tions against those employing ille-
mmigrants—has moved into high
. The law also has amnesty provi-
s which will allow many undocu-
mented aliens who have lived in the United States to obtain legal resident alien status and eventually citizenship. Legalization provisions have allowed 1,235,600 Mexicans who were residing illegally in the United States to remain legally.

In 1987 the Mexican and U.S. Governments established two joint working groups to discuss ways to reduce violence against undocumented aliens as they enter the United States, handle mistreatment of Mexicans, and resolve other problems.

Narcotics

Mexico has expanded the scope of opium and marijuana eradication programs, while taking steps to improve operational efficiency. However, Mexico is still a major drug producer and a major transshipment point for South American cocaine. It is our largest single foreign source of heroin and the second largest source for marijuana.

The demand for illicit narcotics in the United States and the foreign production and trafficking of drugs are two sides of the same coin. The United States seeks to resolve the problem of illegal narcotics traffic from Mexico to the United States by working together with Mexican authorities to curb supply. At the same time, the United States works with officials at state and local levels to reduce the demand for drugs in the United States.

The narcotics problem is the most controversial in our bilateral relationship. U.S. law requires that countries be certified as cooperating with the United States before they can benefit from certain assistance programs and tariff benefits. In the case of Mexico, the loss of tariff benefits under the generalized system of preferences—and a sharp cut in concessional lending—would be the most significant sanctions.

Mexican officials point out that 60% of their attorney general's budget and 25% of their army personnel are deployed in the war against drugs. The attorney general's budget for 1989 exceeds $26 million, up from $19.5 million in 1987. For our part, President Bush has announced a $5.5 billion nationwide program to curb drug consumption in the United States through education and increased law enforcement. Mexico is prosecuting top drug traffickers, including those charged with the highly publicized kidnaping and murder of an American drug enforcement agent.

Since 1976 the United States has supported a Mexican aerial eradication program, primarily through funding of maintenance support. Mexican authorities have seized record amounts of cocaine this year, and U.S. and Mexican officials cooperate on drug interdiction along the border.

Bilateral Relations

The sheer breadth of U.S.-Mexico relations, the 1,952-mile land border, and involvement by federal, state, and local and private-sector entities give us a unique position with our neighbor to the south. While the range of our relationship will always deal with the management of problems that derive from our many ties, the fabric of the relationship has been marked by increasing cooperation and understanding and the creation of institutions to manage the resolution of differences.

U.S. foreign policy objectives toward Mexico include:

- A stronger U.S.-Mexican trade partnership, based upon the further relaxation of trade barriers on both sides;
- Increased access for foreign investment in Mexico;
- Responsible and prudent action toward the payment of Mexico's international debt, some $30 billion of which is owed to U.S. financial institutions;
- The control of illegal emigration from Mexico to the United States, while facilitating the flow of documented workers and preventing the abuse of Mexican workers who do cross the border; and
- A reduction in the flow of illegal narcotics from Mexico to the United States by engaging in bilateral efforts to curb both supply and demand. ■

Mexico—A Profile

Geography

Area: 1.978 million sq. km. (764,000 sq. mi.); about three times the size of Texas. **Cities:** *Capital*—Mexico City (pop. 18 million, est. 1985). *Other cities*—Guadalajara (3 million), Monterrey (2.7 million), Ciudad Juarez (1.12 million), Puebla de Zaragoza (1.1 million), Leon (1 million). **Terrain:** Varies from coastal lowlands to high mountains. **Climate:** Varies from tropical to desert.

People

Nationality: *Noun and adjective*—Mexican(s). **Population** (July 1987): 81.9 million. **Annual growth rate** (1987 est.): 2.09%. **Ethnic groups:** Indian-Spanish (mestizo) 60%, American Indian 30%, Caucasian 9%, other 1%. **Religion:** Roman Catholic 97%, Protestant 3%. **Language:** Spanish. **Education:** *Years compulsory*—10. *Literacy*—88%. **Health:** *Infant mortality rate* (1984)—51.0/1,000. *Life expectancy* (1984)—65.4 yrs. **Work force** (26,320,000, 1985): *Agriculture, forestry, hunting, fishing*—26%. *Manufacturing*—12.8%. *Commerce*—13.9%. *Services*—31.4%. *Mining and quarrying*—1.3%. *Construction*—9.5%. *Electricity*—0.3%. *Transportation and communication*—4.8%.

Government

Type: Federal Republic. **Independence:** First proclaimed September 16, 1810; Republic established 1822. **Constitution:** February 5, 1917.

Branches: *Executive*—president (chief of state and head of government). *Legislative*—bicameral. *Judicial*—Supreme Court, local and federal systems.

Political parties: Institutional Revolutionary Party (PRI), National Action Party (PAN), Mexican Socialist Party (PMS), Mexican Democratic Party (PDM), Popular Socialist Party (PPS), the Authentic Party of the Mexican Revolution (PARM), Mexican Workers Party (PMT), Revolutionary Workers Party (PRT), Party of the Cardenist Front of National Reconstruction (PFCRN). **Suffrage:** Universal over 18.

Administrative subdivisions: 31 states and the federal district.

Flag: Green, white, and red vertical bands. An eagle holding a snake in its beak and perching on a cactus is centered.

Membership in International Organizations

UN and some of its specialized and related agencies, including the World Bank and the International Monetary Fund (IMF); the General Agreement on Tariffs and Trade (GATT); International Civil Aviation Organization (ICAO); Seabeds Committee; Inter-American Defense Board (IADB); Organization of American States (OAS); Latin American Integration Association (ALADI); INTELSAT; and many others.

Taken from the *Background Notes* of February 1988, published by the Bureau of Public Affairs, Department of State. Editor: Juanita Adams. ■

Current Actions

MULTILATERAL

Antarctica
Convention on the regulation of Antarctic mineral resource activities. Done at Wellington June 2, 1988.[1]
Signatures: Argentina, Mar. 17, 1989;[2,3] Chile, Mar. 17, 1989;[2,3] U.K. Mar. 22, 1989

Aviation, Civil
Convention on international civil aviation. Done at Chicago Dec. 7, 1944. Entered int force Apr. 4, 1947. TIAS 1591.
Adherence deposited: Bhutan, May 17, 19

Protocol for the suppression of unlawful a of violence at airports serving internatio civil aviation, supplementary to the conve tion of Sept. 23, 1971 (TIAS 7570). Done a Montreal Feb. 24, 1988.[1] [Senate] Treaty Doc. 100-19.
Signature: Luxembourg, May 18, 1989.
Ratification deposited: Kuwait, Mar. 8, 1989.

Coffee
International coffee agreement 1983, wit annexes. Done at London Sept. 16, 1982, tered into force provisionally Oct. 1, 198 definitively Sept. 11, 1985. [Senate] Trea Doc. 98-2.
Territorial application: Extended by the U.K. to St. Helena, effective Jan. 6, 1989

Collisions
Convention on the international regulatio for preventing collisions at sea, 1972, wit regulations, as amended (TIAS 8587, 106 Done at London Oct. 20, 1972. Entered in force July 15, 1977. TIAS 8587.
Accession deposited: Malta, Mar. 20, 198

Conservation
Convention on the conservation of Antarc marine living resources, with annex. Do at Canberra May 20, 1980. Entered into force Apr. 7, 1982. TIAS 10240.
Accession deposited: Italy, Mar. 29, 1989.

Judicial Procedure
Convention on the civil aspects of interna tional child abduction. Done at The Hagu Oct. 25, 1980. Entered into force Dec. 1, 1983; for the U.S. July 1, 1988. [Senate] Treaty Doc. 99-11.
Signature: Sweden, Mar. 22, 1989.
Ratification deposited: Sweden, Mar. 22, 1989.[1]

Load Lines
International convention on load lines, 19 Done at London Apr. 5, 1966. Entered in force July 21, 1968. TIAS 6331, 6629, 672
Accessions deposited: Haiti, Apr. 6, 1989 Tanzania, Feb. 28, 1989.

itime Matters
rnational convention on standards of ning, certification, and watchkeeping eafarers, 1978. Done at London July 7, . Entered into force Apr. 28, 1984.[5]
ession deposited: Haiti, Apr. 6, 1989.

vention for the suppression of unlawful t against the safety of maritime naviga- with protocol for the suppression of un- ul acts against the safety of fixed forms located on the Continental Shelf. e at Rome Mar. 10, 1988.[4] [Senate] Trea- oc. 101–1.
atures: Belgium, Mar. 9, 1989; Byelorus- S.S.R., Mar. 2, 1989; Czechoslovakia, 9, 1989; Egypt, Aug. 16, 1988; Nigeria, . 9, 1988; Saudi Arabia, Mar. 6, 1989; ainian S.S.R., U.S.S.R., Mar. 2, 1989.

lear Material—Physical Protection
vention on the physical protection of nu- material, with annexes. Done at Vien- ct. 26, 1979. Entered into force Feb. 8, .
fication deposited: Argentina, May 2, .[6]

nts—Microorganisms
apest treaty on the international recog- n of the deposit of microorganisms for urposes of patent procedure, with reg- ons. Done at Budapest Apr. 28, 1977. red into force Aug. 19, 1980. TIAS .
ession deposited: German Dem. Rep., 27, 1989.

ution
ndments to the convention of Dec. 29, , on the prevention of marine pollution umping of wastes and other matter S 8165). Done at London Oct. 12, 1978.[1]
ptance deposited: Portugal, Mar. 10, .

real protocol on substances that de- the ozone layer, with annex. Done at real Sept. 16, 1987. Entered into force 1, 1989. [Senate] Treaty Doc. 100–10.
ession deposited: Hungary, Apr. 20, .
fication deposited: Austria, May 3, .

igees
oeol relating to the status of refugees. at New York Jan. 31, 1967. Entered force Oct. 4, 1967; for the U.S. Nov. 1, TIAS 6577.
ession deposited: Mozambique, May 1, .

ber
national natural rubber agreement, with annexes. Done at Geneva Mar. 20, . Entered into force provisionally 29, 1988. [Senate] Treaty Doc. 100–9.
fication deposited: Finland, Apr. 18, .

Safety at Sea
International convention for the safety of life at sea, 1974, with annex, as amended. Done at London Nov. 1, 1974. Entered into force May 25, 1980. TIAS 9700, 10009, 10626.
Accessions deposited: Haiti, Apr. 6, 1989; Suriname, Nov. 4, 1988.

Sugar
International sugar agreement, 1987, with annexes. Done at London Sept. 11, 1987. Entered into force provisionally Mar. 24, 1988.
Accession deposited: El Salvador, Mar. 17, 1989.

Tonnage
International convention on tonnage measurement of ships, 1969, with annexes. Done at London June 23, 1969. Entered into force July 18, 1982; for the U.S. Feb. 10, 1983. TIAS 10490.
Acceptance deposited: Indonesia, Mar. 14, 1989.
Accessions deposited: Haiti, Apr. 6, 1989; Malta, Mar. 20, 1989.

BILATERAL

Australia
Agreement amending the agreement of Dec. 3, 1946, as amended (TIAS 1574, 3880), concerning air transport. Effected by exchange of notes at Washington Mar. 23, 1989. Entered into force Mar. 23, 1989; effective Aug. 20, 1988.
Supersedes the agreement of Aug. 12, 1957 (TIAS 3880).

Agreement relating to the air transport agreement of Dec. 3, 1946, as amended (TIAS 1574, 3880), concerning capacity for the North Pacific, South Pacific, and Guam routes, with annexes. Effected by exchange of notes at Washington Mar. 23, 1989. Entered into force Mar. 23, 1989; effective Aug. 20, 1988.

Austria
Air services agreement, with annexes. Signed at Vienna Mar. 16, 1989. Entered into force June 2, 1989.

Botswana
Agreement concerning interpretation of the agreement of June 15, 1984, relating to the employment of dependents of official government employees. Effected by exchange of notes at New York Mar. 14 and Apr. 27, 1989. Entered into force Apr. 27, 1989.

Chile
Memorandum of understanding regarding cooperation in ensuring the safety and wholesomeness of fresh and frozen oysters, clams, and mussels exported to the U.S. from Chile. Signed at Rockville May 18, 1989. Entered into force May 18, 1989.

China
Memorandum of agreement on liability for satellite launches. Signed at Washington Dec. 17, 1988.

Memorandum of agreement on satellite technology safeguards. Signed at Washington Dec. 17, 1988.

Memorandum of agreement regarding international trade in commercial launch services, with annex. Signed at Washington Jan. 26, 1989.
Entered into force: Mar. 16, 1989.

Denmark
Agreement amending and extending the agreement of June 11, 1984, concerning Faroese fishing in fisheries off the coasts of the U.S. Effected by exchange of notes at Washington Mar. 28, 1989. Enters into force on a date to be agreed upon by exchange of notes following completion of internal procedures of both parties.

European Economic Community
Agreement amending and extending the agreement of Oct. 1, 1984, concerning fisheries off the coasts of the U.S. Effected by exchange of notes at Brussels Sept. 15, 1988, and Feb. 27, 1989. Enters into force on a date to be agreed upon by exchange of notes following the completion of internal procedures of both parties.

Germany, Federal Republic of
Memorandum of understanding concerning a cooperative program for harmonization, development, production, and support of a maritime patrol aircraft, with annexes. Signed at Bonn and Washington Feb. 17 and Apr. 5, 1989. Entered into force Apr. 5, 1989.

Memorandum of understanding for cooperative projects of research and development in the field of high energy laser technology, with annex. Signed at Bonn Apr. 14, 1989. Entered into force Apr. 14, 1989.

Agreement amending the air transport agreement of July 7, 1955, as amended (TIAS 3536, 6434, 9591). Signed at Bonn Apr. 25, 1989. Enters into force on the date on which the U.S. is informed that necessary F.R.G. national requirements have been completed.

Honduras
Agreement to establish a Caribbean Basin Radar Network (CBRN) in Honduras. Signed at Tegucigalpa Apr. 7, 1989. Enters into force on the date on which parties exchange notes indicating that their respective constitutional requirements have been fulfilled.

Iceland
Agreement amending and extending the agreement of Sept. 21, 1984, concerning fisheries off the coasts of the U.S. Effected by exchange of notes at Reykjavik Nov. 23, 1988, and Jan. 17, 1989. Enters into force on a date to be agreed upon by exchange of notes following the completion of internal procedures of both governments.

India
Agreement concerning the reciprocal exemption from income tax of income derived from the international operation of ships and aircraft. Effected by an exchange of notes at New Delhi Apr. 12, 1989. Entered into force Apr. 12, 1989, effective with respect to taxable years on or after Jan. 1, 1987.

International Atomic Energy Agency (IAEA)
Tax reimbursement agreement, with annex. Signed at Vienna Apr. 5, 1989. Entered into force Apr. 5, 1989, applicable with regard to tax reimbursements for institutional income earned on or after Jan. 1, 1988.

Israel
Agreement modifying the land lease and purchase agreement for construction of diplomatic facilities of Jan. 18, 1989. Effected by exchange of notes at Tel Aviv and Jerusalem Mar. 21 and Apr. 10, 1989. Entered into force Apr. 10, 1989.

Jamaica
Agreement amending the agreement of Nov. 12, 1987, regarding the consolidation and rescheduling of certain debts owed to, guaranteed by, or insured by the U.S. Government and its agencies. Effected by exchange of notes at Kingston Feb. 2 and Mar. 15, 1989. Entered into force Mar. 15, 1989.

Korea
Agreement extending the agreement of July 26, 1982 (TIAS 10571), as amended and extended, concerning fisheries off the coasts of the U.S. Effected by exchange of notes at Washington Feb. 17 and Mar. 27, 1989. Enters into force following written confirmation of the completion of U.S. internal procedures.

Malaysia
Memorandum of understanding for reducing demand, preventing illicit use, and combatting illicit production and traffic of drugs, including precursor chemicals. Signed at Kuala Lumpur Apr. 20, 1989. Entered into force Apr. 20, 1989.

Mexico
Memorandum of understanding on cooperation in geothermal and related volcanic investigations, with annex. Signed at Mexico Mar. 31, 1989. Entered into force Mar. 31, 1989.

New Zealand
Memorandum of understanding concerning the operation of the INTELPOST service, with details of implementation. Signed at Bern Apr. 28, 1989. Entered into force May 1, 1989.

Philippines
Agreement amending the agreement of Sept. 16, 1982 (TIAS 10443), as amended, concerning air transport services. Effected by exchange of notes at Washington Apr. 24, 1989. Entered into force Apr. 24, 1989.

Supersedes agreements of Nov. 23, 1983, and Jan. 23, 1984 (TIAS 10931), and Sept. 5 and Oct. 31, 1985.

Spain
Agreement on defense cooperation, with annexes and related letters. Signed at Madrid Dec. 1, 1988.
Entered into force: May 4, 1989.
Supersedes agreement of July 2, 1982 (TIAS 10589).

U.S.S.R.
Agreement concerning cooperation in combatting pollution in the Bering and Chukchi Seas in emergency situations. Signed at Moscow May 11, 1989. Enters into force on the date the parties notify each other in writing that necessary internal procedures have been completed.

United Kingdom
Agreement extending the agreement of July 26, 1984, as extended, concerning the Cayman Islands and narcotics activities. Effected by exchange of notes at Washington May 25, 1989. Entered into force May 25, 1989.

Agreement extending the agreement of Mar. 1, 1985, in the field of decommissioning nuclear facilities. Effected by exchange of letters at Washington and Risley Feb. 17 and Mar. 6, 1989. Entered into force Mar. 6, 1989; effective Mar. 1, 1989.

Agreement extending the agreement of Apr. 14, 1987, as extended, concerning the British Virgin Islands and narcotics activities. Effected by exchange of notes at Washington May 10, 1989. Entered into force May 10, 1989.

Zambia
Agreement relating to the agreement of Apr. 25, 1988, for sales of agricultural commodities. Signed at Lusaka Mar. 10, 1989. Entered into force Mar. 10, 1989.

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[1]Not in force.
[2]With statement(s).
[3]With understanding(s).
[4]With reservation.
[5]Not in force for the U.S.
[6]With declaration. ■

Department of State

Press releases may be obtained from the Office of Press Relations, Department of State, Washington, D.C. 20520.

No.	Date	Subject
*74	5/1	Henry E. Catto sworn in as Ambassador to the Court of Saint James's, Apr. 21 (biographic data).
75	5/1	Baker: statement on the PLO application to UN agencies.
76	5/1	Baker: address and question-and-answer session before the Council of the Americas conference.
77	5/4	*Foreign Relations of the United States*, 1955–1957, Vol. XVIII, Africa, released.
78	5/5	Baker: address before the Center for Strategic and International Studies, May 4.
*79	5/5	Baker: address at Foreign Service Day luncheon.
*80	5/5	Baker: remarks at Foreign Service Day memorial plaque dedication ceremony.
*81	5/10	Terence A. Todman sworn in as Ambassador to Argentina, May 1 (biographic data).
82	5/10	Eagleburger: interview on ABC–TV's "Good Morning America."
83	5/12	Baker: remarks at reception for human rights activists and refuseniks, Moscow, May 10.
84	5/16	Baker: news conference, Moscow, May 11.
85	5/13	Joint U.S.-U.S.S.R. statement on Lebanon, Moscow, May 11.
86	5/17	Baker: interview by TASS and *Izvestiya*, Moscow, May 11.
87	5/15	Baker: news conference at North Atlantic Council meeting, Brussels, May 12.
88	5/15	Baker: interview on CBS-TV's "Face the Nation," Houston, May 14.
*89	5/15	Richard T. McCormack sworn in as Under Secretary for Economic Affairs, Apr. 14 (biographic data).

00	5/16	Baker: remarks and question-and-answer session, Dodd Washington Seminar, May 15.
01	5/16	Eugene J. McAllister reappointed Assistant Secretary for Economic and Business Affairs, Apr. 11.
02	5/17	Baker: interview on Worldnet's "Dialogue."
03	5/19	*Foreign Relations of the United States*, 1955–57, Vol. XXIV, Soviet Union; Eastern Mediterranean, released.
04	5/23	Baker, Dumas: news briefing, Kennebunkport, May 20.
05	5/22	John R. Bolton sworn in as Assistant Secretary for International Organization Affairs (biographic data).
06	5/22	Baker: address before the American-Israel Public Affairs Committee.
07	5/23	Baker: news conference, White House.
08	5/25	John C. Monjo sworn in as Ambassador to Indonesia, May 24 (biographic data).
09	5/30	Baker: interview on ABC–TV special "Beyond the Cold War," May 25.
10	5/30	Baker: interview on NBC–TV's "Meet the Press," Rome, May 28.
11	5/30	Baker: interview on ABC–TV's "Good Morning, America," Brussels.
12	5/31	Baker: news briefing, Bonn, May 30.
13	6/1	*Foreign Relations of the United States*, 1955–1957, Vol. XIV, Arab-Israeli Dispute, 1955, released.
14	5/31	Ivan Selin sworn in as Under Secretary for Management, May 23.
15	5/31	Baker: interview on NBC–TV's "The Today Show," Bonn.

*Not printed in the BULLETIN. ■

Department of State

Free **single** copies of the following Department of State publications are available from the Public Information Division, Bureau of Public Affairs, Department of State, Washington, D.C. 20520.

President Bush

Commitment to Democracy and Economic Progress in Latin America, Council of the Americas, May 2, 1989 (Current Policy #1168).

Change in the Soviet Union, Texas A&M University commencement, College Station, May 12, 1989 (Current Policy #1175).

The Future of Europe, Boston University commencement, Boston, May 21, 1989 (Current Policy #1177).

Security Strategy for the 1990s, Coast Guard Academy commencement, New London, Conn., May 24, 1989 (Current Policy #1178).

Vice President Quayle

American Leadership in the Pacific, American Business Council, Singapore, May 3, 1989 (Current Policy #1173).

Secretary Baker

U.S. and Latin America: A Shared Destiny, Council of the Americas, May 1, 1989 (Current Policy #1167).

The Challenge of Change in U.S.-Soviet Relations, Center for Strategic and International Studies (CSIS), May 4, 1989 (Current Policy #1170).

Principles and Pragmatism: American Policy Toward the Arab-Israeli Conflict, America-Israel Public Affairs Committee (AIPAC), May 22, 1989 (Current Policy #1176).

Arms Control

Military Confidence- and Security-Building Measures in Europe: Strengthening Stability Through Openness, May 1989 (Public Information Series).

Economies

Competitiveness in the Global Marketplace, Under Secretary McCormack, President's Executive Exchange Alumni Asso., May 11, 1989 (Current Policy #1174).

Agriculture in U.S. Foreign Economic Policy (GIST, May 1989).

International Monetary Fund (GIST, May 1989).

Third World Debt (GIST, May 1989).

U.S. Exports: Strategic Technology Controls (GIST, May 1989).

Europe

Northern Ireland (GIST, May 1989).

U.S.-Soviet Relations (GIST, May 1989).

Human Rights

Global Human Rights Violations, Ambassador Walters, 45th session of the UN Commission on Human Rights, Geneva, Mar. 6, 1989 (Current Policy #1164).

Middle East

FY 1990 Assistance Programs for the Middle East and North Africa, Deputy Assistant Secretaries Walker and Burleigh, Subcommittee on Foreign Operations, House Appropriations Committee, Apr. 19, 1989 (Current Policy #1169).

Oceans

U.S. Responsibilities in International Fisheries Matters, Deputy Assistant Secretary Wolfe, Subcommittee on Fisheries and Wildlife Conservation and the Environment, House Committee on Merchant Marine and Fisheries, May 2, 1989 (Current Policy #1172).

Refugees

Update on Immigration and Refugee Issues, Refugee Coordinator Moore, Subcommittee on Immigration, Refugees, and International Law, House Judiciary Committee, Apr. 6, 1989 (Current Policy #1163).

Science & Technology

Telecommunications as an Engine of Economic Growth, May 1989 (Public Information Series).

U.S. Contribution to Communications Development, May 1989 (Public Information Series).

United Nations

U.S.-UN Relations: Program Funding and PLO Status, Secretary Baker, May 1, 1989; Ambassador Pickering and Deputy Assistant Secretary Vogelgesang, Subcommittee on Foreign Operations, Senate Appropriations Committee, May 4, 1989 (Current Policy #1171).

Western Hemisphere

El Salvador: U.S. Policy (GIST, May 1989).

Panama Presidential and Legislative Elections, May 1989 (Public Information Series).

Latin America: U.S.-Mexico Relations, May 1989 (Regional Brief). ■

Foreign Relations Volumes Released

AFRICA[1]

The Department of State on May 4, 1989, released *Foreign Relations of the United States*, 1955–1957, Volume XVIII, Africa, a volume of more than 800 pages of previously classified records of the White House, Department of State, and other government agencies.

The documents in this volume show that as rising African nationalism in both North and sub-Saharan Africa challenged the European colonial powers in the 1950s, traditional American support for nationalism and self-determination clashed with U.S. ties with its European allies. In general, the Eisenhower Administration encouraged the colonial powers to yield gracefully to the inevitable but did not press them to grant, as Secretary of State John Foster Dulles phrased it, "premature" independence. Also actuating U.S. policymaking in Africa was fear that growing Soviet influence would spread via Egypt into the rest of Africa. The Eisenhower doctrine of January 1957, which was designed to aid North African as well as Near Eastern countries, was a significant U.S. response to this threat, as was Vice President Richard M. Nixon's fact-finding tour of Ethiopia, Ghana, Liberia, Libya, Morocco, Sudan, and Tunisia.

In Algeria, where the United States saw French policy as self-defeating, the intensity of French feeling and the importance of France in NATO constrained the Administration from putting pressure on Paris. In Morocco and Tunisia, the United States promptly recognized the new independent governments. It entered into base negotiations with Morocco and, despite friction with France, which resented Tunisian support of Algerian independence, worked with Great Britain to assure Tunisia of a Western rather than a Soviet arms source. In Libya, where President Eisenhower believed that the United States would be "in an awful fix" if it lost influence, the United States began to increase financial and military aid as British resources dwindled.

While the United States promptly recognized Ghana, it was noncommittal regarding aid because of Ghana's warm attitude toward the Soviet Union. Relations with Ethiopia deteriorated somewhat due to Ethiopian dissatisfaction with the amount of U.S. assistance. The United States tried to avoid giving the appearance of endorsing South African apartheid and encouraged the South African Government to moderate its policies, while maintaining friendly relations with South Africa because of its strategic importance and mineral production. In the United Nations, the United States abstained on apartheid resolutions until 1958.

This volume is the first to be devoted entirely to Africa. In addition to the regional and bilateral materials described above, it includes documents on U.S. bilateral relations with or interest in British East Africa, the Central African Federation, the Belgian Congo, Liberia, Nigeria, Somalia, and Sudan.

Copies of Volume XVIII (Department of State Publication No. 9665; GPO Stock No. 044–000–02223–1) may be purchased for $32.00 (domestic postpaid) from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Checks or money orders should be made payable to the Superintendent of Documents.

SOVIET UNION; EASTERN MEDITERRANEAN[2]

The Department of State on May 19, 1989, released *Foreign Relations of the United States*, 1955–1957, Volume XXIV, Soviet Union; Eastern Mediterranean. This volume documents the U.S. understanding of and reaction to the consolidation of power in the Soviet Union by Communist Party First Secretary Nikita S. Khrushchev in the period following the death of Generalissimo Joseph Stalin. U.S. acquisition of a text of Khrushchev's secret speech to the Communist Party 20th Congress in February 1956 and the removal from power of Foreign Minister Vyacheslav Molotov later in the year were highlights in the campaign of de-Stalinization. Following the summit conference of July 1955, bilateral relations between the two superpowers experienced a thaw which lasted until the suppression of the Hungarian uprisi in November 1956. U.S. attitudes we severely impacted by the launching c the first Soviet intercontinental ball tic missile and Sputnik 1.

Difficulties arose within the U.S Government in arriving at a consiste policy on East-West exchanges. On t one hand, the United States wanted encourage and promote exchanges w the Soviet Union and bloc countries, while on the other hand, there was c siderable concern about the threat t national security of allowing possibl spies to enter the United States dis-guised as members of an exchange program.

Other portions of this volume de tail U.S. policies toward Greece and Turkey. The issue of independence f Cyprus came to a head when the Bri ish decided to abandon their positio the island in 1955. The struggle be-tween the Greek and Turkish Cypri to determine the fate of the island gradually drew a reluctant United States into the dispute. Concern tha the issue might disrupt NATO made the United States proceed very cau-tiously in its attempts to resolve the problem, and while some progress w made, no solution had been reached the end of 1957.

Relations with Greece and Turk when not dominated by the Cyprus question, dealt primarily with effor of the United States to maintain the stability of Greece while achieving nomic and financial reform in Turke At the end of 1957, relations with Greece had cooled, while those with Turkey were steadily improving.

Foreign Relations of the United States, 1955–1957, Volume XXIV, co prises 750 pages of government rec-ords, most of which were previously classified. This authoritative record based on files of the White House, t Department of State, and other gov ment agencies.

Copies of Volume XXIV (Depar ment of State Publication No. 9699, GPO Stock No. 044–000–02228–1) m be purchased for $30.00 (domestic p paid) from the Superintendent of D ments, U.S. Government Printing Office, Washington, D.C. 20402. Checks or money orders should be made payable to the Superintenden Documents.

[1]Press release 77.
[2]Press release 93. ■

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President Bush held a news conference at the conclusion of the 2-day NATO summit.

(White House photo by Michael Sargent)

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1949 - 1989

A Short History of NATO

The following article was prepared by James E. Miller of the Office of the Historian, Bureau of Public Affairs.

Summary

The North Atlantic Treaty Organization (NATO) was born in an era of rising East-West tensions. Its member states joined together to safeguard their national security and political democracy from the challenge posed by Soviet expansionism. In spite of frequent, well-publicized disagreements, the alliance has been durable, responding to changing international conditions and expanding from its original 12 member states to 16. NATO's strengths remain the military security that membership provides individual states, its ability to facilitate consultations among its member states, and the underlying U.S. commitment to come to the defense of Europe.

The Origins of NATO, 1947–49

The decision of the United States, Canada, and 10 European states to enter into a peacetime defensive alliance was one of the most significant developments of the post-World War II era. For the United States in particular, membership in NATO represented a fundamental change in its more than century-old foreign policy of refraining from involvement with "entangling alliances." The emerging East-West conflict provided the context for the development of NATO. By 1947 the United States and the Soviet Union had clashed over nuclear disarmament, the nature of the postwar economic and political settlement in Central and Eastern Europe, Iran, and the shape of peace treaties with the defeated Axis nations.

The pace of West European economic recovery was agonizingly slow. Severe shortages in food, fuel, and the basic necessities of life stimulated popular discontent. Concern grew over the establishment of communist regimes in Eastern Europe. The U.S. Government responded with a series of highly creative economic and political initiatives that stabilized both European democracy and a free trading system.

The European Recovery Program (Marshall Plan) of 1948–52 was a key element in the U.S. program of European stabilization. It rebuilt the sinews of Europe's economy, committed the United States to a long-term role in Europe, and created mechanisms for political consultation between the two sides of the Atlantic. Simultaneously, the European states, with the encouragement of the United States, took the first steps toward economic and political integration by creating in 1947 the Organization for European Economic Cooperation and in 1948 a security arrangement, the Brussels pact (known after 1955 as the Western European Union). Economic weakness, however, limited Europe's ability to provide for its defense.

After considerable debate within the United States, the leaders of the executive and legislative branches agreed on two immediate U.S. responses to Europe's crisis: participation in a defensive peacetime alliance and provision of military equipment and technical assistance. Negotiations for the alliance began quietly in March 1948 among the United States, Canada, and Great Britain. On June 11, 1948, the U.S. Senate adopted the Vandenberg resolution, encouraging U.S. participation in a collective defense arrangement. The Benelux states and France joined the talks in July. Initial discussions focused on the text of a treaty and the definition of the alliance's geographical extension and membership.

Creating an Alliance Structure, 1949–55

On April 4, 1949, the Foreign Ministers of the United States, the United Kingdom, France, Italy, Belgium, Canada, Denmark, Iceland, Luxembourg, the Netherlands, Norway, and Portugal signed the North Atlantic Treaty in a ceremony held in Washington, D.C. The NATO treaty came into force on August 24, 1949, when the 12 participating nations formally deposited their instruments of ratification.

The state of East-West relations did not permit a leisurely approach to building the military and political structures of alliance. During the summer of 1949, the Soviet Union exploded its first atomic weapon. China fell to a communist revolution during the autumn of 1949. Then, in June 1950, North Korean forces invaded South Korea. U.S. and West European leaders concluded that the attack on Korea might be the prelude to a military move against Europe.

These external stimuli quickened the pace of NATO's transformation into an active defense structure. Immediately after the Senate approved the NATO treaty in July 1949, the Truman Administration presented Congress with legislation authorizing a Military Defense Assistance Program (MDAP) to provide equipment and training for the armies of the NATO allies. In October 1949, Congress approved a $1.3 billion MDAP appropriation. After the outbreak of the Korean war in June 1950, the size of U.S. military assistance grants rose rapidly, and the Truman Administration increased its original military commitment from one division to four divisions. The offshore procurement program, which encouraged the creation of defense industries in Europe, supplemented MDAP.

The North Atlantic Council, composed of the Foreign Ministers of the NATO states, met in Washington on July 17, 1949. The Foreign Ministers created committees to handle military planning, established regional planning groups to look at specific local issues, and took the first steps toward building standing mechanisms for economic and political cooperation. A December 1949 agreement provided for an initial division of responsibility among the allies: the United States would provide the alliance's strategic bombing capability, while the European states would contribute the bulk of its ground troops and tactical air defense. The United States and Great Britain would defend NATO's Atlantic lines of communication, while the United States would increase its military presence in Europe.

The allies agreed to speedily build a permanent military command structure. President Truman, at the request of the NATO Foreign Ministers, appointed Gen. Dwight D. Eisenhower as Supreme Allied Commander in Europe in December 1950. Gen. Eisenhower quickly built a military chain of command and in 1952 put the NATO armies through their first major combined exercises. The North Atlantic Council's February 1952 Lisbon meeting established force goals for each NATO member state. Although these goals were not completely met, the allied states increased their military preparedness and allocated more of their resources to the common defense. In September 1951, the NATO member states agreed to invite Greece and Turkey to join the alliance.

By 1954, the NATO states had created a permanent defense mechanism. The North Atlantic Council became the executive, and its standing council of representatives, made up of ambassadors from the member states, provided policy coordination. NATO's permanent planning groups and secretariat were located in Paris. The Supreme Headquarters Allied Powers Europe (SHAPE) coordinated defense preparations.

NATO then focused on the role West Germany would play in the defense of the West. Meetings of NATO Foreign Ministers in September and October 1950 produced general agreement that West Germany must be part of NATO. The allied strategy of forward defense along the borders of communist states required West German participation. France and other continental European allies were deeply concerned about the effects of rearming the Germans so soon after the defeat of Nazism. On October 24, 1950, French Premier René Pleven unveiled a plan for a European Defense Community (EDC), consisting of a standing European army under the control of a European defense minister. The plan would commit German manpower to the common defense but without forming a separate German army or general staff. Although the United States actively supported the plan, the United Kingdom declined to join, citing its imperial commitments. The absence of a postwar German peace settlement and the creation of East and West Germany made European states wary of the concept of an integrated defense force. The French and Italian Governments delayed parliamentary action on the European Defense Community in the face of combined communist and nationalist opposition. Finally, in August 1954, the French Government presented the EDC measure to the National Assembly, which rejected it.

The defeat of the EDC was followed by West German rearmament. A September-October 1954 meeting of the Foreign Ministers of nine NATO powers agreed to terminate the military occupation of the Federal Republic of Germany and invite the West German Government to join NATO. Italy and the Federal Republic at this time acceded to the Western European Union. The Government of the Federal Republic voluntarily agreed to limit its arms buildup and undertook not to construct nuclear weapons and certain other types of armaments. In May 1955, the Federal Republic joined NATO.

The Nuclear Control Issue, 1958–64

In 1958, France's President Charles de Gaulle brought to the surface two of the underlying tensions within the alliance: concern over nuclear strategy and France's claim to a special leadership role within NATO. Although Great Britain also maintained a nuclear capability within the Western alliance, the United States possessed an overwhelming predominance in nuclear weapons stockpile and delivery systems. At their December 1954 meeting, the NATO Foreign and Defense Ministers adopted a policy of nuclear response to a Soviet attack on Europe, commonly referred to as "massive retaliation." The policy reflected a U.S. desire to maintain a credible deterrent at the lowest possible cost. By 1958, however, the Soviet Union had made major strides in both long-range bomber and missile technology, and it was capable of striking the United States. Increasingly, Europeans asked if the United States would risk a nuclear attack on its territory to defend Europe.

De Gaulle was among the doubters. He was determined to reduce U.S. control over alliance nuclear policy by building an independent nuclear force, the *force de frappe*, a goal that he achieved in the early 1960s. The French President wanted France to act as the principal spokesman for Europe in an inner group of three with the United States and Great Britain.

The NATO nations rejected De Gaulle's 1958 bid to create a two-tiered alliance structure, insisting instead on the equality of all NATO members. In an effort to accommodate the French leader on nuclear policy, the West Germans urged the alliance to create a multilateral nuclear force (MNF) within NATO. The United States initially hesitated to endorse the MNF because of its concern with preventing nuclear proliferation.

In 1963, however, the Kennedy Administration came forward with a proposal to create an MNF surface fleet equipped with Polaris missiles under NATO command. The MNF would fit into the overall U.S. nuclear defense strategy. De Gaulle rejected the plan because the United States insisted on retaining final say on the launching of these weapons. The United States quietly dropped the MNF concept in 1964. In 1966, De Gaulle took France out of the alliance military command structure, while maintaining French participation in the political consultative mechanism. Consequently, NATO headquarters moved from Paris to Brussels and U.S. forces withdrew from France.

Flexible Response and Detente, 1966–74

One factor in De Gaulle's decision to pull French forces out of NATO was his belief that the climate of East-West relations was improving and that the danger of war had lessened. By the mid-1960s, two separate but related processes of normalization of relations were underway between East and West. The United States and the Soviet Union were attempting to lessen tensions between themselves. At the same time, a number of West European states, including France and the Federal Republic of Germany, were seeking new relationships with the Soviet Union and East European states.

Within the context of this changing political climate, the NATO nations in December 1966 commissioned a study on the "Future Tasks of the Alliance" by a working group headed by Belgian Foreign Minister Pierre Harmel. The allies also agreed to establish two permanent bodies for nuclear planning—the Nuclear Defense Affairs Committee, open to all members, and a smaller Nuclear Planning Group, with permanent and rotating members—to handle the details.

The Harmel report, issued at the ministerial meeting of the North Atlantic Council in Brussels in December 1967, concluded that "military security and a policy of detente are not contradictory but complementary" and that NATO had an important role to play in preparing for bilateral and multilateral negotiations between Eastern and Western nations over key issues, such as the future of Germany and arms control. Public perception of the alliance would be significantly improved, the report noted, if the allied consultative process was strengthened and if the alliance took an active role in advancing the rapprochement between East and West by coordinating European and U.S. political approaches to the Soviet Union and Eastern Europe.

At the December 1967 meeting, the Council also adopted the strategic doctrine of "flexible response," endorsing a balanced range of appropriate conventional and nuclear reactions to all levels of aggression or threats of aggression. The responses were designed first to deter aggression but, failing that, to maintain the security and integrity of the North Atlantic Treaty area. The long-held concept of forward defense underlined NATO's commitment to counter an attack as close as possible to the frontiers of its member states. Flexible response, when combined with the pursuit of negotiations with the Warsaw Pact, enabled NATO to move beyond the strategy of massive retaliation and present a more credible defense posture that won wider public acceptance.

The move toward East-West accommodation met a significant setback in August 1968 when the Soviet Union invaded Czechoslovakia. The Soviet invasion gave impetus to the buildup of NATO conventional forces and strengthened support for the alliance. A number of European countries increased their NATO contributions, while the United States cancelled planned troop reductions in Europe.

Detente was further limited by disagreement over the U.S. role in Europe, as well as by Soviet support for "national liberation movements" in the underdeveloped nations. While attempting to extend its influence in the Third World, the Soviet Union insisted that detente required the exclusion of the United States from Europe and an end to defensive alliances. It called NATO a U.S.-imposed straitjacket whose continued existence precluded successful settlement of Europe's difficulties. The United States and its NATO allies rejected this claim and insisted that any improvement in relations between East and West would have to be negotiated within the existing alliance framework.

The Western view prevailed. During the Nixon Administration (1969–74), the West succeeded in creating arrangements which fostered both an improved climate of East-West relations and a NATO role in the process. The conclusion in September 1971 of a Quadripartite Agreement on Berlin (which had been occupied since 1945 by the United States, the United Kingdom, France, and the Soviet Union) reduced tensions between the blocs. The Western allies extracted Soviet concessions over Berlin in exchange for an agreement to convene a Conference on Security and Cooperation in Europe (CSCE). The caucus of NATO states has been the primary forum for coordinating Western strategy at successive CSCE meetings. NATO coordination has played an important role in defining the West's CSCE objectives.

Mutual and balanced force reduction (MFBR) talks also began as a result of a NATO initiative. These talks, intended to reduce in a stabilizing way the conventional forces of both NATO and the Warsaw Pact in central Europe, continued until early 1989 without a significant breakthrough.

The appropriate level of U.S. participation in NATO was debated vigorously during the Nixon Administration. The Mansfield amendment of 1971, which would have cut significantly the number of U.S. troops stationed in Germany, reflected a widely held view that Europeans must do more for their own defense and that the United States must improve its balance of payments. The Nixon Administration, with the support of the foreign policy establishment, headed off a reduction of one-half of the ground troops committed to Europe. West European leaders recognized the seriousness of public sentiment in the United States, and the West German Government arranged to pay a higher share of the costs of maintaining U.S. forces on its soil.

During the mid-1970s, conflicting political and economic interests among NATO's member states created an element of tension within the alliance. Disagreements over Middle East policy between the United States and its European partners surfaced at the time of the 1973 Arab-Israeli war and the subsequent Arab oil embargo.

Tensions within the alliance grew more acute in 1974 as a result of a major crisis on Cyprus. In the eastern Mediterranean, a coup by right-wing Greek Cypriots triggered Turkish military occupation of almost 40% of the island of Cyprus in July-August 1974. Greece's newly installed democratic government pulled its forces out of NATO's integrated military command structure to protest the alliance's inability to prevent or reverse the Turkish military action.

Meanwhile, the allies welcomed the end of the dictatorship in Portugal but watched the growing radicalization of its military leadership and the increasing strength of the Portuguese Commu-

nist Party with mounting concern until democratic forces gained control of the situation in late 1975.

The Decline of Detente, 1975–80

Detente became increasingly difficult to maintain after 1974. The United States and the Soviet Union clashed over the expansion of Soviet influence in Africa, and negotiations stalled on a second strategic arms limitation (SALT) agreement. The Soviet Union undertook a major modernization of its intermediate-range nuclear forces (INF), substantially increasing the threat to NATO by replacing older SS–4 and SS–5 missiles with the mobile, longer-range, more accurate SS–20s, which were equipped with multiple independently targetable reentry vehicles (MIRVs). The concept of detente came under attack within the United States from both sides of the political spectrum.

NATO continued to carry out its basic defense functions and regained its unity through a series of political accommodations and military reforms. The Portuguese situation began to stabilize in 1976–77. Although Greek-Turkish relations remained tense, the Greek Government recognized the value of NATO participation and rejoined the alliance's military wing in October 1980. The Western nations also achieved greater coordination on energy policy. Newly democratic Spain joined the NATO alliance in December 1981.

The growing Soviet military threat was a key to improved allied cooperation. In May 1977, the NATO states agreed to increase their defense expenditures by 3% per annum (after adjustment for inflation) in order to meet the growth in Soviet military power. West Germany took the lead in calling for a NATO response to the Soviet SS–20 intermediate-range missile deployments. Discussions within the alliance led to the adoption in December 1979 of a "two-track" approach. The Western alliance would proceed with the installation of 572 U.S. Pershing II and ground-launched cruise intermediate-range missiles beginning in 1983, while the United States would offer to negotiate with the Soviet Union on an INF balance at the lowest possible level.

A Renewed Cold War, 1980–84

The Soviet invasion of Afghanistan in December 1979 severely chilled East-West relations. The Carter Administration requested a delay in Senate consideration of the June 1979 SALT II Treaty, which was already under heavy criticism. The United States imposed a grain embargo on the Soviet Union and sought to organize a Western boycott of the 1980 Moscow Olympic Games to protest the invasion.

Soviet actions continued to feed the crisis. The U.S.S.R. encouraged and supported the Polish Government's imposition of martial law and its repression of popular democratic movements. It propped up a puppet government in Afghanistan and provided it with military support against a popular resistance movement. It intensified the repression of domestic human rights activists. The quick succession of three aging Soviet leaders increased the West's difficulties in dealing with the Soviet Union. The September 1, 1983, destruction of Korean Air Lines #007, an unarmed civilian airliner that strayed into Soviet airspace, further impeded East-West dialogue.

NATO continued to pursue its "two-track" approach on missile deployment. In 1981, the Reagan Administration, in close consultation with the allies, offered a "zero/zero" INF outcome—no Pershing II/cruise missile deployments in exchange for the dismantlement of comparable Soviet weapons systems—and in 1983, an interim INF approach to establish equal low ceilings on these weapons for the United States and the Soviet Union on a global basis.

The Soviet Union rejected Western proposals and intensified its propaganda campaign, seeking to exploit a growing pacifist movement in Europe and the United States to "freeze" a *status quo* that established a Soviet predominance by preventing a U.S. INF deployment. The Soviet Union broke off INF talks in the fall of 1983, as the first U.S. missiles became operational.

Upon taking office in January 1981, President Reagan began a long-term nuclear and conventional rearmament program. The Administration urged the NATO allies to take a greater share in the defense of Europe through a buildup of their conventional forces. The Administration maintained that the alliance must solidify the Western defense posture as the first step toward realistic and productive negotiations with the Soviet Union. U.S. proposals for strategic arms reduction talks (START) forsaw an overall reduction in the number of offensive nuclear weapons each side deployed, as well as a restructuring of these forces to enhance stability. The Reagan Administration also sought to reduce the size of the ground forces that both sides had in Europe in the MBFR talks and to improve European security through adopting concrete and mutually verifiable confidence-building measures. The Madrid meeting of the Conference on Security and Cooperation in Europe (1980–83) adopted a NATO-backed proposal for the creation of a Conference on Confidence- and Security-Building Measures and Disarmament in Europe (CDE) with a mandate to formulate confidence-building measures. The CDE concluded its meeting in Stockholm in September 1986 with an agreement on a set of mutually complementary measures for monitoring significant military activities in Europe, including mandatory on-site inspection as a means of verification.

NATO also sought to improve intergovernmental cooperation in other areas of deep mutual concern. A May 1981 NATO declaration deplored the recent resurgence of violent terrorist attacks, agreed on the necessity for bilateral and multilateral cooperation to prevent and combat terrorism, and expressed determination to take all necessary measures to ensure the security of diplomatic and other official personnel.

An Era of Intensified Dialogue, 1985–89

The successful conclusion of the Madrid CSCE meeting in 1983 marked the first break in the cycle of East-West confrontation that had characterized the relationship since the invasion of Afghanistan. The 1984 reelection of President Reagan and the emergence of Mikhail Gorbachev as Soviet leader in the spring of 1985 provided both great powers with stable political leadership. Negotiations on INF and strategic arms reductions, as well as on limitation of space systems, began in Geneva in March 1985.

The November 1985 Reagan-Gorbachev summit in Geneva produced an agreement to give priority to 50% START reductions and to an interim INF agreement. A subsequent meeting of the two leaders at Reykjavik, Iceland, in October 1986 led to wide-ranging discussion of major disarmament initiatives but no agreement.

In February 1987, General Secretary Gorbachev removed his previous requirement that U.S. concessions on the Strategic Defense Initiative (SDI) precede INF progress. The June 1987 meeting of NATO Foreign Ministers at Reykjavik supported the global and effectively verifiable elimination of both long- and short-range U.S. and Soviet land-based INF missiles, urging the Soviet Union to drop its demand to retain a portion of its SS–20 missiles. In July, the Soviet Union agreed in principle to a zero level for all long-range INF missiles.

President Reagan and General Secretary Gorbachev signed an INF Treaty on December 8, 1987, during their Washington summit meeting. Under terms of the agreement, the first arms reduction accord in East-West discussions, all missiles in the 500–5,000 km range will be dismantled or destroyed under strict supervision that permits reliable verification. On December 11, 1987, the NATO states that provided bases for the U.S. INF missiles signed a separate accord to facilitate the processes of dismantling and verification.

With the signature of the INF accord, the United States and the Soviet Union had taken a significant step toward the reduction of tensions in Europe. During their March 2–3, 1988, meeting at Brussels, the NATO heads of government sketched out the next steps in the disarmament process. A North Atlantic Council statement underlined the need for a reduction in the size of conventional forces in Europe and called upon the Soviet Union and its Warsaw Pact allies to accept the principle of an asymmetrical reduction that would bring their troop and equipment levels down to those of NATO forces. The NATO leaders also called for talks that would eliminate each side's capacity for a surprise attack. NATO set as its goal the creation of European stability from the Atlantic to the Urals.

The Soviet response, delivered by Gorbachev in his new role as President in a December 7, 1988, address to the United Nations, was to announce a unilateral overall Soviet force reduction of 500,000 men and 10,000 tanks by 1991. In addition, the Soviet Union agreed to a NATO proposal for convening talks on conventional armed forces in Europe (CFE) as part of the CSCE process. These talks began in Vienna in March 1989. They replace the MBFR talks that concluded in February 1989 and extend the parameters of the talks to cover Europe from the Atlantic to the Urals. Nuclear issues will remain outside the scope of these discussions.

U.S. leaders' concern about preserving NATO's basic strategies of flexible response and forward defense led them to insist that agreement on reducing conventional forces to parity must precede further talks on scaling down nuclear arsenals in Europe. In view of the Soviet Union's large superiority in the number of short-range missiles, U.S. and British officials urged the modernization of NATO's Lance missiles, a critical element in flexible response and forward defense. The Federal Republic and several other NATO allies favored direct negotiations with the Soviet Union prior to undertaking a modernization program. Gorbachev also called for talks intended to eliminate short-range nuclear-equipped missiles from Europe.

At the May 1989 NATO summit meeting, President Bush offered to reduce U.S. troop strength in Europe by 30,000 men in return for a Soviet agreement to bring its troop levels down to parity with those of the United States. Under the Bush proposal, which won NATO endorsement, the Soviet Union would reduce its forces in Eastern Europe by about 325,000 men, and both states would reach a level of 275,000 troops by 1992 or 1993.

In addition, the President proposed setting limits on the number of tanks, armored personnel carriers, and artillery pieces in NATO and Warsaw Pact arsenals and suggested a 15% reduction below current NATO levels of land-based combat aircraft and helicopters by both sides. The troops involved in these reductions would be demobilized; the weapons would be destroyed.

The NATO allies also announced an accord on a short-range missiles negotiating strategy. NATO would enter into talks with the Soviet Union at the point at which the agreements resulting from the CFE talks were being implemented. Talks on short-range missiles would aim at partial reduction of these weapons. Bush simultaneously reaffirmed the U.S. commitment to Europe.

While the arms reduction process goes forward, other areas of progress in East-West relations that are outside the purview of NATO have contributed to a lessening of international tensions. The conclusion of accords that provided for a Soviet withdrawal of its occupying forces from Afghanistan and an agreement among the parties directly involved in the civil war in Angola that provided for the withdrawal of Cuban and South African forces have helped to diffuse conflict between the major powers and may contribute to long-range regional stability.

NATO's role in an era of renewed negotiations remains central. It provides the military deterrent essential for success in negotiations. Moreover, as the process of Europe's economic and political integration continues and as Europe's role in its own defense increases, NATO serves as a unique forum in which allied policy can be forged and differences between the American and European pillars of the Atlantic alliance resolved. ■

Western Security: The U.S. and Its NATO Allies

After World War II, the people of Europe, free from the menace of Nazi Germany, were confronted with two distinctly different and opposing views of what the future should hold. The United States and its West European allies looked to an era of democracy underscored by individual freedoms and economic prosperity built on a foundation of free markets. With our allies, we stood fast against a contrary view championed by the Soviet Union—a view that forcibly divided Europe against the will of its peoples and which transformed it into the world's most heavily armed continent.

Indications that the Soviet Union—through *glasnost*, *perestroika*, democratization, and "new thinking"—is changing its vision of the future do not mean that the need for allied solidarity is over. We are viewing with interest and caution the changes in the Soviet Union. The United States welcomes *glasnost*, *perestroika*, new political thinking, and the first tentative steps toward democracy. However, the United States awaits tangible signs that the Soviets have changed their behavior on issues such as Soviet military expansion, forces acquisition and disposition, military doctrine, human rights, regional conflicts, and military support to totalitarian states before we can make fundamental changes in the allied approach to relations with the East.

Moreover, the former Soviet-inspired view of a Europe divided into ideological camps is not the only reason for Western alliances and friendships. Over the past four decades, the United States and its NATO allies have constructed strong political, military, and economic relationships bound together by shared values and fundamental common interests. Enormous changes have taken place among the Western allies themselves, and America's role is far less predominant today than it was after World War II. Far from being a negative indication of diminished U.S. influence, these changes are the best possible evidence that our policies have worked. While the United States is not the major source of resources for European political, economic, and military strength, America plays a unique role as a catalyst for cooperation.

The most significant development in the allied response to postwar challenges was the signing of the North Atlantic Treaty in April 1949.[1] That document created the North Atlantic Treaty Organization (NATO), which many view as the most effective and enduring defensive alliance in modern history. NATO is a purely defensive alliance: it makes no territorial claims against any other nation, and its members have pledged to use their armed forces only to defend NATO territory. As NATO celebrates its 40th year in 1989, continued U.S.-allied consultations will lead to a comprehensive approach, not only to East-West issues but also to making the Western alliance stronger than ever as it meets the new challenges before it.

This document examines fundamental U.S. goals and objectives as NATO reevaluates and responds to a changing security climate.

Political Relations

In a speech to European foreign ministers meeting in Vienna, Austria, on March 6, 1989, Secretary Baker outlined "four freedoms" which are embraced by the West as foundation stones for democracy and peaceful relations:

- The freedom of all Europeans to have a say in decisions which affect their lives, including freedom of the workplace: If the East were to accept this freedom, the legality of Poland's "Solidarity" trade union would have been the norm and not the subject of bitter negotiations.
- The freedom of all Europeans to express their political differences, when all ideas are welcome and human rights are truly inviolable: If the East were to accept this freedom, monitors of the Helsinki accords on human rights would not be persecuted by their governments.
- The freedom of all Europeans to exchange ideas and information and to exercise their right to freedom of movement: If the East were to accept these freedoms, academic researchers would never be denied access to scholarly documents—and the Berlin Wall would be reduced to rubble.
- The freedom of all Europeans to be safe, not only from military attack but from military intimidation as well: If the East were to accept this freedom, West Europeans would not face an overwhelming conventional military force to the East, and East Europeans would be able to make their own political decisions without fear of being "over-ruled" by Soviet tanks, as happened in Hungary and East Germany in 1956 as well as Czechoslovakia in 1968.

Steadfast dedication to these four principles, fueled by the vigor of free market economies and close cooperation with the United States, allowed Western Europe to rebuild via the Marshall Plan from the rubble of World War II faster than the most optimistic planners imagined. As a result, some power and influence has shifted from the United States to the West European allies. This development is both positive and desirable. Yet it poses new challenges as the United States and its allies explore ways to share both the benefits and burdens of collective defense.

West Europeans have become used to seeing the United States contribute a large share of the cost of collective defense. However, as West European economies now challenge U.S. business interests here and around the world, Americans argue that Western Europe

is capable of paying a greater share of the common defense. The fact that the Western alliance continues to grow stronger even while debating such fundamental issues is the best proof that the democratic sharing of ideas is the only guarantee of durable peace and friendship.

Indeed, because NATO is made up of flourishing democracies, public opinion in many nations must be taken into account before critical political, economic, and military decisions are made. For example, the December 1987 U.S.-Soviet treaty to eliminate intermediate-range nuclear forces (INF) was made possible because, despite Soviet maneuvering, the people of several West European democracies made decisions to deploy INF forces in the first place. This concerted action by the allies, in effect, forced Moscow's hand, since prior to the deployment of Western INF forces, the Soviets held a monopoly on such weaponry and saw no reason to negotiate seriously. Key decisions on allied security as well as political and economic relations must stand up to public scrutiny in all 16 NATO democracies.

The Western allies have long understood that their own freedom and well-being is best protected only if they maintain an effective deterrent and if they can secure certain understandings with the East. The Conference on Security and Cooperation in Europe (CSCE), which first met in Helsinki in 1972, has been seeking to address the matrix of political and military issues that contribute to instability in Europe. Followup meetings in what has come to be known as the "CSCE process" have been scheduled on subjects as varied as human rights, the peaceful settlement of disputes, and environmental issues (see p. 9).

Nuclear Arms Control

In the immediate postwar period, Europe's military balance was fluid and marked by Soviet attempts to impose Moscow's will on other governments. U.S. strategic, or long-range, nuclear weapons served as a counterweight to the Soviet Union's superiority in conventional forces. After 1948, the Soviet Union's development of nuclear weapons posed an additional threat to Europe and the United States.

Short-range nuclear weaponry appeared on both sides, and the Soviet-led Warsaw Pact troops and armor continued to numerically overwhelm those of the West. This was a critical factor in allied defense strategy because NATO's largest military power, the United States (thousands of miles away from the East-West frontier), was unable to quickly deploy conventional forces to Europe.

In response to the Soviet bloc's massive military buildup, NATO in 1967 adopted and continues to follow a strategy known as "flexible response." NATO is prepared to use any of the weapons at its disposal to appropriately counter any act of aggression. The Warsaw Pact must weigh the possibility that NATO could use any of its resources—including nuclear weapons—if Warsaw Pact forces invade Western Europe. This flexibility is aimed at deterring war by sending the other side an unmistakable message that the West will take appropriate action to deal with any form of aggression.

The Soviet Union, for its own propaganda advantage, often attempts to misrepresent NATO's "flexible response" strategy and our efforts to deter war. For example, Moscow would like us to renounce first-use of nuclear weapons and even to turn Europe into a "nuclear free zone." In the past, Moscow also has suggested a "freeze" on nuclear forces at current levels. The true nature of these Soviet arguments becomes clear when one considers that, in the absence of a credible nuclear deterrent, Warsaw Pact conventional forces would dominate the European security environment. Moreover, even should equal conventional force levels be achieved, history has shown that conventional forces alone do not prevent war. It is NATO's strategy of deterrence, made credible by a mix of up-to-date nuclear and conventional weapons, which has guaranteed the peace in Europe for the last 40 years.

For this reason, the United States and its allies have approached the question of nuclear arms control from an overall perspective of Western ***security***. Reducing nuclear arms is ***not*** an end in itself; rather, enhancing Western securi-

NATO'S 40 Years: A Chronology

May 1945: Germany surrenders; U.S., British, French, and Soviet troops occupy Germany.

June 1947: United States announces Marshall Plan for European economic recovery, starts pulling troops out of Europe but leaves 40,000 in Germany.

June 1948: Soviets start Berlin blockade by blocking roads to West Berlin.

April 4, 1949: The United States and 11 other countries sign the North Atlantic Treaty, creating NATO (Greece and Turkey joined in 1952, West Germany in 1955, and Spain in 1982).

May 1949: Soviets end Berlin blockade. West Germany (and later East Germany) are created from occupation zones.

October 1950: NATO is formally established after the Korean war begins. Paris is its first headquarters.

May 1955: The Warsaw Pact is created.

August 1961: The Berlin Wall is built.

October 1962: Cuban missile crisis puts NATO and the Warsaw Pact on full military alert.

July 1966: France withdraws from the NATO military command; NATO begins moving headquarters to Brussels.

October 1967: NATO adopts its "flexible response" strategy.

October 1977: West Germany asks NATO to take action in response to Soviet deployment of SS–20 INF missiles.

December 1979: NATO adopts its "dual-track" policy of deploying its own INF missiles while negotiating with the Soviets for removal of their SS–20s.

1983–88: NATO unilaterally withdraws 2,400 nuclear warheads deployed with SNF weaponry in Europe.

November 1983: Pershing II INF missiles are sent to West Germany; Soviets walk out of INF talks.

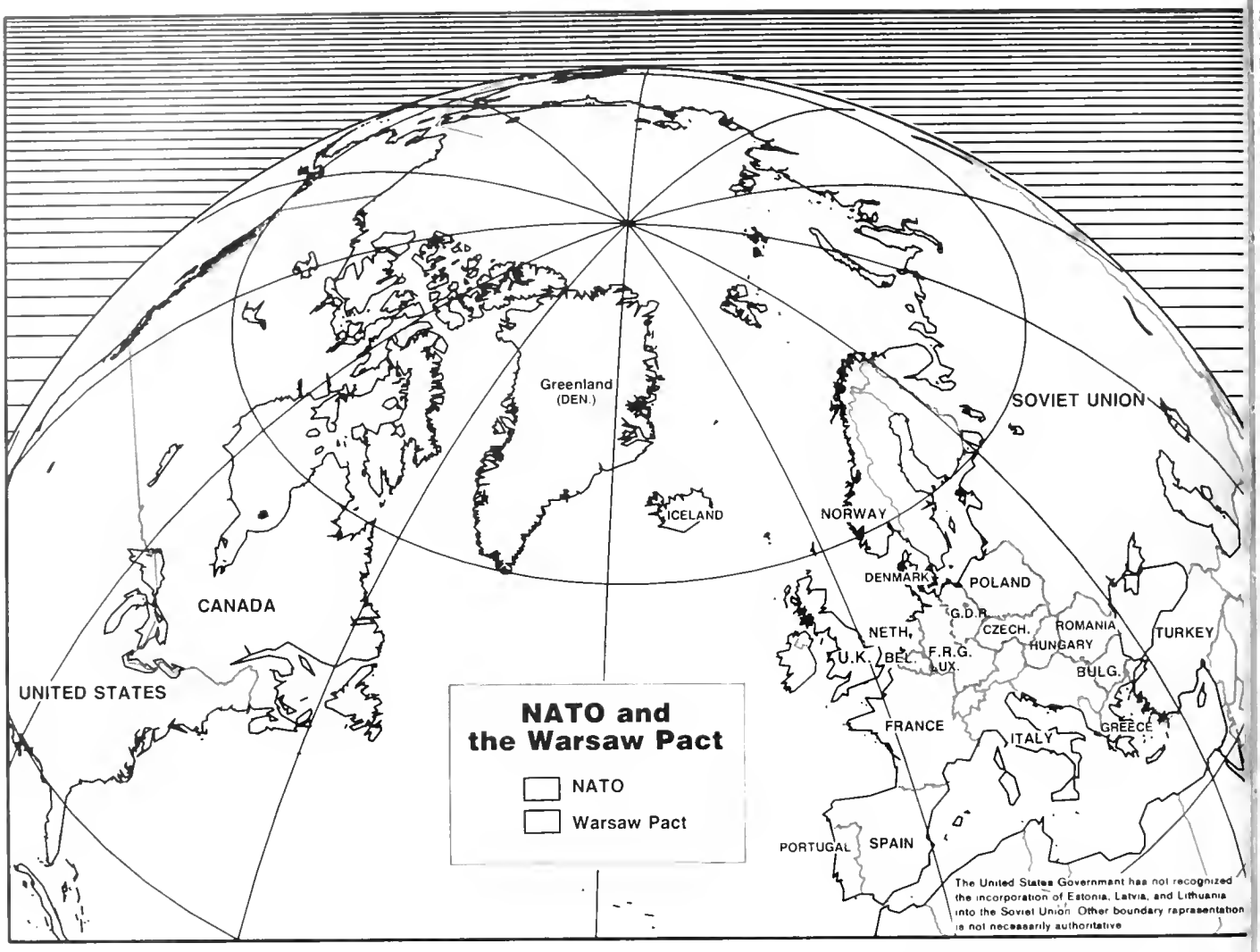
March 1985: U.S.-Soviet INF talks resume.

December 1987: United States and U.S.S.R. sign INF Treaty abolishing this entire class of nuclear weapons from their respective arsenals.

March 1989: NATO and Warsaw Pact begin talks on conventional forces in Europe and confidence- and security-building measures.

May 1989: NATO summit and new CFE/SNF proposal.

June 1989: START talks resume.



ty and regional stability is our goal. Western conventional arms control proposals are aimed at eliminating the conventional forces imbalance and enhancing stability.

There are three basic categories of land-based nuclear missiles: short-range nuclear forces (SNF) with a range of less than 500 kilometers (300 miles), intermediate-range (INF) with a range of 500–5,500 kilometers (300–3,400 miles), and long-range or strategic—intercontinental ballistic missiles (ICBMs), submarine-launched ballistic missiles (SLBMs), and heavy bombers—with a range of more than 5,500 kilometers (3,400 miles).

The only category of nuclear missiles that has been banned completely by the United States and the U.S.S.R. is INF. The Soviet Union began deploying ground-launched missiles capable of reaching West European targets during the 1950s. The most dangerous of these INF weapons were the modern SS–20 missiles which the Soviets began deploying in 1977. The allies then joined in a "dual-track" approach on INF—deploying new INF weapons to counter the Soviet threat while at the same time pursuing negotiations with the Soviets for elimination of the SS–20s and other Soviet INF missiles. Faced with U.S. deployments of INF missiles, the U.S.S.R. agreed to a U.S. proposal for a fully verifiable ban on intermediate-range weapons.

Strategic nuclear forces are the subject of the strategic arms reduction talks (START) aimed at reducing the risk of nuclear war. The U.S. objective in START is to achieve an equitable and effectively verifiable agreement that creates a more stable nuclear balance, thereby reducing the incentive for either side to launch a first strike. The United States believes that a START treaty is possible in the future but not before several difficult issues are resolved. These include: mobile ICBMs, sea-launched and air-launched cruise missiles, and sublimits on ICBM warheads. In many of these cases, verification presents the most difficult challenge.

NATO continues to face the direct threat posed to Europe by large numbers of Warsaw Pact short-range nucle-

ar missiles, which recently have been substantially upgraded. As agreed to in the May 1989 NATO report, "A Comprehensive Concept of Arms Control and Disarmament [see p. 22]," NATO reaffirms its position that for the foreseeable future, there is no alternative to the alliance's strategy of deterrence based upon an appropriate mix of adequate and effective nuclear and conventional forces. Land-, sea-, and air-based nuclear systems in Western Europe, including ground-based missiles, will be needed and continue to be updated where necessary. In line with NATO's commitment to maintain only the minimum number of nuclear weapons necessary to support this strategy, NATO already has made unilateral cuts in short-range nuclear forces. The number of land-based warheads in Western Europe has been reduced by more than one-third since 1979 to its lowest level in more than 20 years. Updating such systems would result in further reductions.

Conventional Arms Control

President Bush and Secretary Baker consider conventional forces to be a high priority area in arms control. Secretary Baker has defined the issue quite simply: "A vast force, spearheaded by heavily armored units and supported by massive firepower, has been fielded by the Soviet Union and its allies. That force points West." Warsaw Pact tank and artillery forces outnumber NATO 3:1 and the Warsaw Pact holds a 2:1 advantage in armored personnel carriers. Even if all the unilateral force reductions announced by General Secretary Gorbachev and the Warsaw Pact were implemented, the pact would still hold more than a 2:1 edge in tanks and artillery.

On March 9, 1989, two new autonomous negotiations within the framework of the CSCE process opened in Vienna. The negotiation on conventional armed forces in Europe (CFE) covers the European territory of all Warsaw Pact and NATO countries from the Atlantic Ocean to the Ural Mountains. Separate Negotiations on confidence- and security-building measures (CSBMs) involving all 35 CSCE nations aim to build "openness" between East and West.

CFE. During the NATO summit meeting on May 29, 1989, President Bush asked the allies to join in tabling the most far-reaching Western conventional arms control proposal ever offered in the postwar era. The President has proposed and NATO has endorsed the following enhancements to NATO's CFE proposal now on the table in Vienna:

• First, that the members of the alliance lock in Eastern acceptance of the proposed Western limits on key portions of their ground forces. This includes ceilings on numbers of tanks (20,000 for each side), armored troop carriers (28,000 for each side), and artillery pieces (16,500–24,000 for each side, depending on the resolution of definitional questions). Equipment reduced would be destroyed. This provision would oblige the East to destroy tens of thousands of weapons systems and eliminate its preponderance in these important components of military strength.

• Second, that the West expand its proposal to extend, for the first time, the concept of conventional arms control to all land-based combat aircraft and helicopters in the Atlantic-to-the-Urals area. Each side would be obliged to reduce its holdings to a level 15% below the current NATO total. All reduced equipment would be destroyed. Again, although both sides would take significant cuts, the East would lose its current preponderance in these forces.

• Third, that the United States and Soviet Union agree to a common level of approximately 275,000 ground and air forces stationed outside national territory in the Atlantic-to-the Urals zone. The United States is willing to reduce its combat forces by 20% to arrive at this level. The reduction to parity would require the Soviets to reduce their 600,000-member force in Eastern Europe by 325,000. Withdrawn forces on both sides would be demobilized.

• Fourth, that both sides accelerate their timetable for reaching a CFE agreement along the above lines and for implementing the required reductions. The Soviet Union has referred to a target date of 1997 as its goal; the United States would like to reach an agreement within 6 months to 1 year and accomplish the reductions by 1992 or 1993.

NATO has set a goal of tabling these enhancements along with verification provisions at the opening of round 3 of CFE on September 7, 1989. As the Soviet Union and its allies indicate their readiness to change their national priorities and reduce their enormous military establishments, the United States and its allies are prepared to help realize the longstanding hope of a secure and less militarized Europe.

The Western allies have four major objectives in CFE:

• The establishment of a secure and stable balance of conventional forces at lower levels. The present concentration of conventional forces between the Atlantic and the Urals represents the greatest destructive potential of conventional

CSCE Followup Meetings, March 1989–91

	Date	Location
1989		
CSBMs	March 9–	Vienna, Austria
Information	April 18–May 12	London, England
Human Rights	May 30–June 23	Paris, France
Environment	October 16–November 3	Sofia, Bulgaria
1990		
Economics	March 19–April 6	Bonn, West Germany
Human Rights	June 5–29	Copenhagen, Denmark
Mediterranean	September 24–October 19	Palma, Spain
1991		
Peaceful Settlement of Disputes	January 15–February 8	Valletta, Malta
Cultural Heritage	May 28–June 7	Krakow, Poland
Human Rights	September 10–October 4	Moscow, U.S.S.R.

forces ever assembled. The mere presence of such massive firepower threatens European security.

- The elimination of disparities prejudicial to stability and security. It is the substantial disparity of tanks, artillery, and troop carriers that most threatens European stability and security. In particular, no single country should be allowed to possess more than a fixed proportion of all weapons systems held by all parties. Additional limits should be placed on the stationing of troops on another country's territory (such as Soviet forces in East Germany). These two elements would combine to ensure that no one country could dominate Europe by force of arms.
- The elimination of capabilities to launch surprise attacks and large-scale offensive operations. The types of weapons systems in which the Soviet bloc enjoys the greatest advantage—tanks, artillery, and armored personnel carriers—are systems that are most vital to seizing and holding territory, the prime aim of any aggressor.
- The United States insists that any arms control treaty be effectively verifiable and that inspections be expanded.

CSBMs. CSBMs are designed to reduce the risk for armed conflict that arises through misunderstanding or miscalculation of military capabilities and intentions in Europe. After successful conclusion of the 1986 Stockholm agreement and the 2½-year implementation experience, the 35 CSCE participating states are meeting again in Vienna to develop additional measures. The focus of the Western proposal is for measures which increase openness and transparency of military structure, equipment, and activities, thus reducing the likelihood that weapons will ever be used.

A Look Toward the Future

Economic, social, and political changes in the Soviet Union and Eastern Europe are occurring at the same time that allied economies and democracies are flourishing. New horizons are now evident for a continent that was divided 40 years ago by a conflict between two opposing visions. As that conflict abates, it may be possible to remove old obstacles from Europe's path to the future.

The United States and its NATO allies are working in concert to remove the largest of those obstacles—especially the conventional force imbalances and curtains of secrecy that have long imperiled European security and world peace. This process will not be easy, but it will help clear the path toward a free, open, secure, and prosperous Europe.

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[1]The original members of NATO were: Belgium, Canada, Denmark, France, Iceland, Italy, Luxembourg, Netherlands, Norway, Portugal, United Kingdom, and United States. The Federal Republic of Germany, Greece, Spain, and Turkey joined later, bringing total NATO membership to 16. France withdrew from NATO'S integrated military structure in 1966 but remains a member of the alliance. ■

President Visits Europe; Attends North Atlantic Council Meeting

President Bush was in
Italy and the Holy See (May 26–28, 1989),
Belgium (May 28–30),
West Germany (May 30–31),
and the United Kingdom (May 31–June 2).

Departure Remarks, May 26, 1989[1]

I depart for Europe this morning to meet with all our North Atlantic allies and also to pay visits to Italy, Germany, and the United Kingdom for discussions with leaders of those alliance nations on issues of common interest. I'm especially pleased that my first visit to Europe as President is to celebrate the 40th anniversary of NATO. America is a proud partner in the Atlantic alliance, and American interests have been well served by the alliance.

Twice in the first half of this century, Europe was the scene of world war, and twice Americans fought in Europe for the sake of peace and freedom. Today Europe is enjoying a period of unparalleled prosperity and uninterrupted peace, longer than it has known in the modern age, and NATO has made the difference. And the alliance will prove every bit as important to American and European security in the decade ahead. The importance of the alliance and its democratic underpinnings is the message I now take to Europe. NATO has been a success by any measure, but success breeds its own challenges. Today dramatic changes are taking place in Europe, both East and West. For us, those changes bring new challenges and unparalleled opportunities.

For too long, unnatural and inhuman barriers have divided the East from the West. And we hope to overcome that division, to see a Europe that is truly free, united, and at peace. We are ready to work with a united Europe, to extend the peace and prosperity we enjoy to other parts of the world. And we hope to move beyond containment: to integrate the Soviet Union into the community of nations. We welcome the political and economic liberalization that has taken place so far in the Soviet Union and in some countries of Eastern Europe. We will encourage more changes to follow.

Many common concerns confront us. Beyond the traditional economic and security spheres, we and our partners in the alliance are working hard on a growing international agenda, from a common approach to environmental protection to cooperation against drug trafficking and against terrorism. We also welcome Europe's progress toward a truly common market and a growing European cooperation on security issues as the basis of an even more dynamic transatlantic partnership. As we approach 1992, it is essential that we work with our European partners to ensure an open and expanding world trading system and that we take strong steps to prevent trade disputes from obscuring our common political and security concerns. NATO is based on the many bonds between us: our shared heritage, history, and culture; our shared commitment to freedom, democracy, and the rights of the individual. Barbara and I are looking forward to visiting Europe.

Arrival Remarks, Rome, May 26, 1989[2]

Let me begin by thanking all of you and my personal friend, my good friend, Prime Minister De Mita, for welcoming us to Italy at this late hour.

Since ancient times, the saying goes, "All roads lead to Rome." And that's still true. It is very fitting that here I begin my first step on this first trip to Europe as President of the United States. Italy has long been a wellspring of Western culture and Western values, fostering the alliance and a more unified Europe. I hope that our visit to Rome will demonstrate just how strongly the United States respects and appreciates Italy's role as a staunch ally and as a constant friend.

When our common security has been threatened, you have been ready to strengthen the alliance. When Europe appeared ready to loosen the ties that sustained it, you kept these important transatlantic ties alive and strong. When conflict has threatened, you have been in the front ranks of those searching for solution. The bond between the United States and Italy runs deep. It's a bond of family, of culture, of shared interests, and common vision. The world around us is changing, but we can be sure that our friendship will endure.

Mr. Prime Minister, when we last met, we talked of new developments around the world: of change in the East, of new opportunities for arms reduction, of the growing unity of Europe. And in recent weeks, I've spoken of America's vision for world peace. I have said that we are prepared to move beyond containment, toward policy that works to bring the Soviet Union into the community of nations. We will be actively engaged in Eastern Europe, promoting measures to encourage political and economic liberalization in Poland. The United States welcomes a stronger and more united Europe. We believe, as I know you do, that European unity and the transatlantic partnership reinforce each other.

Over the next 2 days, we'll have the opportunity to engage in renewed dialogue, as partners, certainly as friends. And I hope that our conversations are shaped by our shared expectations for the future and by our determination to see our future succeed.

Dinner Toast, Rome, May 27, 1989[3]

Mr. Prime Minister and leaders of the legislative branch, distinguished guests, it's a very great honor for me to be welcomed in such a warm and generous way by the Italian people and their government. You know, Barbara and I have been to this marvelous country, this beautiful country, many times; and as always, we've been received with kindness and generosity. This trip is my first visit to Europe as President of the United States. And I think of no place that is better to begin than right here in Italy and to be right here in Rome.

It is traditional when visiting Italy for American leaders to note the millions of our citizens who claim an Italian background, so I will brag—now 12 million and rising. Among the many Italian-Americans, there are Fiorello La Guardia—some old enough to remember—Joe DiMaggio in sports; Tony Fauci, now at the National Institutes of Health; and, of course, our Supreme Court Justice Antonin Scalia.

And Italian-Americans are one link that binds the United States and Italy—but only one. For we are united by our belief in individual liberty, human dignity, and the rule of law and by the shared values of family, faith, and work.

We also admire your country's record of success in combating terrorism and organized crime. I'm especially grateful for your help in stopping the scourge of narcotics, which torments both our nations. We're going to continue our intense cooperative efforts to fight terrorism and narcotics and to protect air travelers. Just as this cooperative effort brings our peoples even closer together and helps to strengthen our already excellent bilateral relations, so, too, will the action that I'm pleased to announce tonight.

After studying ways to relax U.S. visa requirements, we will soon begin a pilot program to end these requirements for your citizens. In the future, Italians who wish to visit our country, whether as tourists or on business, will no longer need to apply for visas; and we look forward to that day.

But along with our domestic initiatives, I think, too, of the strong military ties between our two countries and within the Atlantic alliance, the most enduring alliance in the history of man. To protect that alliance and the shared commitment to freedom which underlies it is our continuing mission not merely as Americans or Italians but as believers in democracy. Of this, I am certain: We will do our part, and I know Italy will do its part.

For when our common security has been in danger, you have stood ready to defend the alliance. And when the need arose for NATO to relocate that 401st Tactical Fighter Wing within southern Europe, Italy welcomed it. When strategic interests were at risk in the Persian Gulf and in Lebanon, Italy sent ships and peacekeeping forces. When NATO confronted widespread Soviet deployment of these multiple-warhead SS–20 missiles, Italy stood tall in response. At times when Europe seemed ready to turn inward, you have reinforced our transatlantic ties. For that, Mr. Prime Minister, Italy has our gratitude and our profound respect. So, together, let us reaffirm the ties that bind us. And let's continue to build peace and the commonwealth of free nations not for ourselves but also for our children, the kind of peace and freedom which lasts.

In that spirit, I ask all of our guests tonight to rise and raise their glasses. To Italian-American friendship, our transatlantic heritage, and to the Western alliance and the shared values of freedom and democracy that have made that alliance strong, and to your health, Mr. Prime Minister, and the peace and prosperity of your great country.

Secretary Baker's Interview on 'Meet the Press,' Rome, May 28, 1989[4]

Q. There have been some indications that the President at this NATO summit is going to offer a proposal to reduce American military forces in Western Europe, perhaps by 10%. Can we expect that?

A. What you should not expect is a proposal to unilaterally withdraw any of America's conventional forces. Whatever the President proposes at this summit—and I would, of course, not deny that he will have something substantial to say at this summit—will be done in the context of submitting suggestions for alliance consideration. So put aside any thoughts of unilateral reductions of American forces.

Q. What you're saying here is rather tantalizing. You're sending the signal that he is going to make some specific, concrete reductions or proposals. You're not denying the fact that it may involve reducing American forces. So you're saying, in effect, that this may, indeed, be put on the table within the context of the alliance—a reduction of forces—perhaps 10%.

A. What I don't want to do is prejudge what the President is going to say. It's important the President himself make that proposal to the alliance, and so you really ought not to read anything into silence, if you will, on my part. We're almost at the first day of the summit. I'd rather just let it stand at that.

Q. You seem to have a German problem. President Von Weizaecker in Germany made an interesting speech last week. He said, 'Germans don't want our ball for other people to play

with." There's obviously an assertive new mood in Germany about asserting German rights, telling the Western allies, you can't use us as your nuclear battlefield anymore and so on. How are you going to handle this new German mood?

A. I think the President is very sensitive to the particular problems that Germany faces. As you know, the President is already on the issue, for instance, of short-range nuclear force modernization. The President has already indicated a willingness to see questions involving production and deployment delayed until the end of 1991 or the beginning of 1992. The President has already acknowledged, at least, the principle of negotiations, although he feels very, very strongly that before you can talk about that or get into that, you need to see a conventional forces agreement.

I think it will be the position of the United States at the summit that Germany is an extremely valuable and valued member of the alliance. They will continue to be such. Just witness the remarks of their own leading officials.

I think that the SNF [short-range nuclear forces] problem, if you will, is not going to be something that will be the main focus of this 40th anniversary summit.

The Federal Republic of Germany embraces, to the full extent, the Western value system that has permitted the West to win politically and economically over a competing philosophy over the past 40 years and has permitted the alliance, in effect, to keep the peace.

Q. Let me switch to the Soviet Union. There was a report leaked by your Administration this week that you all were about to lift economic sanctions against the Soviets—those that were first imposed after the Afghanistan invasion. This would enable the Soviets to buy computers and other high-technology items from the West.

Now critics, including some in the Defense Department, say that would give the Soviets a big military edge. Does that concern you?

A. It would concern me if I thought that whatever was done would give the Soviets a big military edge. I don't think that the President is going to be foolhardy. If anything is done—and I'm not confirming here that anything will be done, I do think it's an appropriate subject for discussion with our allies—but if anything is done, you've got to remember that we have COCOM [Coordinating Committee for Multilateral Export Controls] still in effect. So whatever transfers are contemplated will be subject to the normal COCOM review test with respect to their strategic importance.

Q. Would lifting sanctions be a reward for the Soviets for getting out of Afghanistan? Would it be a reward for *perestroika*? What would be your rationale, would you think, if you were to go ahead and do that?

A. I think if the President were to go ahead and do that, he would be thinking more about the sensitivities, frankly, of our strong allies in the NATO alliance. It's my view, as I've said before, that I think the lifting of the "no-exceptions" policy is more important to our allies than it is to the Soviet Union. I'm not sure the Soviet Union would see that as a particular reward.

When the policy was put into effect in 1979, it was done so because of the Soviet invasion of Afghanistan. It's been implied, if not expressly stated in the interim, that were they to leave Afghanistan, certainly that policy would be subject to review.

Q. Let's come back to a point you raised just a minute ago. We were talking about the dispute in the alliance over short-range nuclear weapons. You said it will not be a major issue at this NATO summit conference. But we all know that it is a major problem today within the alliance. If this dispute is not to be settled now, when will it be settled, and how will it be settled?

A. I hope what I said was, I don't think it will be **the** major issue. I think this being the 40th anniversary summit of NATO, there will be many other things that will be considered. Clearly this is an important issue, and I do not mean to be interpreted as suggesting otherwise.

We're still hopeful that it will be settled on terms that are acceptable to all of the members of the alliance. I think there is still a fair chance that that can take place. Obviously it won't happen now before we get to Brussels since we leave this evening. It would be, I think, settled on some formula such as I suggested in my answer a moment ago. And that is, delaying the decision on modernization, recognizing the principle of negotiations but making it very, very clear that any negotiations

(White House photo by Susan Biddle)

On Memorial Day (May 28), President and Mrs. Bush visited the Sicily-Rome American Cemetery and Memorial outside Nettuno, a town south of Rome. The 77-acre site is the final resting place for 7,862 U.S. military personnel, most of whom died in operations preceding the liberation of Rome in 1944.

would not involve going to a third zero, if you will, and that any negotiations must await, at the very least, tangible implementation or successful conclusion of a conventional forces agreement.

Remember these weapons are there for the purpose of deterring surprise attack by the overwhelming superiority of Soviet forces, or Warsaw Pact forces—conventional forces. So we really ought to concentrate on reductions in conventional forces as our top priority. Once we get to a balance there, then perhaps it would be appropriate to talk about negotiating lower levels, but not zero, in short-range nuclear weapons.

Q. What you're saying sounds very persuasive and is persuasive to many people in the alliance. The fact is, though, that the President goes on to Bonn after Brussels. A recent poll in West Germany shows that 89% of the West Germans do not want to see new, more modern nuclear weapons on their territory. So when you face that strong public opinion, what does the President do in Bonn?

A. He does what I have just mentioned. He is in the process of doing—he's taken some steps that are very forthcoming. But one thing he doesn't do, if I might suggest it, is sacrifice Western security because of political considerations anywhere. This is an extraordinarily important issue from that standpoint.

The nuclear deterrent has kept the peace for 40 years. You know, we've just come from a really very poignant and stirring Memorial Day ceremony at the American Cemetery at the Anzio beachhead where the President and the Prime Minister of Italy spoke. When you see the 8,000 American graves there, I think you really focus in on how very important it is to maintain this deterrent, which has been the reason we've had peace for 40 years.

Q. Let me ask you about your competitor in this game we're playing. Do you agree with the President's press secretary that Mr. Gorbachev is a "drugstore cowboy?"

A. No, I don't agree with that. I'm not sure that Marlin himself agrees with that characterization. I think he has even said as much subsequently.

Q. But what are you dealing with? What does Mr. Gorbachev represent?

A. I think he represents a leader who is bringing real change to the Soviet Union. The changes that we see there are dramatic. They are real. They are, indeed, revolutionary.

We don't know yet whether or not he, individually, will succeed. We want him to. There is no one in this Administration who doesn't want the General Secretary to succeed, because what he's doing is embracing the political and economic agenda of the West. The West has won. We've won the struggle of the past 40 years; we've kept the peace for 40 years; the Soviet Union is moving in our direction, and we ought to continue to encourage their moving in our direction.

What we really should be doing is focusing on ending the division of Europe and bringing Eastern Europe and the Soviet Union into the community of nations on the basis of Western values, and they are now beginning to subscribe to those Western values.

Q. Let's turn now to China. We know the developments there. The student demonstrations seem to be winding down. The orthodox leaders—Li Peng and others—are reasserting their control. Zhao Ziyang and the moderates may be out in the cold.

The President endorsed the goals of the student demonstrators in China. Aren't you disappointed by what's happening there now?

A. I don't think you should say that you're disappointed when there is an absence of bloodshed, an absence of violence; when there is restraint on both sides involving major demonstrations like this, the most significant demonstrations perhaps in the history of China.

You don't have to walk away one bit from your subscription to the goals of the students—and we do support those goals wholeheartedly; that is, freedom of speech, freedom of assembly, democratization, and that sort of thing—to be pleased that there has been no bloodshed and no violence. In other words, we are pleased that there is a peaceful solution to this problem.

We still subscribe to and support the goals of the students: freedom of speech, freedom of assembly, democratization. We would like and hope to see that process continue to unfold in the People's Republic of China.

Q. We may not be walking away from those goals, but over the years the United States has been very forceful in embracing the cause of freedom and democracy in places as diverse as the Soviet Union and Panama. We have been far more tepid in the China case, particularly we've been reluctant to criticize those Chinese leaders who are opposing those forces. Why the double standard?

A. Because China has been opening up on its own. When we were critical of the Soviet Union, it was a totally closed society. It was very, very repressive. Demonstrations such as this would never have been permitted.

You can't use Panama as an analogy. Panama, after all, at one time had a reasonable degree of democracy, and they're moving in the other direction. They're not opening up; they're closing up. So I don't think those situations are analogous to this one.

Q. We've got reports in the press here that there's a blacklist in China; that they're going to now come around and pick up leaders of this demonstration and take harsh action against them. If something like that happens, what will be the U.S. reaction?

A. That would be something that the United States would clearly not favor. That would be regrettable. But let's not assume that something like that is going to happen until it does. After all, we've had these major demonstrations going on for many weeks now. Throughout those demonstrations, we were assuming, almost everyday, that force would be used to quell the demonstrations, that there would be bloodshed, that there would be violence. In fact, there was not. So let's not jump the gun.

If something like that happened, that's not something that the United States would view with any sort of favor.

Q. Would we do something about it? Would we retaliate in some way?

A. Let's wait and see. Let's don't answer hypothetical questions or cross bridges before we get there. It would be something that we would seriously regret.

Q. The Middle East: You made a speech recently which caused quite a bit of controversy in some circles. You called on Israelis to reach out to Palestinians and Palestinians to reach out to Israelis. Nothing controversial

about that, but you call on Israel to give up any dreams of annexing formally the occupied territories—the Gaza Strip and the West Bank. Prime Minister Shamir of Israel called it "useless," I believe. How do you react to that?

A. What I say to that is that the speech, if you look at it in its entirety, was very, very balanced. Many, many people have said they felt that it was, including quite a few public commentators, and it was balanced.

I would refer you back to Prime Minister Shamir's words of yesterday where he said, "The policy differences, which Secretary Baker cited, have existed for quite a while, policy differences between the United States and Israel and yet the United States and Israel enjoy very, very good relations." And we do, and we will continue to.

Q. A lot of people say it was a good speech, but they say the whole history of the Middle East, as far as U.S. policy is concerned, is good speeches and then no follow-through on policy. I'd like to know how you think it's going to be different this time? And, specifically, are you going to appoint a Middle East envoy who can devote the kind of attention to that troubled area that's necessary?

A. No, because we're devoting a lot of attention to it ourselves. Frankly we don't think progress is made in the Middle East with high visibility initiatives. We think, unless you till the ground carefully, sometimes those things can pre-empt more promising possibilities.

One of the things I said in that speech, for instance, is that we think Prime Minister Shamir's proposal for elections, as part of a broader political negotiation, was a very good proposal. We have some differences with some aspects of it. But as a vehicle for moving toward peace in the Middle East, we think it was a very, very good effort, and we're very pleased with it. We want to try and follow up on that and, indeed, we are following up on it.

Q. Are you going to press the Palestinians and Mr. Arafat [of the Palestine Liberation Organization (PLO)] now through your channel in Tunis to take up free and fair elections?

A. We are pressing the Palestinians in every way that we know how, through our dialogue in Tunis, through our Ambassador there with the PLO. We have suggested to the PLO that they permit Palestinians in the occupied territories to engage with Israel on this question of elections. So I'm glad you give me the opportunity here to make that plea publicly this morning.

It's important that this elections proposal be followed up on. One thing that will be required, of course, is that the PLO in Tunis give the green light to Palestinians in the territories to engage with Israel so we can develop this proposal and move it into a broader political dialogue.

Q. Finally, Panama. We know what the situation is there. Despite the President's actions and his words calling for Noriega's ouster, Noriega is still very much in power. Nothing seems to be changing. What happens now? What do you do?

A. I think it was fairly significant that the Organization of American States (OAS), for the first time in 10 or 12 years, got a consensus resolution condemning, and it did: it specifically condemned the abuses that Gen. Noriega has engaged in down there by stealing an election from his own people and thwarting the will of the people.

We've said there can be no normalization of relations between the United States and Panama until he steps down. We're going to continue to maintain that policy. Now, at least, we have the support of all of the other countries in this hemisphere, save Nicaragua. I think that's some progress in the right direction.

Arrival Remarks, Brussels, May 28, 1989[5]

It is really a pleasure to be back once again in Brussels. I'm especially pleased that my first visit as President of the United States comes as the nations of NATO celebrate 40 years of alliance and the longest period of peace and freedom that Europe has known in the modern age.

Americans and Belgians share the memories of war and hard-won peace in this century. Flanders, the battle of Ardennes, Bastogne—those names are part of our history as well as your own, part of our shared heritage of freedom and the sacrifices it requires. Belgium, no stranger to conquest and division, recognized from the first the importance of alliance in the postwar world. Today, as permanent home to NATO and the European Community, Brussels stands at the center of a Europe free, at peace, and prosperous as never before, a Europe that is steadily moving toward the single market and unprecedented political and economic opportunities. In Brussels the signs of this European renaissance are everywhere.

Belgium has been a good friend and a valued ally, one that has always acted with alliance interests in mind. Early in this decade, Belgium was one of five NATO nations that made the difficult decision to base INF [intermediate-range nuclear forces] systems on its own soil. And those deployments gave us the leverage that we needed to negotiate the first-ever nuclear arms reduction treaty, indeed, one that banned an entire generation of nuclear weapons. That's the kind of courageous and realistic approach that explains NATO's success. NATO is at once ready to ensure the common defense and to reduce arms and seek to diminish tensions with the East.

As I've said a number of times, we seek to move to a policy beyond containment. We want to see an end to the division of Europe, and we want to see it ended on the basis of Western values. We will join West European nations in encouraging the process of change in the Soviet Union, pointing to the day

(White House photo by David Valdez)

President Bush and Belgian Prime Minister Wilfried Martens.

when the Soviet Union will be welcomed as a constructive participant in the community of free nations.

I'm looking forward to important discussions with the King of the Belgians, King Baudouin, and the NATO heads of government. I look forward, as well, to my meeting with Prime Minister Martens, my friend, my discussions also with Mr. Delors of the European Community, and Secretary General Woerner at NATO.

The future of NATO depends on the alliance's ability to deal with our enduring security concerns and our evolving economic relationship. We look to Belgium to continue to play its important role in our close and cooperative transatlantic partnership. I am delighted to be back.

Statement and Question-and-Answer Session, Brussels, May 29, 1989[6]

This morning I met with the other NATO leaders and shared with them my views on the role of the North Atlantic alliance in a changing Europe. NATO, we all agree, is one of the great success stories, and it's guaranteed the peace in Europe, provided a shield for 40 years for freedom and prosperity. Now our alliance faces new challenges at a time of historic transition as we seek to overcome the division of Europe. I call it beyond containment.

Today I'm proposing a major initiative to help move us toward that momentous objective. If it were accepted, it would be a revolutionary conventional arms control agreement. I believe the alliance should act decisively now to take advantage of this extraordinary opportunity, and I urge that NATO adopt a 4-point proposal to bring the Vienna negotiations to a speedy conclusion.

First, lock in Eastern acceptance of the proposed Western ceilings on each side's holding of tanks and armored troop carriers. Additionally, we would seek agreement on a similar ceiling for artillery, provided there's some definitional questions that have to be resolved there. But all of the equipment reduced would be destroyed.

We would then, number two, expand our current NATO proposal so that each side would reduce to 15% below current NATO levels in two additional categories: attack and assault, or transport helicopters and all land-based combat aircraft. All of the equipment reduced would be destroyed.

Third, propose a 20% cut in combat manpower in U.S. stationed forces and a resulting ceiling in U.S. and Soviet ground and air forces stationed outside of national territory in the Atlantic-to-the-Urals zone at approximately 275,000 each. This manpower ceiling will require the Soviets to reduce their forces in Eastern Europe by about 325,000 people. Withdrawn soldiers and airmen on both sides would be demobilized.

And then, fourth, accelerate the timetable for reaching a CFE [conventional arms forces in Europe] agreement along these lines and implementing the required reductions. I believe that it should be possible to reach such agreement in 6 months or maybe a year and to accomplish the reductions by 1992 or 1993.

If the Soviet Union accepts this fair offer, the results would dramatically increase stability on the continent and transform the military map of Europe. We can and must begin now to set out a new vision for Europe at the end of this century. This is a noble mission that I believe the alliance should be ready to undertake. I have no doubt that we are up to the task.

Incidentally, in addition to these arms control proposals I mentioned in there, that we are prepared to change our no-exceptions policy on trade. I called again for a ban on chemical weapons. I would reiterate my support for our open skies proposal, and in the meeting it was discussed by the Prime Minister of Canada.

Q. Does this revolutionary plan signal the end of the cold war?

A. I don't know what it signals, except it signals a willingness on our part to really put Mr. Gorbachev to the test now. I don't like to dwell in antiquated history. But I do like to get the idea that we are out front as an alliance, because this has broad alliance support, in challenging Mr. Gorbachev to move forward now more quickly on the most destabilizing part of the military balance, and that is on conventional forces.

Q. Were you pressured by him and the allies?

A. No, I think I said when I first came in we were going to take our time and we were going to study and we're going to think it out. And we did exactly that. You know and I know that some voices were raised in Congress that we were going too slow. But we knew exactly what we were doing all along, and we've now said: "This is what we suggest, and this is the way we plan to lead—lead the alliance and lead the free world."

Q. Why is it possible to make such drastic cuts in conventional weapons and not move on nuclear aircraft—nuclear ground-based short-range missiles, which seems to disturb the Germans and really a majority of the alliance?

A. Because the conventional forces—the existing imbalance is so great that that is the most urgent problem and the most destabilizing.

Q. If the Soviets accept this proposal, would that enable us to talk about reducing or eliminating short-range forces?

A. After agreement was reached and after there was some implementation, yes. We are not unwilling to negotiate on SNF.

Q. What was the reaction of the NATO leaders this morning when you told them? Did you consult with all the allies before you put it on the table?

A. We had widespread—and I would think everyone was consulted. I know we had widespread consultation and—the answer is yes to all NATO members. And it's been done over the last few days.

Q. What did they tell you about it? Why did they find it appealing?

A. I'll leave it to them to wax euphoric. But I'll tell you, I was very, very pleased with the response in the meeting just concluded.

Q. Can you ever see a time when you might not have nuclear forces in Europe?

A. No. We need the concept of flexible response, and I can't, in the foreseeable future, see us getting away from that.

Q. Is there any indication that this disagreement with the West Germans over the SNF issue will be resolved here at the NATO summit?

A. I'm not really at liberty to go into too much on that, because right now we put together a working group to try to work out some resolution. But you see, this bold proposal, in terms of conventional forces, should give those who have had difficulty with our position on SNF a chance to regroup and rethink and give them a little leeway that they haven't had heretofore.

Q. Do you expect early negotiation by the Secretary of State [Soviet Foreign Minister] Mr. Shevardnadze or Mr. Gorbachev on this proposal?

A. The sooner the better.

Q. There's been some criticism in Congress, as you mentioned, about that you have been too cautious in approaching the Soviet Union. Was that sentiment expressed today by anyone, and was there any mention of how the West should respond to Gorbachev?

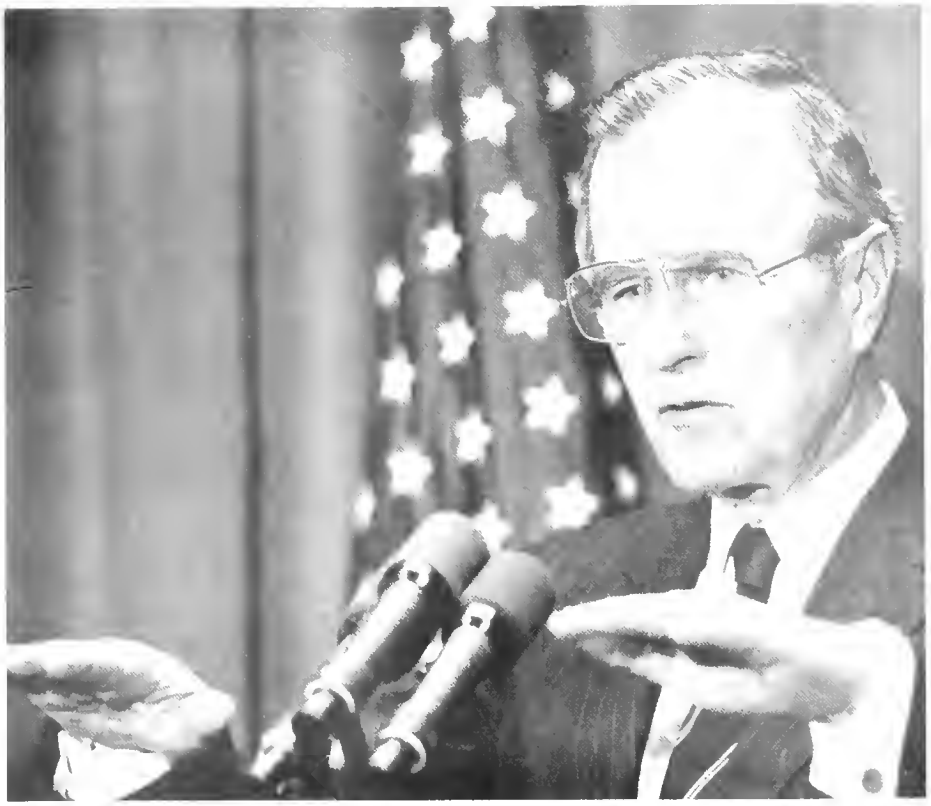
A. No, it wasn't mentioned by anyone in there. And generally, when it was—your question about how to respond to Gorbachev—without putting words into the mouths of various participants, there was enthusiastic endorsement. I can't speak for everybody, but for those who have intervened so far.

Q. Have you costed out this proposal? And did the budgetary constraints play any part in your decision to try to—

A. No, the budgetary constraints didn't, and I haven't seen a full cost analysis. Some of this would be quite expensive for us, short-run—the pulling people out. But we did check militarily. I did not want to propose something that was militarily unsound. And our top military people are for this. Our SACEUR Commander [Supreme Allied Commander, Europe—General John Galvin], who wears many hats, who represents many countries, obviously, is for this. And so, we checked it in that sense.

Q. In some of your early policy speeches, you expressed deep skepticism about what was going on in the Soviet Union. You said this new relationship cannot be bestowed; it must be earned. Your Secretary of Defense said he felt Gorbachev would fail. What prompted change in your thinking to make a proposal like this?

A. This is to put it to the test. This is to say: Here we go. We're out there now with a proposal that the United States puts forward and that has widespread alliance support. Now test it. How serious are you? Are you—really want to reduce the imbalances that exist in all these categories, or do we want rhetoric? And so, what we're saying—we're not changing; I'm not changing my mind. I've said I want to see *perestroika* succeed. I said I want to see us move forward in arms reductions. Indeed, we've set a date for the resumption of the START [strategic arms reduction talks] talks—but eyes wide open. And here we go now, on the offense with a proposal that is bold and tests whether the Soviet Union will move toward balance, or whether they insist on retaining an unacceptable conventional force imbalance.



(White House photo by David Valdez)

President Bush announced his Conventional Parity Initiative on the opening day of the NATO summit in Brussels on May 29.

Q. On the subject of Mr. Gorbachev, do you believe he will fail?

A. I want to see him succeed. And I've said that, and I'll repeat it here. I'm not making predictions as to what's going to happen inside the Soviet Union. Those are hard tea leaves to read. But I would like to see him succeed. He seems stronger now than he has been earlier on. But he faces enormous problems. I hope he looks at this proposal as a way to help solve some of those enormous problems. It gets to the question of finance to maintain this number of troops outside of his country.

Q. Does this four-point proposal represent your conditions that the Soviets must accept before you will open talks on the short-range missiles?

A. As I said earlier, we've got to have a reduction in conventional forces and then some implementaton of that proposal.

Q. You described this as a proposal to the other allies. Do you expect it's going to be adopted as a formal alliance position at the end of this meeting, and then will you put it on the table at CFE very soon?

A. I can't answer procedurally. I'd like to see it adopted. But I don't know that the people have had enough time to really—do you know what's planned on that, Al? [Alton G. Keel, Jr., Ambassador to NATO]

Ambassador Keel. I think, clearly, the alliance will adopt it, in terms of the concept but then will assign it to the proper mechanism here at NATO to finish the details on it.

Q. Why actually destroy the equipment and demobilize the troops?

A. Because then we get verified—we hope—verified reductions that last. You can't just juggle around the players on the chessboard.

Q. There's been a lot of talk at the White House recently about public relations gambits. Do you believe that this initiative by the United States puts Mr. Gorbachev on the defensive, and does it in any way put the United States back on the top of any public relations war that might be going on?

A. One, we've eschewed getting involved in a public relations battle. This is too serious a business. Alliance security is too serious. The safety and security of American forces, for which I have direct responsibility as commander in chief, is too serious to be jeopardized by feeling we always have to be out front on some public relations gambit. I think we all know that in certain quarters in the United States, my Administration has taken a little bit of a hammering for not engaging in the public relations battle.

But what we've been doing is formulating what I think is a very prudent plan, and now that plan is out there on the table. So, I really can't comment on the public relations aspect. What I'm interested in is the security aspect and the strength of the alliance and then the future—the ability of the alliance to move beyond containment.

Q. A long-term benefit of this proposal would obviously be a decrease in defense spending. Now, how much of this proposal was driven by budget considerations?

A. I thought I answered that, but let me try again to be clearer. None. What drove the proposal was the military and alliance considerations. I would agree that if this proposal is fully implemented—longer-run, as you put it—it would result in less spending, particularly if these troops and weapons are demobilized, as we say.

Q. Just to be clear on one point, what you're proposing is an agreement with the Warsaw Pact, not anything that you will do unilaterally, that you won't take any of these steps yourselves outside an overall agreement with the—

A. This is a NATO proposal, and it would be negotiated with the pact. But it means that—obviously, when you're dealing with the pact—that the Soviet Union is going to have to be the key player. This part of the proposal, as it relates to U.S. troops, clearly is one where both the Soviet General Secretary and I have to have agreement. But I want to keep the negotiations and the initiatives inside of the alliance. We came over here to say the alliance has worked. It's kept the peace for 40 years, and we want to continue to keep it strong. That's one reason I am very pleased with the alliance response to our proposal. They don't see it as soloing off there, taking care of U.S. interest. They see it as in the interest of the alliance.

Again, I believe I speak—I believe—I know most of the people there feel that way, and I hope all of them do.

Q. When did you make the final decision to accept this idea? How did it evolve?

A. Twelve days ago.

Q. Do you have any interest in discussing this with Mr. Gorbachev at a summit meeting? Do you have any interest or intention of discussing this proposal or other arms proposals with Mr. Gorbachev at a summit meeting?

A. When I have a summit meeting with Mr. Gorbachev, I expect we'll discuss a wide array of subjects.

Q. Do you anticipate that this year?

A. When that happens, I will have wide, farflung discussions and no date has been set for that.

Q. Is it likely to be speeded up, though because of this proposal?

A. Hadn't thought if it in this connection, but I would not rule that out. But we'll see how it's digested there in Moscow. I hope favorably.

Q. Isn't it time for a summit now that you've laid this out?

A. Baker's got some more work to do.

Declaration of the Heads of State and Government, North Atlantic Council, May 30, 1989[6]

NATO's 40 Years of Success

1. As our Alliance celebrates its 40th Anniversary, we measure its achievements with pride. Founded in troubled times to safeguard our security, it has withstood the test of four decades, and has allowed our countries to enjoy in freedom one of the longest periods of peace and prosperity in their history. The Alliance has been a fundamental element of stability and co-operation. These are the fruits of a partnership based on enduring common values and interests, and on unity of purpose.

2. Our meeting takes place at a juncture of unprecedented change and opportunities. This is a time to look ahead, to chart the course of our Alliance and to set our agenda for the future.

A Time of Change

3. In our rapidly changing world, where ideas transcend borders ever more easily, the strength and accomplishments of democracy and freedom are increasingly apparent. The inherent inability of oppressive systems to fulfil the aspirations of their citizens has become equally evident.

4. In the Soviet Union, important changes are underway. We welcome the current reforms that have already led to greater openness, improved respect for human rights, active participation of the individual, and new attitudes in foreign policy. But much remains to be done. We still look forward to the full implementation of the announced change in priorities in the allocation of economic resources from the military to the civilian sector. If sustained, the reforms will strengthen prospects for fundamental improvements in East-West relations.

5. We also welcome the marked progress in some countries of Eastern Europe towards establishing more democratic institutions, freer elections and greater political pluralism and economic choice. However, we deplore the fact that certain Eastern European governments have chosen to ignore this reforming trend and continue all too frequently to violate human rights and basic freedoms.

Shaping the Future

6. Our vision of a just, humane and democratic world has always underpinned the policies of this Alliance. The changes that are now taking place are bringing us closer to the realisation of this vision.

7. We want to overcome the painful division of Europe, which we have never accepted. We want to move beyond the post-war period. Based on today's momentum of increased co-operation and tomorrow's common challenges, we seek to shape a new political order of peace in Europe. We will work as Allies to seize all opportunities to achieve this goal. But ultimate success does not depend on us alone.

Our guiding principles in the pursuit of this course will be the policies of the Harmel Report in their two complementary and mutually reinforcing approaches: adequate military strength and political solidarity and, on that basis, the search for constructive dialogue and co-operation, including arms control, as a means of bringing about a just and lasting peaceful order in Europe.

8. The Alliance's long-term objectives are:

- To ensure that wars and intimidation of any kind in Europe and North America are prevented, and that military aggression is an option which no government could rationally contemplate or hope successfully to undertake, and by doing so to lay the foundations for a world where military forces exist solely to preserve the independence and territorial integrity of their countries, as has always been the case for the Allies;
- To establish a new pattern of relations between the countries of East and West, in which ideological and military antagonism will be replaced with co-operation, trust and peaceful competition; and in which human rights and political freedoms will be fully guaranteed and enjoyed by all individuals.

9. Within our larger responsibilities as Heads of State or Government, we are also committed to strive for an international community founded on the rule of law, where all nations join together to reduce world tensions, settle disputes peacefully, and search for solutions to those issues of universal concern, including poverty, social injustice and the environment, on which our common fate depends.

Maintaining our Defence

10. Peace must be worked for; it can never be taken for granted. The greatly improved East-West political climate offers prospects for a stable and lasting peace, but experience teaches us that we must remain prepared. We can overlook neither the capabilities of the Warsaw Treaty countries for offensive military action, nor the potential hazards resulting from severe political strain and crisis.

11. A strong and united Alliance will remain fundamental not only for the security of our countries but also for our policy of supporting political change. It is the basis for further successful negotiations on arms control and on measures to strengthen mutual confidence through improved transparency and predictability. Military security and policies aimed at reducing tensions as well as resolving underlying political differences are not contradictory but complementary. Credible defence based on the principle of the indivisibility of security for all member countries will thus continue to be essential to our common endeavour.

12. For the foreseeable future, there is no alternative to the Alliance strategy for the prevention of war. This is a strategy of deterrence based upon a appropriate mix of adequate and effective nuclear and conventional forces which will continue to be kept up-to-date where necessary. We shall ensure the viability and credibility of these forces, while maintaining them at the lowest possible level consistent with our security requirements.

13. The presence of North American conventional and nuclear forces in Europe remains vital to the security of Europe just as Europe's security is vital to that of North America. Maintenance of this relationship requires that the Allies fulfil their essential commitments in support of the common defence. Each of our countries will accordingly assume its fair share of the risks, roles and responsibilities of the Atlantic partnership. Growing European political unity can lead to a reinforced European component of our common security effort and its efficiency. It will be essential to the success of these efforts to make the most effective use of resources made available for our security. To this end, we will seek to maximise the efficiency of our defence programmes and pursue solutions to issues in the area of economic and trade policies as they affect our defence. We will also continue to protect our technological capabilities by effective export controls on essential strategic goods.

Initiatives on Arms Control

14. Arms control has always been an integral part of the Alliance's security policy and of its overall approach to East-West relations, firmly embedded in the broader political context in which we seek the improvement of those relations.

15. The Allies have consistently taken the lead in developing the conceptual foundations for arms control, identifying areas in which the negotiating partners share an interest in achieving a mutually satisfactory result while safeguarding the legitimate security interests of all.

16. Historic progress has been made in recent years, and we now see prospects for further substantial advances. In our determined effort to reduce the excessive weight of the military factor in the East-West relationship and increasingly to replace confrontation by co-operation, we can now exploit fully the potential of arms control as an agent of change.

17. We challenge the members of the Warsaw Treaty Organization to join us in accelerating efforts to sign and implement an agreement which will enhance security and stability in Europe by reducing conventional armed forces. To seize the unique opportunity at hand, we intend to present a proposal that will amplify and expand on the position we tabled at the opening of the CFE [conventional armed forces in Europe] negotiations on 9th March.[7] We will

- Register agreement, based on the ceilings already proposed in Vienna, on tanks, armoured troop carriers and artillery pieces held by members of the two Alliances in Europe, with all of the withdrawn equipment to be destroyed. Ceilings on tanks and armoured troop carriers will be based on proposals already tabled in Vienna; definitional questions on artillery pieces remain to be resolved;
- Expand our current proposal to include reductions by each side to equal ceilings at the level 15 per cent below current Alliance holdings of helicopters and of all land-based combat aircraft in the Atlantic-to-the-Urals zone, with all the withdrawn equipment to be destroyed;
- Propose a 20 per cent cut in combat manpower in US stationed forces, and a resulting ceiling on US and Soviet ground and air force personnel stationed outside of national territory in the Atlantic-to-the-Urals zone at approximately 275,000. This ceiling would require the Soviet Union to reduce its forces in Eastern Europe by some 325,000. United States and Soviet forces withdrawn will be demobilized;
- Seek such an agreement within six months to a year and accomplish the reductions by 1992 or 1993. Accordingly, we have directed the Alliance's High Level Task Force on conventional arms control to complete the further elaboration of this proposal, including its verification elements, so that it may be tabled at the beginning of the third round of the CFE negotiations, which opens on 7th September 1989.

18. We consider as an important initiative President Bush's call for an "open skies" regime intended to improve confidence among States through reconnaissance flights, and to contribute to the transparency of military activity, to arms control and to public awareness. It will be the subject of careful study and wide-ranging consultations.

19. Consistent with the principles and objectives set out in our Comprehensive Concepts of Arms Control and Disarmament which we have adopted at this meeting, we will continue to use arms control as a means to enhance security and stability at the lowest possible level of armed forces, and to strengthen confidence by further appropriate measures. We have already demonstrated our commitment to these objectives: both by negotiations and by unilateral action, resulting since 1979 in reductions of over one-third of the nuclear holdings assigned to SACEUR [Supreme Allied Commander Europe] in Europe.

Towards an Enhanced Partnership

20. As the Alliance enters its fifth decade we will meet the challenge of shaping our relationship in a way which corresponds to the new political and economic realities of the 1990s. As we do so, we recognize that the basis of our security and prosperity—and of our hopes for better East-West relations—is and will continue to be the close cohesion between the countries of Europe and of North America, bound together by their common values and democratic institutions as much as by their shared security interests.

21. Ours is a living and developing partnership. The strength and stability derived from our transatlantic bond provide a firm foundation for the achievement of our long-term vision, as well as of our goals for the immediate future. We recognize that our common tasks transcend the resources of either Europe or North America alone.

22. We welcome in this regard the evolution of an increasingly strong and coherent European identity, including in the security area. The process we are witnessing today provides an example of progressive integration, leaving centuries-old conflicts far behind. It opens the way to a more mature and balanced transatlantic partnership and constitutes one of the foundations of Europe's future structure.

23. To ensure the continuing success of our efforts we have agreed to

- Strengthen our process of political consultation and, where appropriate, co-ordination, and have instructed the Council in Permanent Session to consider methods for its further improvement;
- Expand the scope and intensity of our effort to ensure that our respective approaches to problems affecting our common security are complementary and mutually supportive;
- Renew our support for our economically less-favoured partners and to reaffirm our goal of improving the present level of co-operation and assistance;
- Continue to work in the appropriate fora for more commercial, monetary and technological co-operation, and to see to it that no obstacles impede such co-operation.

Overcoming the Division of Europe

24. Now, more than ever, our efforts to overcome the division of Europe must address its underlying political causes. Therefore all of us will continue to pursue a comprehensive approach encompassing the many dimensions of the East-West agenda. In keeping with our values, we place primary emphasis on basic freedoms for the people in Eastern Europe. These are also key elements for strengthening the stability and security of all states and for guaranteeing lasting peace on the continent.

25. The CSCE [Conference on Security and Cooperation in Europe] process encompasses our vision of a peaceful and more constructive relationship among all participating states. We intend to develop it further, in all its dimensions, and to make the fullest use of it.

We recognize progress in the implementation of CSCE commitments by some Eastern countries. But we call upon all of them to recognise and implement fully the commitments which all CSCE states have accepted. We will invoke the CSCE mechanisms—as most recently adopted in the Vienna Concluding Document—and the provisions of other international agreements, to bring all Eastern countries to:

- Enshrine in law and practice the human rights and freedoms agreed in international covenants and in the CSCE documents, thus fostering progress towards the rule of law;

(White House photo by David Valdez)

The heads of government of the 16 NATO members met in Brussels May 29–30. From left to right: Prime Minister Jacques Santer (Luxembourg), Prime Minister Ruud Lubbers (Netherlands), Prime Minister Gro Harlem Brundtland (Norway), Prime Minister Anibal Cavaco Silva (Portugal), Prime Minister Felipe Gonzalez Marquez (Spain), Prime Minister Turgut Ozal (Turkey), Prime Minister Margaret Thatcher (United Kingdom), President Francois Mitterrand (France), NATO Secretary General Manfred Woerner, President Bush, Prime Minister Wilfried Martens (Belgium), Prime Minister Brian Mulroney (Canada), Prime Minister Poul Schlueter (Denmark), Chancellor Helmut Kohl (West Germany), Prime Minister Andreas Papandreou (Greece), Prime Minister Steingrimur Hermannsson (Iceland), and Prime Minister Ciriaco De Mita (Italy).

• Tear down the walls that separate us physically and politically, simplify the crossing of borders, increase the number of crossing points and allow the free exchange of persons, information and ideas;

• Ensure that people are not prevented by armed force from crossing the frontiers and boundaries which we share with Eastern countries, in exercise of their right to leave any country, including their own;

• Respect in law and practice the right of all the people in each country to determine freely and periodically the nature of the government they wish to have;

• See to it that their peoples can decide through their elected authorities what form of relations they wish to have with other countries;

• Grant the genuine economic freedoms that are linked inherently to the rights of the individual;

• Develop transparency, especially in military matters, in pursuit of greater mutual understanding and reassurance.

26. The situation in and around Berlin is an essential element in East-West relations. The Alliance declares its commitment to a free and prosperous Berlin and to achieving improvements for the city especially through the Allied Berlin Initiative. The Wall dividing the city is an unacceptable symbol of the division of Europe. We seek a state of peace in Europe in which the German people regains its unity through free self-determination.

Our Design for Co-operation

27. We, for our part, have today reaffirmed that the Alliance must and will reintensify its own efforts to overcome the division of Europe and to explore all available avenues of co-operation and dialogue. We support the opening of Eastern societies and encourage reforms that aim at positive political, economic and human rights developments. Tangible steps towards genuine political and economic reform improve possibilities for broad co-operation, while a continuing denial of basic freedoms cannot but have a negative effect. Our approach recognizes that each country is unique and must be treated on its own merits. We also recognize that it is essentially incumbent upon the countries of the East to solve their problems by reforms from within. But we can also play a constructive role within the framework of our Alliance as well as in our respective bilateral relations and in international organizations, as appropriate.

28. To that end, we have agreed the following joint agenda for the future:

• As opportunities develop, we will expand the scope of our contacts and co-operation to cover a broad range of issues which are important to both East and West. Our goal is a sustained effort geared to specific tasks which will help deepen openness and promote democracy within Eastern countries and thus contribute to the establishment of a more stable peace in Europe;

• We will pursue in particular expanded contacts beyond the realm of government among individuals in East and West. These contacts should include all segments of our societies, but in particular young people, who will carry the responsibility for continuing our common endeavour;

• We will seek expanded economic and trade relations with the Eastern countries on the basis of commercially sound terms, mutual interest and reciprocity. Such relations should also serve as incentives for real economic reform and thus ease the way for increased integration of Eastern countries into the international trading system;

• We intend to demonstrate through increased co-operation that democratic institutions and economic choice create the best possible conditions for economic and social progress. The development of such open systems will facilitate co-operation and, consequently, make its benefits more available;

• An important task of our co-operation will be to explore means to extend Western experience and know-how to Eastern countries in a manner which responds to and promotes positive change. Exchanges in technical and managerial fields, establishment of co-operative training programmes, expansion of educational, scientific and cultural exchanges all offer possibilities which have not yet been exhausted;

• Equally important will be to integrate Eastern European countries more fully into efforts to meet the social, environmental and technological challenges of the modern world, where common interests should prevail. In accordance with our concern for global challenges, we will seek to engage Eastern countries in co-operative strategies in areas such as the environment, terrorism, and drugs. Eastern willingness to participate constructively in dealing with such challenges will help further co-operation in other areas as well;

• East-West understanding can be expanded only if our respective societies gain increased knowledge about one another and communicate effectively. To encourage an increase of Soviet and Eastern studies in universities of our countries and of corresponding studies in Eastern countries, we are prepared to establish a Fellowship/Scholarship programme to promote the study of our democratic institutions, with candidates being invited from Eastern as well as Western Europe and North America.

Global Challenges

29. Worldwide developments which affect our security interests are legitimate matters for consultation and, where appropriate, co-ordination among us. Our security is to be seen in a context broader than the protection from war alone.

30. Regional conflicts continue to be of major concern. The co-ordinated approach of Alliance members recently has helped toward settling some of the world's most dangerous and long-standing disputes. We hope that the Soviet Union will increasingly work with us in positive and practical steps towards diplomatic solutions to those conflicts that continue to preoccupy the international community.

31. We will seek to contain the newly emerging security threats and destabilizing consequences resulting from the uncontrolled spread and application of modern military technologies.

32. In the spirit of Article 2 of the Washington Treaty, we will increasingly need to address worldwide problems which have a bearing on our security, particularly environmental degradation, resource conflicts and grave economic disparities. We will seek to do so in the appropriate multilateral fora, in the widest possible co-operation with other states.

33. We will each further develop our close co-operation with the other industrial democracies akin to us in their objectives and policies.

34. We will redouble our efforts in a reinvigorated United Nations, strengthening its role in conflict settlement and peacekeeping, and in its larger endeavours for world peace.

Our 'Third Dimension'

35. Convinced of the vital need for international co-operation in science and technology, and of its beneficial effect on global security, we have for several decades maintained Alliance programmes of scientific co-operation. Recognizing the importance of safeguarding the environment we have also co-operated, in the Committee on the Challenges of Modern Society, on environmental matters. These activities have demonstrated the broad range of our common pursuits. We intend to give more impact to our programmes with new initiatives in these areas.

The Future of the Alliance

36. We, the leaders of 16 free and democratic countries, have dedicated ourselves to the goals of the Alliance and are committed to work in unison for their continued fulfilment.

37. At this time of unprecedented promise in international affairs, we will respond to the hopes that it offers. The Alliance will continue to serve as the cornerstone of our security, peace and freedom. Secure on this foundation, we will reach out to those who are willing to join us in shaping a more stable and peaceful international environment in the service of our societies.

Comprehensive Concept, May 30, 1989

1. At Reykjavik in June 1987, Ministers stated that arms control problems facing the Alliance raised complex and interrelated issues that needed to be evaluated together, bearing in mind overall progress in arms control negotiations as well as the requirements of Alliance security and of its stretegy of deterrence. They therefore directed the Council in Permanent Session, working in conjunction with the appropriate military authorities, to 'consider the further development of a comprehensive concept of arms control and disarmament."

2. The attached report, prepared by the Council in response to that mandate, was adopted by Heads of State and Government at the meeting of the North Atlantic Council in Brussels on 29th and 30th May 1989.

A. Comprehensive Concept of Arms Control and Disarmament

I. Introduction

1. The overriding objective of the Alliance is to preserve peace in freedom, to prevent war, and to establish a just and lasting peaceful order in Europe. The Allies' policy to this end was set forth in the Harmel Report of 1967. It remains valid. According to the Report, the North Atlantic Alliance's 'first function is to maintain adequate military strength and political solidarity, to deter aggression and other forms of pressure and to defend the territory of member countries if aggression should occur.' On that basis, the Alliance can carry out 'its second function, to pursue the search for progress towards a more stable relationship in which the underlying political issues can be solved.' As the Report observed, military security and a policy aimed at reducing tensions are 'not contradictory, but complementary.'
Consistent with these principles, Allied Heads of State and Government have agreed that arms control is an integral part of the Alliance's security policy.

2. The possibilities for fruitful East-West dialogue have significantly improved in recent years. More favourable conditions now exist for progress towards the achievement of the Alli-

ance's objectives. The Allies are resolved to grasp this opportunity. They will continue to address both the symptoms and the causes of political tension in a manner that respects the legitimate security interests of all states concerned.

3. The achievement of the lasting peaceful order which the Allies seek will require that the unnatural division of Europe, and particularly of Germany, be overcome, and that, as stated in the Helsinki Final Act, the sovereignty and territorial integrity of all states and the right of peoples to self-determination be respected and that the rights of all individuals, including right of political choice, be protected. The members of the Alliance accordingly attach central importance to further progress in the Conference on Security and Cooperation in Europe (CSCE) process, which serves as a framework for the promotion of peaceful evolution in Europe.

4. The CSCE process provides a means to encourage stable and constructive East-West relations by increasing contacts between people, by seeking to ensure that basic rights and freedoms are respected in law and practice, by furthering political exchanges and mutually beneficial cooperation across a broad range of endeavours, and by enhancing security and openness in the military sphere. The Allies will continue to demand full implementation of all the principles and provisions of the Helsinki Final Act, the Madrid Concluding Document, the Stockholm Document, and the Concluding Document of the Vienna Meeting. The latter document marks a major advance in the CSCE process and should stimulate further beneficial changes in Europe.

5. The basic goal of the Alliance's arms control policy is to enhance security and stability at the lowest balanced level of forces and armaments consistent with the requirements of the strategy of deterrence. The Allies are committed to achieving continuing progress towards all their arms control objectives. The further development of the Comprehensive Concept is designed to assist this by ensuring an integrated approach covering both defence policy and arms control policy: these are complementary and interactive. This work also requires full consideration of the interrelationship between arms control objectives and defence requirements and how various arms control measures, separately and in conjunction with each other, can strengthen Alliance security. The guiding principles and basic objectives which have so far governed the arms control policy of the Alliance remain valid. Progress in achieving these objectives is, of course, affected by a number of factors. These include the overall state of East-West relations, the military requirements of the Allies, the progress of existing and future arms control negotiations, and developments in the CSCE process. The further development and implementation of a comprehensive concept of arms control and disarmament will take place against this background.

II. East-West Relations and Arms Control

6. The Alliance continues to seek a just and stable peace in Europe in which all states can enjoy undiminished security at the minimum necessary levels of forces and armaments and all individuals can exercise their basic rights and freedoms. Arms control alone cannot resolve longstanding political differences between East and West nor guarantee a stable peace. Nonetheless, achievement of the Alliance's goal will require substantial advances in arms control, as well as more fundamental changes in political relations. Success in arms control, in addition to enhancing military security, can encourage improvements in the East-West political dialogue and thereby contribute to the achievement of broader Alliance objectives.

7. To increase security and stability in Europe, the Alliance has consistently pursued every opportunity for effective arms control. The Allies are committed to this policy, independent of any changes that may occur in the climate of East-West relations. Success in arms control, however, continues to depend not on our own efforts alone, but also on Eastern and particularly Soviet readiness to work constructively towards mutually beneficial results.

8. The immediate past has witnessed unprecedented progress in the field of arms control. In 1986 the Stockholm Conference on Disarmament in Europe (CDE) agreement created an innovative system of confidence and security-building measures, designed to promote military transparency and predictability. To date, these have been satisfactorily implemented. The 1987 INF [Intermediate-Range Nuclear Forces] Treaty marked another major step forward because it eliminated a whole class of weapons, it established the principle of asymmetrical reductions, and provided for a stringent verification regime. Other achievements include the establishment in the United States and the Soviet Union of nuclear risk reduction centres, the US/Soviet agreement on prior notification of ballistic missile launches, and the conduct of the Joint Verification Experiment in connection with continued US/Soviet negotiations on nuclear testing.

9. In addition to agreements already reached, there has been substantial progress in the START [strategic arms reductions talks] negotiations which are intended to reduce radically strategic nuclear arsenals and eliminate destabilizing offensive capabilities. The Paris Conference on the Prohibition of Chemical Weapons has reaffirmed the authority of the 1925 Geneva Protocol and given powerful political impetus to the negotiations in Geneva for a global, comprehensive and effectively verifiable ban on chemical weapons. New distinct negotiations within the framework of the CSCE process have now begun in Vienna: one on conventional armed forces in Europe between the 23 members of NATO and the Warsaw Treaty Organization (WTO) and one on confidence- and security-building measures (CSBMs) among all 35 signatories of the Helsinki Final Act.

10. There has also been substantial progress on other matters important to the West. Soviet troops have left Afghanistan. There has been movement toward the resolution of some, although not all, of the remaining regional conflicts in which the Soviet Union is involved. The observance of human rights in the Soviet Union and in some of the other WTO countries has significantly improved, even if serious deficiencies remain. The recent Vienna CSCE Follow-up meeting succeeded in setting new, higher standards of conduct for participating states and should stimulate further progress in the CSCE process. A new intensity of dialogue, particularly at high-level, between East and West opens new opportunities and testifies to the Allies' commitment to resolve the fundamental problems that remain.

11. The Alliance does not claim exclusive responsibility for this favourable evolution in East-West relations.

In recent years, the East has become more responsive and flexible. Nonetheless, the Alliance's contribution has clearly been fundamental. Most of the achievements to date, which have been described above, were inspired by initiatives by the Alliance or its members. The Allies' political solidarity, commitment to defence, patience and creativity in negotiations overcame initial obstacles and brought its efforts to fruition. It was the Alliance that drew up the basic blueprints for East-West progress and has since pushed them forward towards realisation. In particular the concepts of stability, reasonable sufficiency, asymmetrical reductions, concentration on the most offensive equipment, rigorous verification, transparency, a single zone from the Atlantic to the Urals, and the balanced and comprehensive nature of the CSCE process, are Western-inspired.

12. Prospects are now brighter than ever before for lasting, qualitative improvements in the East-West relationship. There continue to be clear signs of change in the internal and external policies of the Soviet Union and of some of its Allies. The Soviet leadership has stated that ideological competition should play no part in interstate relations. Soviet acknowledgement of serious shortcomings in its past approaches to international as well as domestic issues creates opportunities for progress on fundamental political problems.

13. At the same time, serious concerns remain. The ambitious Soviet reform programme, which the Allies welcome, will take many years to complete. Its success cannot be taken for granted given the magnitude of the problems it faces and the resistance generated. In Eastern Europe, progress in constructive reform is still uneven and the extent of these reforms remains to be determined. Basic human rights still need to be firmly anchored in law and practice, though in some Warsaw Pact countries improvements are underway. Although the WTO has recently announced and begun unilateral reductions in some of its forces, the Soviet Union continues to deploy military forces and to maintain a pace of military production in excess of legitimate defensive requirements. Moreover, the geo-strategic realities favour the geographically contiguous Soviet-dominated WTO as against the geographically separated democracies of the North Atlantic Alliance. It has long been an objective of the Soviet Union to weaken the links between the European and North American members of the Alliance.

14. We face an immediate future that is promising but still uncertain. The Allies and the East face both a challenge and an opportunity to capitalise on present conditions in order to increase mutual security. The progress recently made in East-West relations has given new impetus to the arms control process and has enhanced the possibilities of achieving the Alliance's arms control objectives, which complement the other elements of the Alliance's security policy.

III. Principles of Alliance Security

15. Alliance security policy aims to preserve peace in freedom by both political means and the maintenance of a military capability sufficient to prevent war and to provide for effective defence. The fact that the Alliance has for forty years safeguarded peace in Europe bears witness to the success of this policy.

16. Improved political relations and the progressive development of cooperative structures between Eastern and Western countries are important components of Alliance policy. They can enhance mutual confidence, reduce the risk of misunderstanding, ensure that there are in place reliable arrangements for crisis management so that tensions can be defused, render the situation in Europe more open and predictable, and encourage the development of wider cooperation in all fields.

17. In underlining the importance of these facts for the formulation of Alliance policy, the Allies reaffirm that, as stated in the Harmel Report, the search for constructive dialogue and cooperation with the countries of the East, including arms control and disarmament, is based on political solidarity and adequate military strength.

18. Solidarity among the Alliance countries is a fundamental principle of their security policy. It reflects the indivisible nature of their security. It is expressed by the willingness of each country to share fairly the risks, burdens and responsibilities of the common effort as well as its benefits. In particular, the presence in Europe of the United States' conventional and nuclear forces and of Canadian forces demonstrates that North American and European security interests are inseparably bound together.

19. From its inception the Alliance of Western democracies has been defensive in purpose. This will remain so. None of our weapons will ever be used except in self-defence. The Alliance does not seek military superiority nor will it ever do so. Its aim has always been to prevent war and any form of coercion and intimidation.

20. Consistent with the Alliance's defensive character, its strategy is one of deterrence. Its objective is to convince a potential aggressor before he acts that he is confronted with a risk that outweighs any gain—however great—he might hope to secure from his aggression. The purpose of this strategy defines the means needed for its implementation.

21. In order to fulfil its strategy, the Alliance must be capable of responding appropriately to any aggression and of meeting its commitment to the defence of the frontiers of its members' territory. For the foreseeable future, deterrence requires an appropriate mix of adequate and effective nuclear and conventional forces which will continue to be kept up to date where necessary; for it is only by their evident and perceived capability for effective use that such forces and weapons deter.

22. Conventional forces make an essential contribution to deterrence. The elimination of asymmetries between the conventional forces of East and West in Europe would be a major breakthrough, bringing significant benefits for stability and security. Conventional defence alone cannot, however, ensure deterrence. Only the nuclear element can confront an aggressor with an unacceptable risk and thus plays an indispensable role in our current strategy of war prevention.

23. The fundamental purpose of nuclear forces—both strategic and substrategic—is political: to preserve the peace and to prevent any kind of war. Such forces contribute to deterrence by demonstrating that the Allies have the military capability and the political will to use them, if necessary, in response to aggression. Should aggression occur, the aim would be to restore deterrence by inducing the aggressor to reconsider his decision, to terminate his attack and to withdraw and thereby to restore the territorial integrity of the Alliance.

24. Conventional and nuclear forces, therefore, perform different but complementary and mutually reinforcing roles. Any perceived inadequacy in

either of these two elements, or the impression that conventional forces could be separated from nuclear, or sub-strategic from strategic nuclear forces, might lead a potential adversary to conclude that the risks of launching aggression might be calculable and acceptable. No single element can, therefore, be regarded as a substitute compensating for deficiencies in any other.

25. For the foreseeable future, there is no alternative strategy for the prevention of war. The implementation of this strategy will continue to ensure that the security interests of all Alliance members are fully safeguarded. The principles underlying the strategy of deterrence are of enduring validity. Their practical expression in terms of the size, structure and deployment of forces is bound to change. As in the past, these elements will continue to evolve in response to changing international circumstances, technological progress and developments in the scale of the threat—in particular, in the posture and capabilities of the forces of the Warsaw Pact.

26. Within this overall framework, strategic nuclear forces provide the ultimate guarantees of deterrence for the Allies. They must be capable of inflicting unacceptable damage on an aggressor state even after it has carried out a first strike. Their number, range, survivability and penetration capability need to ensure that a potential aggressor cannot count on limiting the conflict or regarding his own territory as a sanctuary. The strategic nuclear forces of the United States provide the cornerstone of deterrence for the Alliance as a whole. The independent nuclear forces of the United Kingdom and France fulfil a deterrent role of their own and contribute to the overall deterrence strategy of the Alliance by complicating the planning and risk assessment of a potential aggressor.

27. Nuclear forces below the strategic level provide an essential political and military linkage between conventional and strategic forces and, together with the presence of Canadian and the United States forces in Europe, between the European and North American members of the Alliances. The Allies' sub-strategic nuclear forces are not designed to compensate for conventional imbalances. The levels of such forces in the integrated military structure nevertheless must take into account the threat—both conventional and nuclear—with which the Alliance is faced. Their role is to ensure that there are no circumstances in which a potential aggressor might discount the prospect of nuclear retaliation in response to military action. Nuclear forces below the strategic level thus make an essential contribution to deterrence.

28. The wide deployment of such forces among countries participating in the integrated military structure of the Alliance, as well as the arrangements for consultation in the nuclear area among the Allies concerned, demonstrates solidarity and willingness to share nuclear roles and responsibilities. It thereby helps to reinforce deterrence.

29. Conventional forces contribute to deterrence by demonstrating the Allies' will to defend themselves and by minimising the risk that a potential aggressor could anticipate a quick and easy victory or limited territorial gain achieved solely by conventional means.

30. They must thus be able to respond appropriately and to confront the aggressor immediately and as far forward as possible with the necessary resistance to compel him to end the conflict and to withdraw or face possible recourse to the use of nuclear weapons by the Allies. The forces of the Allies must be deployed and equipped so as to enable them to fulfil this role at all times. Moreover, since the Alliance depends on reinforcements from the North American continent, it must be able to keep open sea and air lines of communication between North America and Europe.

31. All member countries of the Alliance strongly favour a comprehensive, effectively verifiable, global ban on the development, production, stockpiling and use of chemical weapons. Chemical weapons represent a particular case, since the Alliance's overall strategy of war prevention, as noted earlier, depends on an appropriate mix of nuclear and conventional weapons. Pending the achievement of a global ban on chemical weapons, the Alliance recognises the need to implement passive defence measures. A retaliatory capability on a limited scale is retained in view of the Soviet Union's overwhelming chemical weapons capability.

32. The Allies are committed to maintaining only the minimum level of forces necessary for their strategy of deterrence, taking into account the threat. There is, however, a level of forces, both nuclear and conventional, below which the credibility of deterrence cannot be maintained. In particular, the Allies have always recognised that the removal of all nuclear weapons from Europe would critically undermine deterrence strategy and impair the security of the Alliance.

33. The Alliance's defence policy and its policy of arms control and disarmament are complementary and have the same goal: to maintain security at the lowest possible level of forces. There is no contradiction between defence policy and arms control policy. It is on the basis of this fundamental consistency of principles and objectives that the comprehensive concept of arms control and disarmament should be further developed and the appropriate conclusions drawn in each of the areas of arms control.

IV. Arms Control and Disarmament: Principles and Objectives

34. Our vision for Europe is that of an undivided continent where military forces only exist to prevent war and to ensure self-defence, as has always been the case for the Allies, not for the purpose of initiating aggression or for political or military intimidation. Arms control can contribute to the realisation of that vision as an integral part of the Alliance's security policy and of our overall approach to East-West relations.

35. The goal of Alliance arms control policy is to enhance security and stability. To this end, the Allies' arms control initiatives seek a balance at a lower level of forces and armaments through negotiated agreements and, as appropriate, unilateral actions, recognising that arms control agreements are only possible where the negotiation partners share an interest in achieving a mutually satisfactory result. The Allies' arms control policy seeks to remove destabilising asymmetries in forces or equipment. It also pursues measures designed to build mutual confidence and to reduce the risk of conflict by promoting greater transparency and predictability in military matters.

36. In enhancing security and stability, arms control can also bring important additional benefits for the Alliance. Given the dynamic aspects of the arms control process, the principles and results embodied in one agreement may facilitate other arms control steps. In this way arms control can also make

possible further reductions in the level of Alliance forces and armaments, consistent with the Alliance's strategy of war prevention. Furthermore, as noted in Chapter II, arms control can make a significant contribution to the development of more constructive East-West relations and of a framework for further cooperation within a more stable and predictable international environment. Progress in arms control can also enhance public confidence in and promote support for our overall security policy.

Guiding Principles for Arms Control

37. The members of the Alliance will be guided by the following principles:

Security: Arms control should enhance the security of all Allies. Both during the implementation period and following implementation, the Allies' strategy of deterrence and their ability to defend themselves, must remain credible and effective. Arms control measures should maintain the strategic unity and political cohesion of the Alliance, and should safeguard the principle of the indivisibility of Alliance security by avoiding the creation of areas of unequal security. Arms control measures should respect the legitimate security interests of all states and should not facilitate the transfer or intensification of threats to third party states or regions.

Stability: Arms control measures should yield militarily significant results that enhance stability. To promote stability, arms control measures should reduce or eliminate those capabilities which are most threatening to the Alliance. Stability can also be enhanced by steps that promote greater transparency and predictability in military matters. Military stability requires the elimination of options for surprise attack and for large-scale offensive action. Crisis stability requires that no state have forces of a size and configuration which, when compared with those of others, could enable it to calculate that it might gain a decisive advantage by being the first to resort to arms. Stability also requires measures which discourage destabilising attempts to re-establish military advantage through the transfer of resources to other types of armament. Agreements must lead to final results that are both balanced and ensure equality of rights with respect to security.

Verifiability: Effective and reliable verification is a fundamental requirement for arms control agreements. If arms control is to be effective and to build confidence, the verifiability of proposed arms control measures must, therefore, be of central concern for the Alliance. Progress in arms control should be measured against the record of compliance with existing agreements. Agreed arms control measures should exclude opportunities for circumvention.

Alliance Arms Control Objectives

38. In accordance with the above principles, the Allies are pursuing an ambitious arms control agenda for the coming years in the nuclear, conventional and chemical fields.

Nuclear Forces

39. The INF Agreement represents a milestone in the Allies' efforts to achieve a more secure peace at lower levels of arms. By 1991, it will lead to the total elimination of all United States and Soviet intermediate range land-based missiles, thereby removing the threat which such Soviet systems presented to the Alliance. Implementation of the agreement, however, will affect only a small proportion of the Soviet nuclear armoury, and the Alliance continues to face a substantial array of modern and effective Soviet systems of all ranges. The full realisation of the Alliance agenda thus requires that further steps be taken.

Strategic Nuclear Forces

40. Soviet strategic systems continue to pose a major threat to the whole of the Alliance. Deep cuts in such systems are in the direct interests of the entire Western Alliance, and therefore their achievement constitutes a priority for the Alliance in the nuclear field.

41. The Allies thus fully support the US objectives of achieving, within the context of the Strategic Arms Reduction Talks, fifty percent reductions in US and Soviet strategic nuclear arms. US proposals seek to enhance stability by placing specific restrictions on the most destabilising elements of the threat—fast flying ballistic missiles, throw-weight and, in particular, Soviet heavy ICBMs [intercontinental ballistic missiles]. The proposals are based on the need to maintain the deterrent credibility of the remaining US strategic forces which would continue to provide the ultimate guarantee of security for the Alliance as a whole; and therefore on the necessity to keep such forces effective. Furthermore, the United States is holding talks with the Soviet Union on defence and space matters in order to ensure that strategic stability is enhanced.

Sub-Strategic Nuclear Forces

42. The Allies are committed to maintaining only the minimum number of nuclear weapons necessary to support their strategy of deterrence. In line with this commitment, the members of the integrated military structure have already made major unilateral cuts in their sub-strategic nuclear armoury. The number of land-based warheads in Western Europe has been reduced by over one-third since 1979 to its lowest level in over 20 years. Updating where necessary of their sub-strategic systems would result in further reductions.

43. The Allies continue to face the direct threat posed to Europe by the large numbers of shorter-range nuclear missiles deployed on Warsaw Pact territory and which have been substantially upgraded in recent years. Major reductions in Warsaw Pact systems would be of overall value to Alliance security. One of the ways to achieve this aim would be by tangible and verifiable reductions of American and Soviet land-based nuclear missile systems of shorter range leading to equal ceilings at lower levels.

44. But the sub-strategic nuclear forces deployed by member countries of the Alliance are not principally a counter to similar systems operated by members of the WTO. As is explained in Chapter III, sub-strategic nuclear forces fulfil an essential role in overall Alliance deterrence strategy by ensuring that there are no circumstances in which a potential aggressor might discount nuclear retaliation in reponse to his military action.

45. The Alliance reaffirms its position that for the foreseeable future there is no alternative to the Alliance's strategy for the prevention of war, which is a strategy of deterrence based upon an appropriate mix of adequate and effective nuclear and conventional forces which will continue to be kept up to date where necessary. Where nuclear forces are concerned, land-, sea-, and air-based systems, including

ground-based missiles, in the present circumstances and as far as can be foreseen will be needed in Europe.

46. In view of the huge superiority of the Warsaw Pact in terms of short-range nuclear missiles, the Alliance calls upon the Soviet Union to reduce unilaterally its short-range missile systems to the current levels within the integrated military structure.

47. The Alliance reaffirms that at the negotiations on conventional stability it pursues the objectives of:

- The establishment of a secure and stable balance of conventional forces at lower levels;
- The elimination of disparities prejudicial to stability and security; and
- The elimination as a matter of high priority of the capability for launching surprise attack and for initiating large-scale offensive action.

48. In keeping with its arms control objectives formulated in Reykjavik in 1987 and reaffirmed in Brussels in 1988, the Alliance states that one of its highest priorities in negotiations with the East is reaching an agreement on conventional force reductions which would achieve the objectives above. In this spirit, the Allies will make every effort, as evidenced by the outcome of the May 1989 Summit, to bring these conventional negotiations to an early and satisfactory conclusion. The United States has expressed the hope that this could be achieved within six to twelve months. Once implementation of such an agreement is underway, the United States, in consultation with the Allies concerned, is prepared to enter into negotiations to achieve a *partial* reduction of American and Soviet land-based nuclear missile forces of shorter range to equal and verifiable levels. With special reference to the Western proposals on CFE tabled in Vienna, enhanced by the proposals by the United States at the May 1989 Summit, the Allies concerned proceed on the understanding that negotiated reductions leading to a level below the existing level of their SNF [short-range nuclear forces] missiles will not be carried out until the results of these negotiations have been implemented. Reductions of Warsaw Pact SNF systems should be carried out before that date.

49. As regard the sub-strategic nuclear forces of the members of the integrated military structure, their level and characteristics must be such that they can perform their deterrent role in a credible way across the required spectrum of ranges, taking into account the threat—both conventional and nuclear—with which the Alliance is faced. The question concerning the introduction and deployment of a follow-on system for the Lance will be dealt with in 1992 in the light of overall security developments. While a decision for national authorities, the Allies concerned recognise the value of the continued funding by the United States of research and development of a follow-on for the existing Lance short-range missile, in order to preserve their options in this respect.

Conventional Forces

50. As set out in the March 1988 Summit statement and in the Alliance's November 1988 data initiative, the Soviet Union's military presence in Europe, at a level far in excess of its needs for self-defence, directly challenges our security as well as our aspirations for a peaceful order in Europe. Such excessive force levels create the risk of political intimidation or threatened aggression. As long as they exist, they present an obstacle to better political relations between all states of Europe. The challenge to security is, moreover, not only a matter of the numerical superiority of WTO forces. WTO tanks, artillery and armoured troop carriers are concentrated in large formations and deployed in such a way as to give the WTO a capability for surprise attack and large-scale offensive action. Despite the recent welcome publication by the WTO of its assessment of the military balance in Europe, there is still considerable secrecy and uncertainty about its actual capabilities and intentions.

51. In addressing these concerns, the Allies' primary objectives are to establish a secure and stable balance of conventional forces in Europe at lower levels, while at the same time creating greater openness about military organisation and activities in Europe.

52. In the Conventional Forces in Europe talks between the 23 members of the two alliances, the Allies are proposing:

- Reductions to an overall limit on the total holdings of armaments in Europe, concentrating on the most threatening systems, i.e., those capable of seizing and holding territory;
- A limit on the proportion of these total holdings belonging to any one country in Europe (since the security and stability of Europe require that no state exceed its legitimate needs for self-defence);
- A limit of stationed forces (thus restricting the forward deployment and concentration of Soviet forces in Eastern Europe); and,
- Appropriate numerical sub-limits on forces which will apply simultaneously throughout the Atlantic to the Urals area.

Secretary Baker and the President during a session of the North Atlantic Council.

(White House photo by Susan Biddle)

These measures, taken together, will necessitate deep cuts in the WTO conventional forces which most threaten the Alliance. The resulting reductions will have to take place in such a way as to prevent circumvention, e.g., by ensuring that the armaments reduced are destroyed or otherwise disposed of. Verification measures will be required to ensure that all states have confidence that entitlements are not exceeded.

53. These measures alone, however, will not guarantee stability. The regime of reductions will have to be backed up by additional measures which should include measures of transparency, notification and constraint applied to the deployment, storage, movement and levels of readiness and availability of conventional forces.

54. In the CSBM negotiations, the Allies aim to maintain the momentum created by the successful implementation of the Stockholm Document by proposing a comprehensive package of measures to improve: transparency about military organisation, transparency and predictability of military activities, contacts and communication, and have also proposed an exchange of views on military doctrine in a seminar setting.

55. The implementation of the Allies' proposals in the CFE negotiations and of their proposals for further confidence and security-building measures would achieve a quantum improvement in European security. This would have important and positive consequences for Alliance policy both in the field of defence and arms control. The outcome of the CFE negotiations would provide a framework for determining the future Alliance force structure required to perform its fundamental task of preserving peace in freedom. In addition, the Allies would be willing to contemplate further steps to enhance stability and security if the immediate CFE objectives are achieved—for example, further reductions or limitations of conventional armaments and equipment, or the restructuring of armed forces to enhance defensive capabilities and further reduce offensive capabilities.

56. The Allies welcome the declared readiness of the Soviet Union and other WTO members to reduce their forces and adjust them towards a defensive posture and await implementation of these measures. This would be a step in the direction of redressing the imbalance in force levels existing in Europe and towards reducing the Warsaw Pact capability for surprise attack. The announced reductions demonstrate the recognition by the Soviet Union and other WTO members of the conventional imbalance, long highlighted by the Allies as a key problem of European security.

Chemical Weapons

57. The Soviet Union's chemical weapons stockpile poses a massive threat. The Allies are committed to conclude, at the earliest date, a worldwide, comprehensive and effectively verifiable ban on all chemical weapons.

58. All Alliance states subscribe to the prohibitions contained in the Geneva Protocol for the Use in War of Asphyxiating, Poisonous or Other Gases, and of Bacteriological Methods of Warfare. The Paris Conference on the Prohibition of Chemical Weapons reaffirmed the importance of the commitments made under the Geneva Protocol and expressed the unanimous will of the international community to eliminate chemical weapons completely at an early date and thereby to prevent any recourse to their use.

59. The Allies wish to prohibit not only the use of these abhorrent weapons, but also their development, production, stockpiling and transfer, and to achieve the destruction of existing chemical weapons and production facilities in such a way as to ensure the undiminished security for all participants at each stage in the process. Those objectives are being pursued in the Geneva Conference on Disarmament. Pending agreement on a global ban, the Allies will enforce stringent controls on the export of commodities related to chemical weapons production. They will also attempt to stimulate more openness among states about chemical weapons capabilities in order to promote greater confidence in the effectiveness of a global ban.

V. Conclusions:

Arms Control and Defence Interrelationships

60. The Alliance is committed to pursuing a comprehensive approach to security, embracing both arms control and disarmament, and defence. It is important, therefore, to ensure that interrelationships between arms control issues and defence requirements and amongst the various arms control areas are fully considered. Proposals in any one area of arms control must take account of the implications for Alliance interests in general and for other negotiations. This is a continuing process.

61. It is essential that defence and arms control objectives remain in harmony in order to ensure their complementary contribution to the goal of maintaining security at the lowest balanced level of forces consistent with the requirements of the Alliance strategy of war prevention, acknowledging that changes in the threat, new technologies, and new political opportunities affect options in both fields. Decisions on arms control matters must fully reflect the requirements of the Allies' strategy of deterrence. Equally, progress in arms control is relevant to military plans, which will have to be developed in the full knowledge of the objectives pursued in arms control negotiations and to reflect, as necessary, the results achieved therein.

62. In each area of arms control, the Alliance seeks to enhance stability and security. The current negotiations concerning strategic nuclear systems, conventional forces and chemical weapons are, however, independent of one another: the outcome of any one of these negotiations is not contingent on progress in others. However, they can influence one another: criteria established and agreements achieved in one area of arms control may be relevant in other areas and hence facilitate overall progress. These could affect both arms control possibilities and the forces needed to fulfil Alliance strategy, as well as help to contribute generally to a more predictable military environment.

63. The Allies seek to manage the interaction among different arms control elements by ensuring that the development, pursuit and realisation of their arms control objectives in individual areas are fully consistent both with each other and with the Alliance's guiding principles for effective arms control. For example, the way in which START limits and sub-limits are applied in detail could affect the future flexibility of the sub-strategic nuclear forces of members of the integrated military structure. A CFE agreement would by itself make a major contribution to stability. This would be significantly further enhanced by the achievement of a global chemical weapons ban. The development of Confidence- and Security-Building Measures could influence the stabilising meas-

ures being considered in connection with the Conventional Forces in Europe negotiations and vice versa. The removal of the imbalance in conventional forces would provide scope for further reductions in the sub-strategic nuclear forces of members of the integrated military structure, though it would not obviate the need for such forces. Similarly, this might make possible further arms control steps in the conventional field.

64. This report establishes the overall conceptual framework within which the Allies will be seeking progress in each area of arms control. In so doing, their fundamental aim will be enhanced security at lower levels of forces and armaments. Taken as a whole, the Allies' arms control agenda constitutes a coherent and comprehensive approach to the enhancement of security and stability. It is ambitious, but we are confident that—with a constructive response from the WTO states—it can be fully achieved in the coming years. In pursuing this goal, the Alliance recognises that it cannot afford to build its security upon arms control results expected in the future. The Allies will be prepared, however, to draw appropriate consequences for their own military posture as they make concrete progress through arms control towards a significant reduction in the scale and quality of the military threat they face. Accomplishment of the Allies' arms control agenda would not only bring great benefits in itself but could also lead to the expansion of cooperation with the East in other areas. The arms control process itself is, moreover, dynamic; as and when the Alliance reaches agreement in each of the areas set out above, so further prospects for arms control may be opened up and further progress made possible.

65. As noted earlier, the Allies' vision for Europe is that of an undivided continent where military forces only exist to prevent war and to ensure self-defense; a continent which no longer lives in the shadow of overwhelming military forces and from which the threat of war has been removed; a continent where the sovereignty and territorial integrity of all states are respected and the rights of all individuals, including their rights of political choice, are protected. This goal can only be reached by stages: it will require patient and creative endeavour. The Allies are resolved to continue working towards its attainment. The achievement of the Alliance's arms control objectives would be a major contribution toward the realisation of its vision.

Secretary Baker's Interview on "Good Morning, America," Brussels, May 30, 1989[8]

Q. The NATO summit reached an agreement early this morning concerning the future on short-range nuclear missiles in Europe. The agreement ties negotiations on the reduction of such missiles to negotiation and implementation of an agreement by both the United States and the Soviet Union to reduce conventional forces in Europe.

Earlier this morning, before President Bush held his news conference, I talked with Secretary of State James Baker in Brussels, and I began by asking him just what today's agreement means.

A. There has been an agreement. It's an agreement, frankly, that we welcome, that is basically on the terms that we had indicated before we came to the summit we would be willing to agree.

I think the bigger the story here, though, if I might suggest it, is that this is a significant victory for the alliance, because the alliance begins its second 40 years unified and moving forward, having regained the initiative, if you will, in the area of arms control. So I think it almost could be characterized as a double victory for the alliance.

Q. Let me talk about how these pieces tie together. Specifically, how would the agreement on short-range missiles work, and how would it be tied to the timing of the discussions over the reductions of conventional forces—of tanks and troops and artillery?

A. It is specifically related in this sense: It's been the position of the United States, and other countries in the alliance, that we really should not negotiate the reduction of short-range nuclear forces, which might weaken our nuclear deterrent, until we had resolved the very substantial imbalance in conventional forces that existed in favor of the Warsaw Pact. This short-range nuclear agreement provides that negotiations on short-range forces can begin after we have undertaken implementation of the conventional forces arms control agreement, after we've reached an agreement, and after we have begun to implement it.

Q. We're talking about months, years here. What would happen to the short-range nuclear missiles in the meantime? Could they be modernized in the meantime?

A. In the meantime they will be kept up-to-date. The specific decision—

Q. What does that mean?

A. It means what it has meant throughout the history of the alliance; as long as we've had those missiles. And that is, we replace and we repair and we keep them up-to-date. The decision with respect to whether we come with an entirely new system or follow-on system to the missiles we now have, the decision on deployment of those will be reserved for 1992. NATO will take that decision in 1992.

Q. The Germans obviously have said they want all of the short-range nuclear missiles eliminated, the British have said they they don't want elimination of the missiles, and we have said the same thing. What does the agreement overnight say, because both sides seem to be interpreting this a little differently?

A. The agreement is, I think, quite clear. For one thing, it says that ground-based nuclear missiles are an important part of the NATO arsenal; it recognizes that specifically.

Secondly, it says that there can be negotiations that deal with partial reductions of these—not complete, not total, but only partial reductions. It's quite clear that discussions that would lead to a third zero, or total elimination of these missiles, are not contemplated or permitted by this language.

Q. Now that NATO has agreement on what to do about short-range nuclear missiles, now that there are new Bush proposals on the table involving conventional force reductions, does all this, do you think, hasten the possibility of a Bush-Gorbachev summit?

A. Oh, it doesn't slow it down any. I don't know that you can say that it hastens it. As the President said yesterday in his press conference, we've still got some work to do before we set the date for a summit, and we'll set about the task of doing that work.

I suppose the real answer to your question depends on what the Soviet reaction to the President's conventional proposal is. Let's see whether they really mean what they've been saying. Let's see whether they mean business. Let's see the extent to which they accept what the President has proposed.

Q. Let me address the same question another way. The President at the Coast Guard Academy [May 24, 1989] gave a speech which was probably more conciliatory toward the Soviets and accepting of their role in the world situation than he has been in the past, talking about them now entering the family of nations, etc. There are now new proposals of conventional force reductions. How much does all of this—the U.S. position—depend on the presence of that one man, Mikhail Gorbachev, at the head of the Soviet Government?

A. I don't think that it depends entirely on that, although he has been, of course, the driving force behind many of the changes that are taking place over there. That's why we say continually—and everyone in this Administration says—we want him to succeed, we want *perestroika* to succeed, we want these changes to succeed, because these are changes that are based on Western values. He's, in effect, opening or trying to open up a closed system over there, a system that's been closed for almost 70 years. We really hope that he succeeds. To a large degree, I guess you would have to acknowledge that the changes do depend upon him. That's not to say that a successor couldn't continue to carry them forward, because he could.

News Conference, Brussels, May 30, 1989[6]

First, I want to pay my respects to [NATO Secretary General] Manfred Woerner and thank him for the way in which this meeting has been conducted, for his thorough staff work, and for his able leadership in the hall. I think that the successful results at this summit have given us a double hit—both conventional forces and short-range nuclear forces. Taken in tandem, it demonstrates the alliance's ability to manage change to our advantage, to move beyond the era of containment.

Our overall aim is to overcome the division of Europe and to forge a unity based on Western values. The starting point, of course, is to maintain our security while seeking to lessen tensions and adapt to changing circumstances. Our Conventional Parity Initiative seeks to capitalize on the opportunity we have and to do so without delay. We want to finally free Europe from the constant threat of surprise attack. We want to free Europe from the political shadow of Soviet military power. And we want to free Europe to become the center of cooperation, not confrontation. We want to open up opportunities for greater U.S.-European cooperation on the other great issues of our day, for example, on environment and regional conflicts. A reduced military presence when combined with a less threatening Soviet presence in Europe can create a stronger basis for engagement in Europe over the long haul.

America is and will remain a European power. Similarly, our SNF agreement demonstrates our ability to adapt to change while remaining true to our core security principles. We've agreed to future negotiations after the implementation of a conventional forces agreement—after the implementation of the agreement is underway for the conventional force agreement. Any negotiated SNF reductions will not be carried out until the CFE agreement is implemented. We've underscored that our objective in negotiations is to achieve partial reductions, clearly leaving an SNF deterrent at lower, equal, and verifiable levels. Partial means partial.

We also stress that our strategy of deterrence requires land-, sea-, and air-based nuclear systems, including ground-based missiles, for as far as we can foresee. While we will not take the modernization decision until 1992, the allies recognize the value of continued U.S. funding for the research and development of the follow-on to the Lance system.

Last, we are placing great emphasis on a rapid negotiated reduction of the conventional asymmetries that threaten Europe. Based on results in that area, we can negotiate SNF reductions, as well, while ensuring the continued presence of the nuclear deterrent.

Q. The communique says that chemical weapons are abhorrent, and you called for total elimination. Most people think nuclear weapons are totally abhorrent. Why not totally eliminate them, as your predecessor had called for?

A. The communique addresses itself to where nuclear forces are concerned—blah, blah, land-sea-air-based systems, including ground-based missiles. In the present circumstances, as far as can be foreseen, they'll be needed in Europe. And I would just stand by that. This is a decision that has been thoroughly consulted with the military, and that's the way it is.

Q. Your spokesman said today that the formula for negotiations on short-range nuclear missiles was a very strong victory for the United States and the NATO alliance. How can it be a victory for the United States without being a defeat for Chancellor Kohl and Mr. Genscher [West German Foreign Minister], given that the United States and Germany were on such opposing sides of this issue?

A. They strongly supported it, it's my understanding. And I don't view it as a victory for the United States. I view it as a victory for the alliance. So, they can speak for themselves, but I'm very pleased that it worked out and that there was alliance harmony on this very important question.

Q. Did both sides make concessions, sir?

A. I can only speak for the United States, and we had certain broad parameters that—I've addressed part one of them, and that was this question of partial reduction, no third zero question. The other one was to agree to be-

gin the negotiations on SNF following tangible implementation. That was one of our strong conditions, or strong negotiating points, if you will. And then no implementation of agreed reduction on SNF forces before completion of these reductions. So, I'm very happy.

Put it this way, we're here as part of an alliance, and I don't think we ought to have winners and losers out of a summit that everybody concedes has been very, very unified. It's an alliance victory or an alliance decision. I'm proud to have had a part in that.

Q. All politics may be local, but hasn't the continued insistence of the Germans been damaging to the alliance?

A. Talk to the people that have been around here for a long time, and they'll tell you that they've never seen more unity and more upbeat feeling after a meeting.

Q. Do you think the Foreign Ministers who missed dinner last night would agree with you on that? [Laughter]

A. No, they probably would dissent, but they went along today, kept their eyes open.

Q. Is it possible that you could start negotiations on SNF missiles before the modernization decision has been made? And do you think that's a good way to go into negotiations without a commitment to upgrade these—the Soviets say, Okay, if we don't have a commitment, we'll get rid of all of them—and where's your position?

A. The modernization decision doesn't need to be taken until 1992. We have spelled out the procedures for negotiating on SNF, and that will come after the agreement on the conventional forces.

That is the important point. I don't believe the layman—I know we've got a lot of experts on this side, and I don't want to restrict my questions to those of us like myself who are not long-time arms control experts—but I can tell you that most people in our country don't realize the imbalance that exists on these conventional forces. It is destabilizing. And the question is SNF, short-range nuclear forces, where they've got, in terms of launchers, what, 1,200 or something of that nature to our 88. Why don't they just negotiate—just unilaterally reduce to equal numbers? Now there would be a good challenge.

We've got this order set up as to how we're going to go about it. The alliance has taken a firm position, and so I'm not going to go into a hypothetical question of that nature.

Q. On this question of partial, the word is underlined for emphasis in the document. Was that done at our behest, or Mrs. Thatcher's behest, or whose behest?

A. If we can wake up Jim Baker, you'll have to ask him. But I would simply say there was total agreement on it, and it speaks for itself. Partial is partial, and to try to interpret it some other way misses the boat.

Q. In light of the fact that you have added several new weapons categories to the NATO bargaining position and to the conventional arms talks, is it realistic to suppose that these talks can be carried out successfully in the brief period of time that you have now asked for?

A. Yes, we can meet that timetable. We've challenged the Soviets to meet us, you might say—the alliance. NATO is tasked to be back on September 7th with our internals to be farther along. I would certainly say yes, let's do that. We all remember September 7th, don't we? [Laughter]

Q. You've said that the modernization decision has been put off until 1992, but you have a commitment to keep the weapons systems up-to-date. When are changes to be made?

A. Not before 1992.

Q. You've said that your efforts here are not a public relations battle with Soviet Leader Mikhail Gorbachev, but if this were a battle, who's winning, yourself or Mr. Gorbachev?

A. Too hypothetical, too hypothetical. I've read who some think is winning, but that was yesterday.

Q. Do you expect the hammering about your alleged lack of leadership in the United States to quiet down now as a result of your performance here?

A. I haven't felt under siege in the United States because I've known exactly what we wanted to do. I made statements to that effect earlier on: that we were going to have a review and then have proposals. And we did exactly that. So, I will concede I've read such reports, but they haven't troubled me any.

Q. Mr. Gorbachev has apparently for the first time revealed specific defense budget figures in Moscow today. And he also says he is proposing to cut defense spending by 14% over 1990 and 1991. That's equal to about $17.3 billion. Is that a lot? Is that meaningful? What do you think about it?

A. This will help him—this proposal. If he hits our bid, that should save him a lot of money in the long run because he has a disproportionate number of conventional forces. And therein, as you know, that's where a lot of the expense for defense comes from. So, I don't know, but it sounds like a substantial number to me. But again, I hadn't seen that. I will say this for those who may wonder what the Soviet reaction has been—and it's very preliminary—but the initial contact with our Embassy in Moscow was—I would put fairly positive—cautious, but we're leading on the side of saying it's positive. In other words, they didn't really slam the door and come in on a negative vein.

Q. On that point, wouldn't it seem that if you want to strike this agreement even as early as 6 months, that there would be a summit meeting with Mr. Gorbachev before the end of the year?

A. Again, if there was something constructive to come out of such a meeting, I would certainly be prepared to meet, and I believe that Secretary Baker has conveyed that to [Foreign] Minister Shevardnadze.

Q. Has Mr. Gorbachev responded to your letter of Sunday?

A. No, sir.

Q. You used some strong language yesterday about leading the alliance and leading the free world—that wasn't your term, but did you feel it was important, if not for yourself then for the alliance, for the United Sates, to assert yourself in a strong way at this particular summit—this time?

A. Yes. I think it is highly important that the United States—to be seen as fully engaged, trying to come up with creative proposals, and fulfilling its historic leadership responsibilities. I would like to put it in terms of alliance unity, though, and what—all these decisions. There's plenty of room for credit out there, and I would insist that it's an alliance—to the degree we got unanimity—an alliance victory.

Q. The stress you put on the speed of negotiations—6 months to a year—and the decision to wait until 1992, modernization, are there some progress points if there are no negotiations or progress in the negotiations within a year to reexamine the 1992 deadline?

A. To be honest with you, I don't know the answer to that question. But my own personal view would be that if there were some dramatic change somewhere that changed the theses that underlined this agreement that we'd want to review things. But I'm not predicting that. I want to see it go forward.

Q. Following tangible implementation—that's being read as obviously not complete implementation. Can you tell us how far tangible is?

A. No, I can't tell you how far it is, but it has to be so that you and I would look at it and we'd both agree that there had been sincere implementation.

Q. In the comprehensive concept [communique], it states that ground-based missiles will be needed as far as can be foreseen. Even though the modernization decision has been put off is there any alternative to modernizing those missiles?

A. Is there any alternative to modernizing it? We will cross that bridge in 1992.

Q. As you know, Mr. Gorbachev is coming to Bonn soon, and his operative style has been to try to up the ante when the United States makes a proposal. On your conventional arms proposal, do you think you've gone down as far as the West can safely go in reducing conventional forces, and can you go no further than what you've proposed yesterday?

A. I see no reason talking about further cuts and further reductions when we have just tabled a sound proposal that addresses ourselves to this enormous imbalance, so I just would defer on that.

Q. You were criticized early on for a slow start. Now this proposal is being described as bold; you yourself said revolutionary. I wonder if there is any element of I-told-you-so in your attitude now to reaction to these proposals?

A. Not really. [Laughter] Not really. No, listen, I'm not going to get into that game with Congress or anyone else [Laughter]

Q. Looking ahead, what impact do you think your proposals will have on U.S.-Soviet relations, and specifically on strategic arms talks?

A. I hope that these proposals have an ameliorating effect, that things will get only better. I think it's a serious proposal. I think they see a solid, united alliance, and that is important in this. I would hope that it would have a good effect on whatever follows on. And strategic arms reduction talks follow on. I have never questioned whether Gorbachev knew that we were serious and wanted to move forward with him. I've read speculation on this, but I have reason to believe that he knows that we have been serious, taking our time to formulate proposals. I do think that this one will be tangible evidence of this. I hope it would lead to—if conventional forces talks can be catalytic for strategic talks, so be it. But I hope that the seriousness of all of this and the unity of the alliance will be persuasive to him to make him know that we do want to go forward.

Q. As you know, the United States has strongly opposed, and so has NATO, including aircraft in these negotiations up to now. Could you tell us what your thinking was in deciding to reverse that position and to propose the 15% cut?

A. Trying to correct disparity. And it was really that simple. I realize there have been some concerns of—we are very understanding of the French reservation in this regard—I might say very diplomatically and beautifully expressed by President Mitterrand. But it is simply that: disparity.

Q. Secretary General Woerner spoke about the future being as important or more important than the past for the alliance. He spoke about NATO vision. Does NATO's vision include East-West alliance?

A. I don't see an East-West alliance, but I see a Europe much more free, and one whose innate desire to have more democracy comes to the surface. But I don't see it as an East and West joining in some formal alliance, if that was what the question was.

Q. NATO exists because of the perceived threat that the Soviet Union provided. Now the Soviet Union isn't perceived as a threat anymore. Surely, an East-West alliance would then exist for a perceived threat from elsewhere—

A. I've answered my question on—you asked me whether I felt there would be some formal alliance between pact countries. I guess you meant between Warsaw Pact and NATO. I don't think it would require a formal alliance in order to have much, much better relationships that include security considerations. But we're a long way from there. We're just beginning to see the differentiation in Europe, and our whole policy for the United States—let me set aside NATO for a minute—will be to watch for those changes and try to facilitate them and work with those who are willing to move toward freedom and democracy.

Indeed, we've made some proposals on Poland. I will be going to both Poland and Hungary, and I will make clear that if they move toward these Western values that have served the alliance so well for a long time that, speaking for the United States, we will be ready to have much better relations.

Q. Can you say this morning that there will be no third zero? And if you can say it, why cannot the comprehensive concept say it?

A. I thought I already did say it.

Q. I didn't think so.

A. There will be no third zero. There will be third no zero. [Laughter] Partial means partial.

Q. Vice President Quayle, in an interview with a reporter the other day, said that if some of these East European countries move too far toward Western values that the Soviets might intervene militarily and that we have not planned how we might respond to that. He said we ought to do that. Do you agree that that's a—he called it a big risk. Do you agree it's a big risk, and do you think that we ought to be deciding what to do if the Soviets should—

A. I'm old enough to remember Hungary in 1956, and I would want to do nothing in terms of statement or exhortation that would encourage a repeat of that. And so, I would leave it right there. I'd like to think that the situation will move in the opposite direction. But who would have predicted the kind of public, up until now, peaceful demonstration in Tiananmen Square [in Beijing]? Who would have predicted the kind of move inside the Soviet Union on *perestroika* and, indeed, *glasnost*? When you're dealing with things as complex as relations between countries, I think prudence is the order

of the day, and I've said that all along. But back to your questions, I don't think anyone knows the answer to that. I mean, we're not certainly predicting that.

Q. Well, then, do you disagree with the Vice President?

A. I don't even know what he said. I learned long ago not to comment on things that I haven't read personally when we're trying to get one member of an Administration to be juxtaposed against another. It's bad business, and I'm not going to that. But I have great confidence in the Vice President, I might add, and I think his pronouncements on foreign policy have been very sound.

Q. Notwithstanding the obvious fact that they all work for you anyway, how much of a problem, if any, did you have getting the Pentagon on board on these proposals?

A. The Pentagon did what it should have done. They looked at various options from the military standpoint, and they analyzed it. The Joint Chiefs were fully engaged in the process. My contacts were principally, but not exclusively, with Bill Crowe [Chairman of the Joint Chiefs of Staff]. One of the things I wanted to do in talking to our alliance partners was assure them that our military was behind the final proposal. Indeed, I was very pleased in talking to Gen. Galvin before his proposal was tabled to have his assurances that what we have proposed here is sound militarily. That made it a much better position to present to the alliance.

Q. Do you expect any foot-dragging or grumbling or maybe even a little leaking along the way as you go forward?

A. In our own leak-proof bureaucracy? No, I don't expect that. [Laughter] And I would discourage it. But is it apt to happen? I would hope not.

Q. Were you, at any point, unhappy with the pace and the projections of that slow and lengthy policy review to the extent—as you described you had a 12-day sort of crash course in some of these new proposals. Can you give us some of your personal sense of how you got to this point?

A. First we undertook these reviews. I'm not sure everyone here understands that. I said that I needed some time when I became President—new President, January 20th—to review not only this subject, the NATO-related subjects, but a wide array of subjects. We're almost through all of the reviews. During this time, I came under some fire for being recalcitrant, reluctant to move forward. Indeed, when Mr. Gorbachev would make one of his many proposals, they would be coming to me and saying 'Well, don't you think you have to do something?" And I would say, 'No, we want to take our time and act in a prudent manner."

I had in my mind that what we wanted to do was to be sure that the alliance would come together on any proposal we made to the alliance. But I think there was some feeling in Congress, some criticism of my speed or lack of it in the U.S. Congress. But I'm so immune to political criticism that I just kind of write it off. I was elected to do what I think is right. And I think we've come up with a good proposal here.

I will end, this being the last question, not with a filibuster but simply to say I have been told by others here that the alliance really has never had a meeting that's more upbeat and where we've taken rather significant steps in unity. Whatever the wait, whatever political arrows might have been fired my way, it's all been worth it because I think we have something sound and solid to build on now.

I end by thanking my colleagues, the other heads of government, chiefs of state who were here, for the total cooperation and the spirit in which these proposals were received and discussed and the way in which NATO adopted its final position. I think it's a good thing. It's good for NATO. I really happen to believe that it's good for the entire free world.

Remarks and Question-and-Answer Session, Bonn, May 30, 1989[9]

Chancellor Kohl

Allow me to welcome you, Mr. President, very cordially here to the Federal Republic of Germany. This is a good day for us. A few days ago, we celebrated the 40th anniversary of the Federal Republic of Germany, and these 40 years were also 40 years of friendship and partnership with the United States. Over these four decades, American soldiers defended, together with our troops, freedom and peace in our country. A lot of what was decisive for the early history of our country was initiated by the United States, and we always received support by the United States.

I would like to welcome you very cordially as a proven friend of our country, as a personal friend who has always stood ready to help me in difficult times. Yesterday and today we met in order to celebrate the 40th anniversary of NATO. We jointly discussed, in the spirit of friendship, difficult questions which are now important for our future. Your initiative, your new proposal for disarmament, is an enormous step into the future, and it shows the inspiration emanating from the leadership role of the United States. That was a wise, a right decision at a very important point in time. Now it's up to the other side to actually take that hand which has been extended to it, and then that will be a great work of peace. We have taken up already our talks.

I would just like to mention two points on our agenda. First of all, we talked about the foundation of the European Community and then about the completion of the internal market of the European Community by the 31st of December 1992. This will lend a new quality to European policy, and you know the Federal Republic of Germany has been a motor, an engine, behind this development.

But we are also a motor for open world trade. If from time to time I hear reports and read reports from the United States that people are afraid that we would isolate ourselves against the rest of the world, drawing up barriers to trade, I say to people: This will not happen in any case and certainly not receive the support of the Federal Republic of Germany. On the contrary, I firmly believe that in the next years to come, the European Community and the United States of American will enjoy deepened relations—political relations and economic relations.

For us, the relationship with the United States is of existential importance. Therefore, we also discussed another very important point which goes beyond day-to-day politics, that is to say, the fact that we want to intensify the exchange of pupils and students. We want as many young Americans as possible to come over here to our country. To use an image that's out of this planting of young trees: A forest may grow which stands as a symbol of the solid friendship between our two countries. To put it quite simply, Mr. President, we're glad you're here. You are a friend among friends.

President Bush

Let me just be very brief and first thank Chancellor Kohl for this warm reception. I told him that I don't believe German-American relations have ever been better. Secondly, I am very pleased with the reaction to the NATO decision that was taken. I think it shows NATO to be together; it shows NATO to be strong. Indeed, I think in challenging Mr. Gorbachev to come forward now, we have moved in the right direction in unity. It is in the interest of NATO; it is clearly in the interest of the United States and all the members of NATO—the Federal Republic. I happen to believe that what we've proposed is in the interest of the Soviet Union. So, we will see what the reaction is, but this was a wonderful celebration of the 40th anniversary of NATO. Chancellor Kohl, once again my sincere thanks to you for your hospitality and for the total cooperation between the United States and the Federal Republic.

Q. Do you consider yourself a winner? Do you consider yourself a winner or a loser on the short-range missiles? Did you get what you wanted or is it a real compromise?

Chancellor Kohl. I think we were all just winners in Brussels. I think that the alliance has given itself the best kind of birthday present it could have given. After difficult discussions, we came to a joint decision, and this decision is what applies. I think we've—all of us—had the personal experience of having to make compromises, and I think that this is a good thing. We also came to a compromise here. Just as one concrete answer to your question, there are only winners, and actually that's a very rare experience for a politician and I relish that.

Q. Is this compromise enough for you to win the election next year? [Laughter]

Chancellor Kohl. I am completely certain as to the result of the elections in 1990. And as a very concrete answer to your question, I think it is very helpful with regard to the majority of the German people that we have here a government and a head of government who has proved his friendship with the United States over the course of the years. So, insofar, yesterday and today will indeed be helpful.

Q. When will you go to Berlin?

President Bush. The answer is, I don't know.

Q. Would you expand the Berlin initiative of your predecessor?

President Bush. We might well. We might well. We might have something to say about that tomorrow in Mainz.

Secretary Baker's News Briefing, Bonn, May 30, 1989[10]

We have just emerged from a very productive summit, the first of this presidency. As you know, the President has spoken of moving beyond containment in our relations with the Soviet Union in this time of very fundamental change in the East, and now I think we have a basis for managing that change. We have seen a summit that proves we have unity in the NATO alliance. We have seen an initiative in the field of arms control. We have been, as we have mentioned before, winning across the board politically and economically for quite some time. The values of the West are the values that are persevering. And we now have an initiative on security as well.

Q. From an American point of view, what did the United States give up in order to get this agreement today?

A. You mean the SNF agreement?

Q. Right, the SNF agreement.

A. I wouldn't characterize it that way, although any agreement is a compromise. As you know, we have been having discussions for some 2 months prior to the time that we got to Brussels on this issue, hoping to resolve it before we got to Brussels. During the course of those discussions, the United States indicated a willingness to delay taking the decision on production and deployment of the follow-on to Lance until late 1991, early 1992; and indicated a willingness to accept the principle of negotiations on SNF.

We already indicated that before we got to Brussels. We had to find a way to put that into language that didn't do violence to some of the principles we wanted to preserve. Let me mention those to you, because they might be of interest as well.

We wanted to preserve the position, even though we might be willing to negotiate after a period of time and subject to certain preconditions, we did not want those negotiations to involve going all the way to zero, or total or complete elimination of those missiles. We preserve that position.

We also did not want to be put in the position of having to negotiate before we were able to begin implementation of a conventional forces agreement, and the language is essentially that.

And third, we did not want there to be any doubt but that a conventional force agreement would have to be implemented before we would begin implementing reductions under a short-range nuclear agreement.

Q. Has that not been the U.S. position from the beginning, though, that you would not negotiate SNF until you had a conventional arms agreement in play?

A. That's correct. Our position going in was we wanted the phrase "until there was tangible implementation" of the conventional forces agreement. What we come out of here with is a statement that says we won't have

short-range nuclear negotiations begin "until implementation of the conventional forces agreement is underway." I don't see that as much of a change myself.

Q. That sounds like everything was set a long time ago, but there's at least one report that suggests the President was displeased with the strategic review, the results of it; that in the last few days, he ordered a new review, some Pentagon, some civilian people—something was put together rather quickly, and what he presented at the NATO summit is the product of that reconsideration. In fact, he wasn't really happy with his New London—

A. That's simply not correct. That's totally inaccurate. That's not what happened.

Q. What did happen?

A. What happened on what? The original question was short-range nuclear. What do you want to talk about? Conventional—

Q. Let me get more specific. Did the President make some major last minute revisions in his assessment of what the United States could do with regard to these missiles and with regard to troop reduction? In fact, [Canadian Prime Minister] Mulroney and others apparently were taken somewhat by surprise.

A. No, there was no last minute—

Q. I mean, the night before.

A. While there is some relationship and will be some relationship in implementation, the two things are separate. The conventional forces initiative is something that was discussed among a very small group in the Administration going way, way back to the very beginnings of this Administration. The short-range nuclear agreement is something that—having the short-range agreement, having to do with the questions of modernization and negotiation—we began to discuss with our allies, frankly, during the course of my early trip in February to NATO capitols. So the two things were proceeding on separate tracks, and they were not linked in any way.

Q. Is it true that after you came back from your visit to talk to Mr. Gorbachev and laid out the new numbers, that it was at that time you and the President—

A. No, that is inaccurate. I read those reports. That's not correct.

White House photo by David Valdez

The President and Chancellor Kohl on a cruise down the Rhine River from Oberwesel to Koblenz.

Q. That was not a turning point as far as you are concerned?

A. No, there had been significant discussions with respect to the conventional forces proposal—as I mentioned before—going way, way back to the beginnings of this Administration among a small group of people in the Administration.

Q. Isn't it a case of interpretation as to whether you can ever negotiate to zero on SNF, subject to interpretation by different parties?

A. No, I don't think it is subject to interpretation. In my view, "partial" means partial. It doesn't permit you to completely eliminate, nor does it permit you to totally eliminate. But you don't have to rest right there. That's in paragraph 48 of the agreement. If you look in paragraph 45 as well, you will see a reference in there to the fact that—last sentence of 45—"Where nuclear forces are concerned, land-, sea-, and air-based systems, including," it says, "ground-based missiles, in the present circumstances and as far as can be foreseen will be needed in Europe." You might also take a look at paragraph 63. We think it's pretty clear that you can't go to zero.

Q. Yes, but the future is the future. As far as can be foreseen may be only a couple of years.

A. If you want me to say there is no expressed statement in here saying this is in perpetuity, I'll be glad to say that. But the fact of the matter is the negotiation that is going to be kicked off would not permit a result that takes you all the way to zero or that completely or totally eliminates these missiles.

Q. Could you tell us a little more about the negotiations last night that came up with that partial language? And instead of saying flatly "no third zero," was it designed to give the German Government a little wiggle room? Could you just tell us a little about that?

A. Yes, yes, it was designed to avoid saying it in those stark terms. Because those are very stark terms as far as they are concerned, and that's the reason we went to that formulation.

Q. Back to the question of the review. Many of us who have observed the President's speeches in the last few weeks have noticed how he has discussed the words "caution;" he's talked about being "prudent." Now we have what I can only call a very bold proposal which does seem to be quite different from the speeches which he gave. Isn't there obviously, from any observer's viewpoint, a change in course?

A. No, there is no change in course. Prudence and realism will still be standards which will guide this relationship. But the fact that the President has put a bold proposal on the table doesn't mean that he has abandoned prudence and realism when you look at the proposal in detail. This proposal brings us to parity across the full range of conventional weapons, save naval forces, which are not included in any way. It brings us to parity in the face of tremendous imbalances favoring the East.

So when we talk about reducing 29,000 troops, or when we talk about reducing 750 or 800 combat aircraft—if you look at what the East has to reduce, it's way, way bigger; I mean, 300,000 troops and in the thousands of aircraft. This is not an imprudent proposal.

Q. So you're saying this is a result of the review; there was, in fact, no change in course? The President was perfectly happy with the review and there was no sense, as he himself—

A. No, I didn't say that—I mean, the President was perfectly happy, as we all were, with the review. This particular initiative was proceeding in a different way—on a separate track, if you will; it was not put into the bureaucracy—I guess that's the best way I can explain it. The various bureaucracies in the Federal Government that have to consider these things ultimately considered this proposal, but it wasn't put into the general review. It was dealt with at a higher level in the government.

Q. I believe that you have acknowledged that basically the Germans accepted the counterproposal that you and the President came up with at Kennebunkport. The President even used that phrase "tangible" this morning in his press conference, and yet when the West Germans first received it, they rejected it. Some were saying this would mean you couldn't have SNF talks possibly even into the next century. Yet now they have accepted the same proposal. What happened? Was it the President's conventional arms proposal, or was it the fact that the West Germans found themselves in a very small minority at the NATO Council, or both?

A. I think that maybe it was part of both. I believe there was a feeling there at the summit that the United States had been forthcoming even before we got here, as I told you this had been the subject of a 2-month-long exercise, and there was a feeling on the part of many allies that we had, indeed, been forthcoming in an effort to recognize the changing circumstances and, therefore, be flexible and at the same time protect our deterrence. I think many allies felt that was, in fact, the way we had approached this.

Now that wasn't the only reason, I think the conventional forces initiative did enter into the German thinking, although you really ought to ask them that. But the fact that we have an arms control proposal on conventional forces that has some possibilities at least of being concluded in a year probably entered into their thinking.

Q. You say there was no change in course, but hasn't there been an evolution, at least, in the President's thinking? In his May 12th speech at Texas A&M, he seemed to put the emphasis on a list of unilateral steps he wanted the Soviets to take, including unilateral troop reductions, before we responded, and in his proposal of yesterday he was talking about mutual cuts.

A. I think there's still some steps that he would like to see the Soviets take. We would like again to see the "new thinking" represented in deeds as opposed to words in a number of different areas around the world. You should not interpret the fact that the President has put a bold conventional arms proposal on the table as somehow changing course or changing direction, because this proposal is very good for—

Q. I said evolution in thinking.

A. Wait a minute, though. This proposal is very, very good for the United States. That's why he suggested it, because it's not something we are doing for the Soviet Union. This is very, very positive from our standpoint, and we will be much better off and much more secure in the West if they will accept it. By the way, we have just seen a report that [Soviet Foreign Minister] Shevardnadze says is a very serious, positive, and substantial

proposal, and they're going to give it serious consideration, and that's very good.

Q. Yesterday, when we were being briefed, Administration officials were pointing to the Soviet proposal as one reason that we now thought they were serious and that was one reason the President responded as he did.

A. You mean the Soviet proposal responding to the original NATO conventional—yes—

Q. Responding to the original NATO proposal. And it just seemed there was some evolution there.

A. Correct.

Q. I mean, you're denying there's no change or evolution in thinking or attitude?

A. Oh, no, but I'm saying it's not—there hasn't been a sea change. I mean, the Soviet—that was important. Yes, that entered into the thinking. The President's original deliberations with respect to this go way, way back, and they antedate the Soviet response to the original NATO conventional arms proposal.

Q. You say that we can get this conventional agreement done in a year. Is it conceivable that negotiations on SNF will start before the modernization decision in 1992? Is that even a remote possibility? And is that the kind of way you want to go into negotiations with the Soviet Union?

A. It is a possibility. I think the 1-year date is optimistic but not unrealistic. I think it's not an unrealistic date, so—

Q. Is that the way you want to have a negotiation with the Soviet Union, with the modernization question left unanswered, and there's no pressure, therefore, on them to think they're going to get these missiles—they can continue to play the political game with Germany?

A. It doesn't. Just because you have started a negotiation doesn't mean that you cave. And the decision will be made on modernization in 1992. So you're only looking at a period of about 14–17 months there, and there are provisions in here calling for keeping our current forces up-to-date, which we will continue to do. So we will continue to have these weapons deployed.

Q. But that requires modernization.

A. No, keeping—

Q. They become obsolete by the mid-1990s. At least that's—

A. By the mid-1990s, yes; by 1996 or so, that is correct. But we're not talking about that timeframe. We're going to have another look at the question of modernization in 1992.

Q. Yes, but in order to have some, they have to be modernized. Isn't that correct?

A. No, they do not have to be modernized in order to have some. We have 88 out there right now, and we're under an obligation—agreement at each and every one of these summits to keep these systems up-to-date. We do repair them, and we keep them up-to-date, and we will continue to. There's nothing in the communique that would prevent that.

Q. Just explain how, if there is no modernization decision, how—isn't there a conflict there?

A. Modernization refers to a new system, okay—development of a follow-on to Lance. Until we take that decision, we will continue to keep our Lance missile systems up-to-date.

Q. The President said that you would be able to tell us who was responsible for underlining the word "partial" in the communique.

A. We were.

Q. We, the United States?

A. We, the United States.

Q. Why did you do that?

A. We, the United States, because we wanted to give it a little added emphasis for the reason that was suggested in the first question.

Q. What must happen before the modernization decision? Must there be progress in the talks. Must there be actual cuts in conventional weapons? What must take place before the modernization decision goes—

A. There must be a political constituency sufficient for that decision to be taken for NATO in 1992.

Q. And what will create that decision?

A. Let's see what happens in terms of security developments around the world; let's see whether or not the "new thinking" is real; let's see whether or not the Soviet Union continues to come toward the West; let's see whether or not the East continues to move toward Western values. All of those things will enter into the political calculus as to whether or not that constituency will be there in 1992.

Q. You would not have to have a completed treaty on conventional reductions?

A. No, there's no such requirement or restriction at all.

Q. Are you going to meet with Mr. Shevardnadze before the September, third round?

A. I have no plans now to meet with him before September. Remember these are alliance decisions. Yes, the manpower proposal is U.S.-Soviet manpower and that would, of course, permit direct dialogue, but we would want to do that, I think, within the context of very close consultation with the alliance.

Q. But direct dialogue wouldn't give them any sort of impetus, so once you have the formal language in September, you could really move forward more quickly.

A. We would like to be able to put this on the table at the September 7—I think it is—resumption of the discussions. This is a package deal. This is not something we put on the table with the idea the East can come in and pick what they like and leave what they don't like. Yes, there are some questions that will have to be resolved. There are accounting rules, particularly with respect to aircraft; there are some counting rules with respect to artillery; there are questions about demobilization and deactivation of troops that are reduced. This has to be developed in that sense, but hopefully, we can put it on the table at the September 7 reconvening of the CFE discussions in Vienna.

President's Address, Mainz, May 31, 1989[1]

(White House photo by David Valdez)

Today I come to speak, not just of our mutual defense but of our shared values. I come to speak, not just of the matters of the mind but of the deeper aspirations of the heart.

Just this morning, Barbara and I were charmed with the experiences we had. I met with a small group of German students, bright young men and women who studied in the United States. Their knowledge of our country and the world was impressive to say the least. But sadly, too many in the West, Americans and Europeans alike, seem to have forgotten the lessons of our common heritage and how the world we know came to be. And that should not be, and that cannot be. We must recall that the generation coming into its own in America and Western Europe is heir to gifts greater than those bestowed to any generation in history—peace, freedom, and prosperity.

NATO: Europe's Second Renaissance

This inheritance is possible because 40 years ago the nations of the West joined in that noble, common cause called NATO. First, there was the vision, the concept of free peoples in North America and Europe working to protect their values. Second, there was the practical sharing of risks and burdens and a realistic recognition of Soviet expansionism. And finally, there was the determination to look beyond old animosities. The NATO alliance did nothing less than provide a way for Western Europe to heal centuries-old rivalries, to begin an era of reconciliation and restoration. It has been, in fact, a second renaissance of Europe.

As you know best, this is not just the 40th birthday of the alliance. It's also the 40th birthday of the Federal Republic—a republic born in hope, tempered by challenge. And at the height of the Berlin crisis in 1948, Ernst Reuter called on Germans to stand firm and confident, and you did—courageously, magnificently.

The historic genius of the German people has flourished in this age of peace. Your nation has become a leader in technology and the fourth largest economy on earth. But more important, you have inspired the world by forcefully promoting the principles of human rights, democracy, and freedom. The United States and the Federal Republic have always been firm friends and allies. But today we share an added role—partners in leadership.

Of course, leadership has a constant companion—responsibility. And our responsibility is to look ahead and grasp the promise of the future. I said recently that we're at the end of one era and at the beginning of another. And I noted that in regard to the Soviet Union, our policy is to move beyond containment. For 40 years, the seeds of democracy in Eastern Europe lay dormant, buried under the frozen tundra of the cold war. And for 40 years, the world has waited for the cold war to end. Decade after decade, time after time, the flowering human spirit withered from the chill of conflict and oppression. And again, the world waited. But the passion for freedom cannot be denied forever. The world has waited long enough. The time is right. Let Europe be whole and free.

To the founders of the alliance, this aspiration was a distant dream, and now it's the new mission of NATO. If ancient rivals like Britain and France, or France and Germany, can reconcile, then why not the nations of the East and West?

Growing Political Freedoms in the East

In the East, brave men and women are showing us the way. Look at Poland, where Solidarity—*Solidarnosc*—and the Catholic Church have won legal status. The forces of freedom are putting the Soviet *status quo* on the defensive.

In the West, we have succeeded because we've been faithful to our values and our vision. And the other side of the rusting Iron Curtain, their vision failed.

The cold war began with the division of Europe. It can only end when Europe is whole. Today, it is this very concept of a divided Europe that is under siege. And that's why our hopes run especially high, because the division of Europe is under siege not by armies, but by the spread of ideas that began here, right here. It was a son of Mainz, Johannes Gutenberg, who liberated the mind of man through the power of the printed word.

And that same liberating power is unleashed today in a hundred new forms. The Voice of America, *Deutsche Welle* allow us to enlighten millions deep within Eastern Europe and throughout the world. Television satellites allow us to bear witness from the shipyards of Gdansk [Poland] to Tiananmen Square [Beijing, China]. But the momentum for freedom does not just come from the printed word or the transistor or the television screen. It comes from a single powerful idea—democracy.

This one idea is sweeping across Eurasia. This one idea is why the communist world, from Budapest to Beijing, is in ferment. Of course, for the leaders of the East, it's not just freedom for freedom's sake. But whatever their motivation, they are unleashing a force they will find difficult to channel or control—the hunger for liberty of oppressed peoples who have tasted freedom.

Nowhere is this more apparent than in Eastern Europe, the birthplace of the cold war. In Poland, at the end of World War II, the Soviet Army prevented the free elections promised by Stalin at Yalta. Today, Poles are taking the first steps toward real elections, so long promised—so long deferred. And

in Hungary, at last, we see a chance for multiparty competition at the ballot box.

As President, I will continue to do all I can to help open the closed societies of the East. We seek self-determination for all of Germany and all of Eastern Europe. We will not relax, and we must not waiver. Again, the world has waited long enough.

But democracy's journey East is not easy. Intellectuals like the great Czech playwright Vaclav Havel still work under the shadow of coercion. Repression still menaces too many peoples of Eastern Europe. Barriers and barbed wire still fence in nations. So when I visit Poland and Hungary this summer, I will deliver this message: There cannot be a common European home until all within it are free to move from room to room. And I'll take another message: The path of freedom leads to a larger home—a home where West meets East, a democratic home—the commonwealth of free nations.

I said that positive steps by the Soviets would be met by steps of our own. This is why I announced on May 12th a readiness to consider granting to the Soviets a temporary waiver of the Jackson-Vanik trade restrictions, if they liberalize emigration. This is also why I announced, on Monday, that the United States is prepared to drop the "no-exceptions" standard that has guided our approach to controlling the export of technology to the Soviet Union—lifting a sanction enacted in response to their invasion of Afghanistan.

Proposals for a Whole and Free Europe

In this same spirit, I set forth four proposals to heal Europe's tragic division, to help Europe become whole and free.

First. I propose we strengthen and broaden the Helsinki process to promote free elections and political pluralism in Eastern Europe. As the forces of freedom and democracy rise in the East, so should our expectations.

And weaving together the slender threads of freedom in the East will require much from the Western democracies. In particular, the great political parties of the West must assume a historic responsibility—to lend counsel and support to those brave men and women who are trying to form the first truly representative political parties in the East, to advance freedom and democracy, to part the Iron Curtain.

In fact, it's already begun to part. The frontier of barbed wire and minefields between Hungary and Austria is being removed, foot by foot, mile by mile. Just as the barriers are coming down in Hungary, so must they fall throughout all of Eastern Europe. Let Berlin be next.

Second. Nowhere is the division between East and West seen more clearly than in Berlin. There this brutal wall cuts neighbor from neighbor, brother from brother. That wall stands as a monument to the failure of communism. It must come down.

Now, *glasnost* may be a Russian word, but openness is a Western concept. West Berlin has always enjoyed the openness of a free city. Our proposal would make all Berlin a center of commerce between East and West—a place of cooperation, not a point of confrontation. And we rededicate ourselves to the 1987 allied initiative to strengthen freedom and security in that divided city. This, then is my second proposal—bring *glasnost* to East Berlin.

Third. My generation remembers a Europe ravaged by war. And, of course, Europe has long since rebuilt its proud cities and restored its majestic cathedrals. But what a tragedy it would be if your continent was again spoiled, this time by a more subtle and insidious danger—the Chancellor [Helmut Kohl] referred to it—that of poisoned rivers and acid rain.

America has faced an environmental tragedy in Alaska. Countries from France to Finland suffered after Chernobyl. West Germany is struggling to save the Black Forest today. And throughout, we have all learned a terrible lesson—environmental destruction respects no borders. So my third proposal is to work together on these environmental problems, with the United States and Western Europe extending a hand to the East. Since much remains to be done in both East and West, we ask Eastern Europe to join us in this common struggle. We can offer technical training, assistance in drafting laws and regulations, and new technologies for tackling these awesome problems. And I invite the environmentalists and engineers of the East to visit the West, to share knowledge so we can succeed in this great cause.

Fourth. My fourth proposal—actually, a set of proposals—concerns a less militarized Europe, the most heavily armed continent in the world. Nowhere is this more important than in the two Germanys. And that's why our quest to safely reduce armaments has a special significance for the German people.

To those who are impatient with our measured pace in arms reductions, I respectfully suggest that history teaches us a lesson—that unity and strength are the catalyst and prerequisite to arms control. We've always believed that a strong Western defense is the best road to peace. Forty years of experience have proven us right.

But we've done more than just keep the peace. By standing together, we have convinced the Soviets that their arms buildup has been costly and pointless. Let us not give them incentives to return to the policies of the past. Let us give them every reason to abandon the arms race for the sake of the human race.

In this era of both negotiation and armed camps, America understands that West Germany bears a special burden. Of course, in this nuclear age, every nation is on the front line. But not all free nations are called to endure the tension of regular military activity, or the constant presence of foreign military forces. We are sensitive to these special conditions that this needed presence imposes.

To significantly ease the burden of armed camps in Europe, we must be aggressive in our pursuit of solid, verifiable agreements between NATO and the Warsaw Pact. On Monday, with my NATO colleagues in Brussels, I shared my great hope for the future of conventional arms negotiations in Europe. I shared with them a proposal for achieving significant reductions in the near future.

As you know, the Warsaw Pact has now accepted major elements of our Western approach to the new conventional arms negotiations in Vienna. The Eastern bloc acknowledges that a substantial imbalance exists between the conventional forces of the two alliances. And they've moved closer to NATO's position by accepting most elements of our initial conventional arms proposal. These encouraging steps have produced the opportunity for creative and decisive action, and we shall not let that opportunity pass.

Our proposal has several key initiatives. I propose that we "lock in" the Eastern agreement to Western-proposed ceilings on tanks and armored troop carriers. We should also seek an agreement on a common numerical ceiling for artillery in the range between NATO's and that of the Warsaw Pact, provided these definitional problems can be solved. And the weapons we remove must be destroyed.

We should expand our current offer to include all land-based combat aircraft and helicopters, by proposing that both sides reduce in these categories to a level 15% below the current NATO totals. Given the Warsaw Pact's advantage in numbers, the pact would have to make far deeper reductions than NATO to establish parity at those lower levels. Again, the weapons we remove must be destroyed.

I propose a 20% cut in combat manpower in U.S.-stationed forces, and a resulting ceiling on U.S. and Soviet ground and air forces stationed outside national territory in the Atlantic-to-the-Urals zone, at approximately 275,000 each. This reduction to parity, a fair and balanced level of strength,would compel the Soviets to reduce their 600,000-strong Red army in Eastern Europe by 325,000. And these withdrawn forces must be demobilized.

And finally, I call on President Gorbachev to accelerate the timetable for reaching these agreements. There is no reason why the 5–6 year timetable as suggested by Moscow is necessary. I propose a much more ambitious schedule. We should aim to reach an agreement within 6 months to 1 year and accomplish reductions by 1992 or 1993 at the latest.

In addition to my conventional arms proposals, I believe that we ought to strive to improve the openness with which we and the Soviets conduct our military activities. Therefore, I want to reiterate my support for greater transparency. I renew my proposal that the Soviet Union and its allies open their skies to reciprocal, unarmed aerial surveillance flights, conducted on short notice, to watch military activities. Satellites are a very important way to verify arms control agreements. But they do not provide constant coverage of the Soviet Union. An "open-skies" policy would move both sides closer to a total continuity of coverage, while symbolizing greater openness between East and West.

These are my proposals to achieve a less militarized Europe. A short time ago, they would have been too revolutionary to consider. And yet today, we may well be on the verge of a more ambitious agreement in Europe than anyone considered possible.

But we are also challenged by developments outside NATO's traditional areas of concern. Every Western nation still faces the global proliferation of lethal technologies, including ballistic missiles and chemical weapons. We must collectively control the spread of these growing threats. So we should begin as soon as possible with a worldwide ban on chemical weapons.

Conclusion

Growing political freedom in the East, a Berlin without barriers, a cleaner environment, a less militarized Europe—each is a noble goal, and taken together they are the foundation of our larger vision—a Europe that is free and at peace with itself. Let the Soviets know that our goal is not to undermine their legitimate security interests; our goal is to convince them, step by step, that their definition of security is obsolete, that their deepest fears are unfounded.

When Western Europe takes its giant step in 1992, it will institutionalize what's been true for years—borders open to people, commerce, and ideas. No shadow of suspicion, no sinister fear is cast between you. The very prospect of war within the West is unthinkable to our citizens. But such a peaceful integration of nations into a world community does not mean that any nation must relinquish its culture much less its sovereignty.

This process of integration, a subtle weaving of shared interests, which is so nearly complete in Western Europe, has now finally begun in the East. We want to help the nations of Eastern Europe realize what we, the nations of Western Europe, learned long ago. The foundation of lasting security comes, not from tanks, troops, or barbed wire; it is built on shared values and agreements that link free peoples.

The nations of Eastern Europe are rediscovering the glories of their national heritage. So let the colors and hues of national culture return to these gray societies of the East. Let Europe forego a peace of tension for a peace of trust, one in which the peoples of the East and West can rejoice; a continent that is diverse, yet whole.

Forty years of cold war have tested Western resolve and the strength of our values. NATO's first mission is now nearly complete. But if we are to fulfill our vision—our European vision—the challenges of the next 40 years will ask no less of us. Together, we shall answer the call. The world has waited long enough.

Thank you for inviting me to Mainz. May God bless you all. Long live the friendship between Germany and the United States.

Remarks and Question-and-Answer Session, London, June 1, 1989[12]

President Bush

Let me just thank the Prime Minister on behalf of our entire traveling squad. She and I talked in detail about a wide array of issues. I want to thank her, and I want to assert here that the special relationship that has existed between the United Kingdom and the United States is continuing and will continue. Once again, Madam Prime Minister, my sincere thanks to you for a very encouraging and frank exchange that we had. It's only with friends that you can take off the gloves and talk from the heart. I felt that I was with a friend today, and I can assure the people in the United Kingdom that, from our side of the Atlantic, this relationship is strong and will continue to be.

Prime Minister Thatcher

The President comes here after a very, very successful NATO summit due to the leadership of the United States under the Presidency of George Bush. We talked about the followup to these matters. We talked also about the very difficult situation in the Middle East. We talked about the situation in China. We talked about matters in South Africa. And we have talked about matters in the Argentine and in Central America.

I think you'll agree we have covered an extremely wide range of subjects, and yet the morning has been too short. We spoke together for about an hour and three-quarters and then joined our foreign ministers and Mr.

Scowcroft [Assistant to the President for National Security Affairs]. They, too, had considered some of these matters and others. We then also talked about the problems in Cambodia and the problems with the Vietnamese boat people still going to Hong Kong.

So, you can see that we have compressed a great deal into the time. We think very much the same way, which isn't surprising. We're absolutely delighted that we have in President Bush a President of the United States who is staunch and steadfast on everything which is of fundamental value to democracy, freedom, and justice—necessary to keep our country secure and yet forever stretching out the hand of friendship with other nations across the European divide, trying to extend to the world some of the benefits which we enjoy but take for granted.

We are in a period when, as the President has said in some of his most excellent speeches, it's the end of containment. It's freedom on the offensive—a peaceful offensive—throughout the world. I think they have been some of the most valuable and happy talks I've had for a very long time, and we thank and congratulate the President.

Q. Is Britain America's most important ally in Europe?

Prime Minister Thatcher. I think you might put it more tactfully. [Laughter] America has allies throughout Europe and throughout the free world. I would like to think that we pride ourselves being among the foremost of U.S. friends, and we will always be. I think it's quite wrong, that because you have one friend, you should exclude the possibility of other friendships as well. And I'm sure the President doesn't, and I don't. We both have many friends in Europe.

President Bush. Very good answer.

Q. Do you think that West Germany and France will increasingly share the spotlight in the so-called special relationship you have with Mrs. Thatcher?

President Bush. I think that the special relationship that I referred to in my opening remarks speaks for itself. And I think the remarks that the Prime Minister just made about U.K.'s propensity for friendship with other nations and the U.S. friendship with other nations—those remarks speak for themselves. I would simply say, I expect this relationship to continue on the steady keel because it is so fundamentally based on common values. The NATO alliance, for example, is not going to divide up into inside cliques of who is the closest friend to whom.

But the point I want to make here is that I value the judgment, the conviction, the principled stance of Prime Minister Thatcher. I've been privileged to know her and work with her in a—for me, a lesser capacity, for 8 years. This visit alone, as we crossed many, many borders and discussed the problems, reassures me and just reaffirms what I've always felt: that we have a very, very special relationship. But it needn't be at the expense of our friendship with other countries.

Q. What exactly can Britain do to bring about this further freedom in Eastern Europe that you said you want to see?

President Bush. They've already done one step, and that is to help NATO come out with a very sound proposal. I can tell you that the Prime Minister and her able Foreign Minister [Sir Geoffrey Howe] helped shape this whole NATO proposal, which both of us think is a very forward-looking document, adhering to principles. It's not a question of the future; they've already performed since I've been here in the last few days a very useful role. There are many other areas where, just on a bilateral basis, that I'm sure the United Kingdom can influence and encourage this trend to democracy that the Prime Minister referred to—many other areas. The United Kingdom is widely respected in Eastern Europe.

(White House photo by David Valdez)

Prime Minister Thatcher and the President.

Secretary Baker's News Briefing, London, June 1, 1989[13]

Let me just briefly say that the President's meetings with Prime Minister Thatcher marked the end of a successful week of consultation with all allies. The President thanked the Prime Minister for her steadfast support of our Central American policies, for her work to move the Angola-Namibia accords along successfully to keep the agreement in Namibia from unraveling, the excellent work that she did when she was in southern Africa, and the concern that she and her government have shown for the United States with respect to the tragedy of PanAm #103.

In addition, the President and the Prime Minister discussed matters involving followup on the conventional forces initiative that the President presented at the NATO summit. They discussed Eastern Europe with reference particularly to the President's speech in Mainz. They discussed the situation in China. They discussed the Middle East, particularly the situation in the occupied territories, and they discussed the problems presented by the influx of Vietnamese boat people to Hong Kong.

Q. I wonder if you could give us an idea of the problems, or at least the difficulties, that are ahead in the troop reduction arrangement. There have been suggestions—storing—the West prestores a lot of equipment. There are other problems about whether the French and British troops—but I'd like your version of what are the difficult things ahead.

A. There are questions involving verification. There are questions, indeed, involving stored equipment. There are questions, obviously, involving the extent to which troops must be demobilized and deactivated. All of these things have first got to be sorted out within the NATO alliance so that the alliance is able to table a specific proposal at the resumption of the discussions in Vienna on September 7th. Both the Prime Minister and the President focused on the importance of continuing to move the debate within NATO along so that the alliance will be ready to table a position on September—

Q. Is the President's timetable still feasible, or is it very optimistic—about 6 months—

A. It hasn't changed from the way I characterized it yesterday, which, it was optimistic but not unrealistic. I think that's a fair statement. The first thing, as I indicated before, that we have to do is formalize the alliance position on this initiative. We have to work that out within the context of the NATO alliance and within the organization at Brussels.

Q. You spoke about this being the end of a week of successful consultations. Does this have any impact on George Bush's presidency in view of all the criticism that he had had before he came here about being too cautious and too timid in terms of dealing with the Soviet Union?

A. I would hope that it might put to rest some of that speculation. It is important, I think, that an American President be seen to be leading the alliance. I would respectfully submit that the President was seen actively and aggressively and effectively leading the NATO alliance during the course of this week.

Q. I gather that Mrs. Thatcher was rather unhappy with the fact that we still have some military aid going to the Argentinians. Was that the only area that you had contention at your meetings today? And if so, do you see any way that can be resolved?

A. There really was not contention with respect to that. The matter of Argentina remains important to the Prime Minister. She expressed her appreciation for our willingness to work closely with the United Kingdom and to consult with them with respect to the modest amounts of military aid that have been suggested for Argentina. I would not characterize that as a matter of contention.

Q. The United States and Great Britain have always had a special relationship. Do you expect that to change at all in 1992 when they join Europe more fully in the open market?

A. No, I don't expect it to change. I think that the special relationship between the United States and the United Kingdom is strong, it is enduring, it is based on a number of things. But we have been close friends and allies for many, many years, and I don't think that's going to be diminished as a consequence of EC 1992. It has not been diminished as a consequence of NATO and other multilateral organizations in which both countries are parties.

Q. The President spoke a lot about Eastern Europe yesterday, in both the communique and the comprehensive concept also did. Is this signaling a new intention to step up the U.S. role in Eastern Europe, or an attempt to shape events there?

A. I think it's important that we recognize—and this is what the President's speech did, in my view—that there is fundamental change taking place in some countries in Eastern Europe. We must be able to properly manage our response to that change. What the President called for, of course, was to end the division of Europe on the basis of Western values. That means that we must be responsive to those countries that are trying to open up both economically and politically. It does not mean that we should abandon our policy of differentiation.

Q. [Former Defense] Secretary Carlucci, before he left office, recommended a follow-on to the Lance system called the MLRS [multiple-launch rocket system]. Will this Administration carry through with that decision by Secretary Carlucci, or are you going to go back and rethink the MLRS system as a follow-on to Lance?

A. That's a decision that has not, as yet, been formally taken by the President. He will have to consider that as one possibility, as one option. He may decide that he wants to consider some other options as well. But now we have a situation where the questions on production and deployment are decisions that will be made in calendar year 1992.

Q. You said the other day in answer to a question that the President's proposal at NATO did not amount to an abandonment of his policy review. It was not a signal of dis-appointment with it, indeed, that the discussions about this sort of proposal dated way back to the early days of the Administration. I wonder if you could elaborate on that further and give us some further description of the steps that were taken that produced this.

A. I can't elaborate much beyond what I said. I perhaps could clear up something that I think might have been misinterpreted. What I said was that this proposal was not initially developed within the bureaucracies—and that is true.

It was ultimately, however, run by the bureaucracies before the President finally signed off on it. The President himself suggested the idea that we explore this as a possibility early on in the Administration—

Q. You say "this." What do you mean by "this?"

A. The conventional forces initiative or something like it—something like this conventional forces initiative that he has put forward—his CPI, if you want to call it that—his Conventional Parity Initiative.

Q. Did the Prime Minister express objections or reservations to even the modest sale of arms to Argentina by the United States?

A. I think that the Prime Minister—as I tried to put it a moment ago—is very appreciative of the fact that we consult very, very closely with the United Kindgom with respect to any proposed sales of arms to Argentina.

Q. But did she specifically object to any sales?

A. Not that I am aware of, no.

Q. Can you tell us when, exactly, it was decided to table this proposal—I mean, not to table it, but when it was decided that this was the proposal you were going to make? Because when you said the other day that this is something you've been talking about for months—the general concept—I was given to believe that that's exactly what you meant—the general concept. When did this—

A. Yes, I did mean the general concept.

Q. When did this come into play as a real-life proposal that you could actually make here? Was it in the last 3 weeks? Can you just tell us—

A. Probably the final shape of it would have been in the last 3 weeks, yes.

Q. And whose idea was it initially?

A. It was the President's idea.

Q. He said he'd like to cut forces in Europe and 15% of the aircraft?

A. He said, "I would like to look at something in this area." There were a whole host of things that were initially looked at. But then, it was important to the President, as he has said before, that this have a complete and thorough scrub by the military to make certain that it was militarily appropriate and sound and made good sense from a military standpoint. And that's what happened.

Q. Was this after your trip to Moscow when you got the inklings of what kind of response they were going to have to the NATO proposal?

A. The President's final sign-off came after my trip to Moscow.

(White House photo by Susan Biddle)

The President and Mrs. Bush were guests for lunch with Her Majesty Queen Elizabeth II and His Royal Highness Prince Philip at Buckingham Palace.

Q. Was the major part of the development of the initiative after the trip to Moscow?

A. It's hard to say, but if I had to say, the major part probably. Although I have to tell you that this is something that the President had an interest in going way, way back. And it was discussed among his top advisers—all of his top advisers.

Q. Soviet Foreign Minister Shevardnadze has said in Paris that the Soviets would demand a withdrawal of French and British troops from West Germany, as well as a condition for acceptance of the 275,000 troop level. What is your reaction to that, and what was Mrs. Thatcher's reaction to that?

A. I'm not sure that that was specifically discussed with the Prime Minister. I didn't hear that as an item of specific discussion. But my reaction to that is there are a lot of Warsaw Pact troops in there, too, that are not included in this poposal. This is a U.S.-Soviet proposal to the extent that it involves manpower.

With respect to the other elements—aircraft, helicopters, tanks, artillery, and armored personnel carriers—it's Warsaw Pact to Warsaw Pact.

Q. Can we fine tune that? You remember the problem with intermediate range. The U.S. argument was, look, this is U.S.-Soviet. We're not responsible for German missiles, and you had to work out kind of a special deal. Are you saying now that there will be sort of two-level negotiations? Troops will not be a NATO—

A. No, no, I'm not saying it will be negotiated that way, but I'm answering the question about—that the minister has said we want to see what happens to French and British troops. I suppose we will have an interest in knowing what happens to other Warsaw Pact troops other than Soviet troops. But the negotiation will take place within the alliance.

Q. I note some insecurity on the part of Britain; this major concentration on the special relationship. Are the British afraid that we are—it's a "mirror, mirror on the wall, who do you love the most?" Are they afraid—

A. I didn't notice a special concentration. I noticed one question at a press conference.

Q. The President emphasized it, and the British reporters seem to think there is something—

A. The President emphasized it in response to a question about it, and what he said was there is a special relationship. He told the Prime Minister this, by the way, during the course of their discussions. It is something that we talk about all the time in bilateral discussions with respresentatives of the United Kingdom, because it is there.

Q. But is it a worry?

A. It's not a worry as far as we're concerned, and I don't think it's a worry as far as the United Kingdom is concerned.

Q. You spoke earlier about the need to have further discussions within NATO before a full conventional forces proposal can be tabled. Is there a timetable now about how long that's likely to take, and what the process will be?

A. As I think I may have said earlier, we would like to see that process completed by the 7th of September so that when the conventional forces talks reconvene in Vienna on that date, we will be able to table a specific proposal—a proposal that will have been fleshed out to the extent that the questions—some of which have come up here today—will have been resolved. There are questions that have to be resolved. We're shooting at September 7th.

Q. Was there any discussion with the Prime Minister about the possible withdrawal of some U.S. troops from Britain and also any discussion about British dual-capable aircraft being—

A. There was no discussion about the withdrawal of U.S. troops from Britain, but there was a discussion with respect to the question of dual-capable aircraft. The President indicated to the Prime Minister that it is not his intention in advancing this initiative that it involve the dual-capable aircraft of the United Kingdom or France.

I might say that the reservations of each of those countries in this regard had been expressed to us during the course of our prior consultations with those countries about this initiative. We think that the aircraft element in the proposal can be accomplished without getting into the dual-capable aircraft of the United Kingdom or France.

Q. The British Government wants the principle accepted by the international community that the boat people could, if necessary, be sent back against their will to Vietnam. They want this principle to be accepted at the international conference in Geneva next month. The United States has been against this principle until now. I gather it was discussed today. Can you tell us if that is still your position?

A. Yes, it is still the position of the United States; that is, that we support the right of first asylum, and we also support freedom of choice where refugees are concerned. We are talking, of course, about political refugees. There will be a discussion in Vienna on the 13th and 14th of June, and this matter will come up and be discussed further. But the position of the United States is as you have stated it and as I have just repeated it.

Q. [Foreign Minister] Shevardnadze is saying that your timetable is too fast, that they can't move that fast. Do you think that the President has managed to put the shoe on the other foot, so to speak? Do you think that the Soviets are on the defensive here and that you have put the President on the offensive?

A. I don't know about that. I'm not going to get into that. I do think this—

Q. What's your reaction to what he said?

A. I do think this, that the dynamics now are that the ball is in their court and a response by them is now clearly called for, and it will be interesting to see exactly what that response is.

Q. This is his response, and he's saying you're trying to go too fast. What's your answer to that?

A. No, no, this is not his response. This may be a preliminary part of his response, but my answer to that is that, yes, this is an optimistic timetable, but it is not an unrealistic timetable, particularly if we have cooperation from the Soviet Union.

Q. We were told you discussed the Middle East with Mrs. Thatcher today. What in your opinion, if anything, is there that Britain can do about the Middle East? When Mr. Shamir was here recently, he was very upset about the speech you made in America. But what, in your opinion, can Britain do that the Soviet Union and the United States can't do together.

A. I think that the United Kingdom, and other countries in Europe for that matter, can join the United States—and maybe there can be a Soviet component in this—in supporting Prime Minister Shamir's proposal for elections in the West Bank as a means to get into a broader political negotiation. And it's in that context that the Prime Minister advanced his elections proposals.

I frankly believe, following these discussions here today, that there is some chance that we will see—well, I know there's more than some chance—we will have the active support of the United Kingdom in trying to use the concept of elections to move the peace process forward in the Middle East.

Q. You are totally for that election proposal? You are for it, absolutely?

A. Oh, yes, as I have said, we are totally for it. We think it offers the best chance to move the peace process forward.

Arrival Remarks, New Hampshire, June 2, 1989[14]

In the last week, Barbara and I have been to Rome and the Vatican, Brussels, Bonn, and London, and working with our allies in Europe, we set a course for the future. We must move to fulfill that promise—move beyond containment, move beyond the era of conflict and cold war that the world has known for more than 40 years—because keeping the peace in Europe means keeping the peace for America. Our alliance seeks a less militarized Europe—a safer world for all of us.

I'm now returning from Europe with a message for the American people—a message of hope. We have a great and historic opportunity to shape the changes that are transforming Europe. This chance has been delivered not just because of our strength and resolve but also because of our power of ideas, especially one idea which is sweeping the communist world—democracy.

For the last 6 weeks, I've presented, in a series of speeches, ways to deal with these changes to make the most of this opportunity. Let me summarize.

In Michigan [April 17], I stressed that the United States will actively encourage peaceful reform led by the forces of freedom in Eastern Europe. The Texas speech [May 12] explains America's commitment to a balanced approach to our relationship with the Soviet Union—that we must remain

strong and realistic, judge their performance, not their rhetoric, all the while seeking a friendship with the Soviets that knows no season of suspicion. At Boston University [May 21], the focus was our partnership with a more united Western Europe—of how a strong Europe means a strong America. Then at the Coast Guard Academy [May 24], I said that America is ready to seize every—and I do mean every—opportunity to bring the Soviet Union into the community of nations.

Then with my colleagues in Brussels, on the 40th anniversary of the founding of the North Atlantic alliance, we celebrated NATO's 40 years of success in preserving the peace in Europe—the longest period without war in all the recorded history of that continent.

We were reminded that once again, the future of so many nations depends on NATO's unity and resolve. We were reminded that NATO must remain strong and together, and we were challenged to seize this new opportunity for progress while staying true to the principles that got us here.

We met that challenge. We agreed to strive—to hope for a Europe that is whole and free. At the *Rheingoldhalle* in Mainz in the heart of Germany, I said that the cold war began with the division of Europe, and it must end with a reconciliation based on shared values where East joins West in a commonwealth of free nations.

That is my vision for the future, and here is how we got there. The Warsaw Pact has a lot more planes, a lot more arms, a lot more troops in Europe than the NATO alliance, and we challenge the Soviets, if they are serious, to reduce to equal numbers. Our proposal is bold but fundamentally fair, and every single one of our allies agreed with our proposal.

We proposed a new initiative for more comprehensive and faster negotiated cuts in conventional arms to lift the West at last from the shadow cast over Europe since 1945 by massive Soviet ground and air forces, and our allies agreed. We proposed that Berlin, East and West, become a center of cooperation, not confrontation, and our allies agreed. We proposed that we strengthen the Helsinki process to support free elections in Eastern Europe, and our allies agreed.

Because the threat of environmental destruction knows no borders, we proposed that the West enlist the countries of Eastern Europe in one of the great causes of our time—the common struggle to save our natural heritage.

With our agreement in NATO on our short-range nuclear forces in Europe, we demonstrated as an alliance that we can manage change while remaining true to the strategy of deterrence which has kept the peace.

In short, this week's NATO summit in Brussels showed that we are ready to help shape a new world. In this period of historic change, NATO has never been more united, never been stronger, and we issued a summit declaration detailing our vision for the future and plan of action. Ours is not an arrogant challenge to Mr. Gorbachev; it's an appeal in good fath. The summit was a triumph for the alliance, a triumph of ideas, and, most of all, it was a triumph of hope.

Let me say it is truly gratifying that all of this was understood so well at home and abroad. While keeping our defenses up and our eyes wide open, we must go forward. We must stay on the offensive. We must get to work now to end the cold war. The world has waited long enough, and if we succeed, the world your children will know—the world of the 21st century—will be all the better.

We are delighted to be here. I salute the men and women of Pease Air Force Base, who help keep the peace. I thank my friends and neighbors from New Hampshire, and I even spot a few from Kennebunkport, Maine, here. I thank the two governors and the members of the U.S. Congress who came out to greet us, and I particularly thank a former governor of the State of New Hampshire standing over here, my able chief of staff, John Sununu; our Secretary of Defense, Dick Cheney; our Secretary of State, Jim Baker; and my very able friend and adviser, the head of the National Security Council, Gen. Brent Scowcroft.

Barbara and I are overwhelmed by this welcome home. Thank you all. God bless you, and God bless the United States of America.

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[1]Made at Andrews Air Force Base (text from Weekly Compilation of Presidential Documents of May 29, 1989).

[2]Made at Ciampino Airport (text from Weekly Compilation of Presidential Documents of June 5).

[3]Made at the Villa Madama (text from Weekly Compilation of Presidential Documents of June 5).

[4]Interview by Garrick Utley, NBC News; Robert Kaiser, *The Washington Post*; and Albert Hunt, *The Wall Street Journal* (press release 100 of May 30).

[5]Made at Brussels International Airport (text from Weekly Compilation of Presidential Documents of June 5).

[6]Text from Weekly Compilation of Presidential Documents of June 5.

[7]France takes this opportunity to recall that, since the mandate for the Vienna negotiations excludes nuclear weapons, it retains complete freedom of judgment and decision regarding the resources contributing to the implementation of its independent nuclear deterrent strategy.

[8]Press release 101.

[9]Held in the Chancellery. Chancellor Kohl spoke in German, and his remarks were translated by an interpreter (text from Weekly Compilation of Presidential Documents of June 5).

[10]Held in the Meritin Hotel (press release 102 of May 31).

[11]Made before citizens of Mainz at Rheingoldhalle (text from Weekly Compilation of Presidential Documents of June 5).

[12]Held at 10 Downing Street after their meeting (text from Weekly Compilation of Presidential Documents of June 5).

[13]Held at the Royal Lancaster Hotel (press release 107 of June 6).

[14]Made at Pease Air Force Base (text from Weekly Compilaton of Presidential Documents of June 12). ■

News Conferences of June 5 and 8 (Excerpts)

President Bush held news conferences at the White House on June 5 and 8, 1989.[1]

JUNE 5, 1989

During the past few days, elements of the Chinese Army have been brutally suppressing popular and peaceful demonstrations in China. There has been widespread and continuing violence, many casualties, and many deaths. We deplore the decision to use force, and I now call on the Chinese leadership publicly, as I have in private channels, to avoid violence and to return to their previous policy of restraint.

The demonstrators in Tiananmen Square were advocating basic human rights, including the freedom of expression, freedom of the press, freedom of association. These are goals we support around the world. These are freedoms that are enshrined in both the U.S. Constitution and the Chinese Constitution. Throughout the world, we stand with those who seek greater freedom and democracy. This is the strongly felt view of my Administration, of our Congress, and, most important, of the American people.

In recent weeks we've urged mutual restraint, nonviolence, and dialogue. Instead, there has been a violent and bloody attack on the demonstrators. The United States cannot condone the violent attacks and cannot ignore the consequences for our relationship with China, which has been built on a foundation of broad support by the American people. This is not the time for an emotional response but for a reasoned, careful action that takes into account both our long-term interests and recognition of a complex internal situation in China.

There clearly is turmoil within the ranks of the political leadership, as well as the People's Liberation Army. Now is the time to look beyond the moment to important and enduring aspects of this vital relationship for the United States. Indeed, the budding of democracy which we have seen in recent weeks owes much to the relationship we have developed since 1972. It's important at this time to act in a way that will encourage the further development and deepening of the positive elements of that relationship and the process of democratization. It would be a tragedy for all if China were to pull back to its pre-1972 era of isolation and repression.

Mindful of these complexities, and yet of the necessity to strongly and clearly express our condemnation of the events of recent days, I am ordering the following actions: Suspension of all government-to-government sales and commercial exports of weapons, suspension of visits between U.S. and Chinese military leaders, sympathetic review of requests by Chinese students in the United States to extend their stay, and the offer of humanitarian and medical assistance through the Red Cross to those injured during the assault, and review of other aspects of our bilateral relationship as events in China continue to unfold.

The process of democratization of communist societies will not be a smooth one, and we must react to setbacks in a way which stimulates rather than stifles progress toward open and representative systems.

Q. You have said the genie of democracy cannot be put back in the bottle in China. You said that, however, before the actions of the past weekend. Do you still believe that? And are there further steps that the United States could take, such as economic sanctions, to further democracy in China?

A. Yes, I still believe that. I believe the forces of democracy are so powerful, and when you see them as recently as this morning—a single student standing in front of a tank, and then, I might add, seeing the tank driver exercise restraint—I am convinced that the forces of democracy are going to overcome these unfortunate events in Tiananmen Square.

On the commercial side, I don't want to hurt the Chinese people. I happen to believe that the commercial contacts have led, in essence, to this quest for more freedom. I think as people have commercial incentive, whether it's in China or in other totalitarian systems, the move to democracy becomes more inexorable. So what we've done is suspended certain things on the military side, and my concern is with those in the military who are using force. And yet when I see some exercising restraint and see the big divisions that exist inside the PLA [People's Liberation Army], I think we need to move along the lines I've outlined here. I think that it's important to keep saying to those elements in the Chinese military, "Restraint: Continue to show the restraint that many of you have shown." I understand there are deep divisions inside the army. So this is, we're putting the emphasis on that side of it.

Q. Have you had any personal contact with the Chinese leadership? Why do you think they moved in the way they did? And why did you wait so long?

A. I don't think we've waited so long. I made very clear, in a personal communication to Deng Xiaoping [Chairman of China's Central Military Commission], my views on this. I talked to the [U.S.] Ambassador last night, Jim Lilley. He's been in touch constantly with the Chinese officials, and so, I don't feel that we've waited long, when you have a force of this nature and you have events of this nature unfolding. We are the United States and they are China, and what I want to do is continue to urge freedom, democracy, respect, nonviolence, and with great admiration in my heart for the students. So, I don't think we've waited long.

Q. What impelled the Chinese Government? They did wait a long time, more than we expected, really, and—

A. Yes, they did.

Q. —then they finally moved in. What do you think is the impetus?

A. I'm glad you raised that point. We were, and have been, and will continue to urge restraint, and they did. The army did show restraint. When Wan Li [Chairman, Standing Committee, National People's Congress] was here [May 23], he told me—and this is very Chinese, the way he expressed it—the army loves the Chinese people. They showed restraint for a long time, and I can't begin to fathom for you exactly what led to the order to use force, because even as recently as a couple of days ago, there was evidence that the military were under orders not to use force. So I think we have to wait now until that unfolds.

Q. Could you give us your current, best assessment of the political situation there; which leaders are up, which are down, who apparently has prevailed here, and who apparently has lost?

A. It's too obscure, it's too beclouded to say. And I would remind you of the history. In the Cultural Revolution days, Deng Xiaoping at Mao Zedong's right hand, was put out. He came back in 1976. He was put out again in the last days of Mao Zedong and the days of the Gang of Four. Then he came back in, and, to his credit, he moved China toward openness, toward democracy, toward reform. Suddenly we see a reversal. I don't think there's anybody in this country that can answer your question with authority at this point. It doesn't work that way in dealing with China.

Q. But there have been reports that Deng was behind the move to order the troops, and other reports that he's ailing and in a hospital. What do you know about that?

A. Don't know for sure on either, and I've talked to our Ambassador on that, as I say, last night, and we just can't confirm one way or another on the other.

Q. You spoke of the need for the United States to maintain relations with China. But given the brutality of the attacks over the last couple of days, can the United States ever return to business as usual with the current regime?

A. I don't want to see a total break in this relationship, and I will not encourage a total break in the relationship. This relationship is, when you see these kids struggling for democracy and freedom, this would be a bad time for the United States to withdraw and pull back and leave them to the devices of a leadership that might decide to crack down further. Some have suggested I take the Ambassador out. In my view, that would be 180 degrees wrong. Our Ambassador provides one of the best listening posts we have in China. He is thoroughly experienced. And so let others make proposals that in my view don't make much sense. I want to see us stay involved and continue to work for restraint and for human rights and for democracy. And then down the road, we have enormous commonality of interests with China, but it will not be the same under a brutal and repressive regime.

So I stop short of suggesting that what we ought to do is break relations with China, and I would like to encourage them to continue their change.

Q. You're sending a message to the military and to the government. A couple of weeks ago, you told the students to continue to stand by their beliefs. What message do you want the students to hear from what you're saying right now?

A. That we support their quest for democracy, for reform, and for freedom. There should be no doubt about that. Then, in sending this message to the military, I would encourage them to go back to the posture of a few days ago that did show restraint, and that did recognize the rights of the people, and that did epitomize what that Chinese leader told me, that the army loves the people. There are still vivid examples of that.

Q. Should the students go home? Should the students stop trying to fight the army?

A. I can't dictate to the students what they should do from halfway around the world. But we support the quest for democracy and reform, and I'd just have to repeat that.

Q. I'd like to ask you about the other development in Iran. What is your assessment of who is in charge, and what opportunities the changes in Iran create for the United States?

A. We're not sure yet. Khamenei [President Hojatolislam Ali] appears to be the annointed successor, the will having been read by Khomeini's son. But, again, in a society of that nature, it's hard to predict. I would simply repeat what I said on January 20th, that there is a way for a relationship with the United States to improve, and that is for a release of the American hostages. But I can't give you an answer on that one. No experts here can yet, either.

Q. Do you plan any overture?

A. I just made it.

Q. Do you plan any overtures or any other kind of opening toward Iran, toward the new government?

A. No, absolutely not. They know what they need to do. They have been a terrorist state. And as soon as we see some move away from oppression and extremism of that nature, we will review our relationship.

Q. Would you elaborate on the question of economic sanctions—back to China. Did you consider economic sanctions for this morning's announcement, and what will you do if the violence escalates?

A. I reserve the right to take a whole new look at things if the violence escalates, but I've indicated to you why I think the suspension of certain military relationships is better than moving—on the economic side.

Q. Do you feel that the Chinese leadership cares what the United States does or thinks right now?

A. I think they are in the sense of contradiction themselves right now. China has historically been less than totally interested in what other countries think of their performance. You have to just look back to the Middle Kingdom syndrome. And you look back in history when outsiders, including the United States, were viewed as "barbarians." So historically China, with its immense pride and its cultural background and its enormous history of conflict, internal and external, has been fairly independent in setting its course.

I have had the feeling that China wants to be a more acceptable—acceptable in the family of nations. I think any observer would agree that, indeed, until very recent events, they've moved in that direction. What I would like to do is encourage them to move further in that direction by recognizing the rights of these young people and by rebuking any use of force.

Q. More than most Americans, you understand the Chinese. How do you account for the excessive violence of this response? Once the army decided to act, that they would drive armored personnel carriers into walls of people, how can you explain that?

A. I really can't. It is very hard to explain, because there was that restraint that was properly being showed for awhile on the part of the military, challenged to come in and restore—what I'm sure they'd been told—order to a situation, which I expect they had been told was anarchic. I can't explain it. I can't explain it, unless they were under orders, and then you get into the argument about, well, what orders do you follow? I condemn it. I don't try to explain it.

Q. Will you be able to accommodate the calls from Congress for tougher sanctions? Many lawmakers felt you were slow to condemn or criticize the violence in China before now, and many are pushing for much tougher action on the part of this country.

A. I've told you what I'm going to do. I'm the President. I set the foreign policy objectives and actions taken by the executive branch. I think they know, most of them in Congress, that I have not only a keen personal interest in China but that I understand it reasonably well. I will just reiterate to the leaders this afternoon my conviction that this is not a time for anything other than a prudent, reasoned response. It is a time to assert over and over again our commitment to democracy, emphasize the strength that we give to democracy in situations of this nature. I come back to the frontline question here: I do think this change is inexorable. It may go a couple of steps forward and then take a step back, but it is on the move. The genie will not be put back in the bottle. I am trying to take steps that will encourage a peaceful change and yet recognize the fact that China does have great pride in its own history. My recommendations are based on my knowledge of Chinese history.

I would argue with those who want to do something more flamboyant, because I happen to feel that this relationship is vital to the United States of America, and so is our adherence to democracy and our encouragement for those who are willing to hold high the banner of democracy. We found, I think, a prudent path here.

Q. Do you think that the events in China can have a chilling effect on democratic reforms occurring in other communist countries, particularly in the Soviet Union and Eastern Europe, when they look at the kind of uprising that was sparked in China?

A. No. I think the moves that we're seeing in Eastern Europe today, and indeed, in the Soviet Union are going to go forward. I think people are watching more with horror, and saying: How, given this movement toward democracy, can the Chinese leadership react in the way they have? I think this may be a sign to others around the world that people are heroic when it comes to their commitment to democratic change. I would just urge the Chinese leaders to recognize that.

Q. There are reports that the Chinese military is badly divided and that, with this crackdown, the authorities brought in some troops from the Tibet conflict. If that's the case, how does suspending these military relationships encourage any kind of change? I mean, could you explain what the point of doing that is—

A. I already did. You missed it. I explained it because I want to keep it on the military side. I've expressed here rhetorically the indignation we feel. I've recognized the history of China moving onto its own Middle Kingdom syndrome, as it's done in various times in its past, and I want to encourage the things that have helped the Chinese people. I think now the suspension is going to send a strong signal. I'm not saying it's going to cure the short-range problem in China. I'm not sure any outside country can cure the short-range, the today in Tiananmen Square, problem. But I think it is very important the Chinese leaders know it's not going to be business as usual, and I think it's important that the army know that we want to see restraint. And this is the best way to signal that.

Q. Would you fear conflict? You talked about the divisions within the Chinese Army. Do you or your advisers fear that there could actually be a civil conflict between army commanders?

A. I don't want to speculate on that, but there are differences, clearly, within the army in terms of use of force. Otherwise, they wouldn't be doing what [was] properly pointed out is happening: units coming in from outside.

And it is not, incidentally, just in Tiananmen Square that this problem exists. It is in Shanghai, it's in Chengdu today, it's in Guangzhou, I'm told, in a much smaller scale. But they brought the troops in from outside because the Beijing troops apparently demonstrated a great sensitivity to the cause of the young people and were—disciplined though they were, they opted for the side of democracy and change in the young people. So those others came in. But I certainly don't want to speculate on something that I don't have—I can't reach that conclusion, put it that way.

Q. There were some news reports that some of the soldiers' units had burned their own trucks in—have you received the same type of intelligence reports?

A. I just saw speculation. I haven't got it on any—I don't believe the intelligence said that. But there are reports that it is very difficult for some of the military, who are much more sympathetic to the openness, to the demonstrators. And I, again, go back to the original question here that [was] asked. I think, with the change that's taken place so far, we're beyond kind of a Cultural Revolution response. I think the depth of the feeling toward democracy is so great that you can't put the genie back in the bottle and return to total repression. I think what we're seeing is a manifestation of that in the divisions within the PLA. But I certainly want to stop short of predicting a civil war between units of the People's Liberation Army.

Q. What about Poland? What do you think of the elections?

A. To make a profound statement, I think they were very interesting. We haven't seen the final results, but communist bureaucrats beware in Poland. It looks to me like there's quite a move, moving toward the freedom and democracy.

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Q. Cutting off military sales to China does not seem to have made an impression on the rulers there, and they've become more repressive. What else are you going to do to express this nation's outrage? And do you have any other plans?

A. I think that the position we took, aiming not at the Chinese people but at the military arrangements, was well-received around the world and was followed by many countries. Right after we did that, many of the European countries followed suit. The events in China are such that we, obviously, deplore the violence and the loss of life, urge restoration of order with recognition of the rights of the people. I'm still hopeful that China will come together, respecting the urge for democracy on the part of the people. What we will do in the future, I will announce at appropriate times. But right now, we are engaged in diplomatic efforts, and other countries are doing the same thing. Let's hope that it does have an ameliorating effect on this situation.

Q. Does your support of human rights and democracy extend to other places in the world, like South Africa,

the West Bank, where they've been fighting a lot longer than in China against repression?

A. Yes, it does. It certainly does. Concern is universal. And that's what I want the Chinese leaders to understand. You see, we've taken this action. I am one who lived in China; I understand the importance of the relationship with the Chinese people and with the government. It is in the interest of the United States to have good relations, but because of the question that you properly raised, we have to speak out in favor of human rights. We aren't going to remake the world, but we should stand for something. And there's no question in the minds of these students that the United States is standing in their corners.

I'll tell you a little anecdote: When our cars went out to the university to pick up some of the students and bring them out, they were met by universal applause. Then the students in this country have been quite supportive of the steps that I have taken. We had a few into the Oval Office the other day, and I must say my heart goes out to them. They cannot talk to their families, and it's very difficult.

But, yes, the United States must stand wherever, in whatever country, universally for human rights. And let me say, you mentioned South Africa? Absolutely, appalling. Apartheid must end.

Q. Can the United States ever have normal relations with China as long as the hardliners believed responsible for the massacre, such as Deng Xiaoping and Premier Li Peng, remain in power? In other words, what will it take to get U.S.-Chinese relations back to normal?

A. It will take a recognition of the rights of individuals and respect for the rights of those who disagree. You have cited two leaders, one of whom I might tell you is—you mentioned Deng Xiaoping. I'm not sure the American people know this. He was thrown out by the Cultural Revolution crowd back in the late 1960s; came back in 1976; was put out again because he was seen as too forward-looking. All I'm saying from that experience is: Let's not jump at conclusions as to how individual leaders in China feel when we aren't sure of that.

But the broad question that you ask—we can't have totally normal relations unless there's a recognition of the validity of the students' aspirations. I think that that will happen. We had a visit right here, upstairs in the White House, with Mr. Wan Li. I don't know whether he's in or out, but he said something to me that I think the American people would be interested in. He said, "The army loves the people." And then you've seen soldiers from the 27th Army coming in from outside of Beijing and clearly shooting people. But having said that, I don't think we ought to judge the whole People's Liberation Army of China by that terrible incident.

What I want to do is preserve this relationship as best I can, and I hope the conditions that lie ahead will permit me to preserve this relationship. I don't want to pass judgment on individual leaders, but I want to make very clear to those leaders and to the rest of the world that the United States denounces the kind of brutality that all of us have seen on our television.

. . . .

Q. I'd like to return to China for a moment. You mentioned that your goal is to preserve our relationship with the Chinese Government. But what do you say to the American people who might wonder why we are not more forceful in being the world's leading advocate of democracy? And are we not living up to that responsibility in this situation?

A. Some have suggested, for example, to show our forcefulness, that I bring the American Ambassador back. I disagree with that 180 degrees. We've seen, in the last few days, a very good reason to have him there. In fact, one of your colleagues, Richard Roth of CBS, was released partially because of the work of our Embassy, of Jim Lilley, our very able Ambassador.

Some have suggested you've got to go full sanctions on [the] economic side. I don't want to cut off grain, and we've just sold grain to the People's Republic of China. I think that would be counterproductive and would hurt the people.

What I do want to do is take whatever steps are most likely to demonstrate the concern that America feels. I think I've done that, and I'll be looking for other ways to do it if we possibly can.

Q. Chinese dissident Fang Lizhi has taken refuge in the U.S. Embassy, apparently fearing for his own safety. The Chinese Government has called that a wanton interference in internal affairs and a violation of international law. What is your reaction to that? And will the United States grant Fang political asylum in the United States?

A. First, let me remind the audience here that we do not discuss asylum. It's almost like a public discussion of intelligence matters. But in terms of your question, we have acted in compliance with the international law as an extraordinary measure for humanitarian reasons. His personal safety was involved here, he felt. Then we try, historically, to work these things out in consultation with the sovereign state. So we are not violating international law, in the opinion of our attorneys. It is awful hard for the United States, when a man presents himself—a person who is a dissident—and says that his life is threatened, to turn him back. That isn't one of the premises upon which the United States was founded. We have a difference with them on that, you're right, but I hope it can be resolved.

. . . .

Q. The Iranian Government, of course, has changed. And the question to you is: Is there hope that there might be restored some kind of relations with that country? As you know, today the Iranians set forth, informally, an offer for some kind of a deal: that if the Americans would help free some Iranians held by the Phalangists that they might help us free some of our prisoners as well, or our hostages. Is there any hope for any change in the near future?

A. For a change in relationship? I stated the other day what it would take to have improved relationships, and that would be a renunciation of terror. We can't have normalized relations with a state that's branded a terrorist state. Secondly, they must facilitate the release of American hostages. And so, that is what it would take. There was a case a while back where Iran asked for information regarding their hostages—never accused us, properly so, of holding people hostage or in any way condoning that. We condemn it. And we've supplied them information. But it's going to take a change in behavior. We don't mind name-calling. They keep calling us the "Great Satan." That doesn't bother us. Sticks and stones—remember the old adage—will hurt your bones. The names don't hurt you, but performance is what we're looking for. I don't see so far any sign of change.

I held out the olive branch at my inauguration speech, and I said, Look, we want better relations with Iran. I remember when we had good relations. We like the Iranian people. We have a lot of Iranians living in this country. I said, Look, you want better relations, do what's right, do what's right by people that are held against their will; we've seen no movement. I would repeat that offer tonight.

Q. The other day you picked up the phone and talked to Richard Nixon about China. I'm wondering, since you know some of the Chinese leaders personally, why you don't pick up the phone and talk to them.

A. I tried today. Isn't that a coincidence that you'd ask that question? [Laughter]

Q. And what did you learn?

A. The line was busy. [Laughter] I couldn't get through.

Q. I'm wondering if you learned anything from those phone calls about who's really running China?

A. I said I couldn't get through. And I talked to our Ambassador, knowing that we'd understandably get questions on China tonight, and the situation is still very, very murky. And that's the way it's been.

I remember being in China when the way we'd tell who was winning and who was losing, who was up and who was down—we'd send people out around town to count the red flag limousines. And then they'd say, Oh, there's 30 of them gathered here; there must be an important meeting. Everybody'd hover around trying to see who emerged or who stood next to somebody on a parade on festival day. It's opened up much more than that. There have been dramatic changes since then.

But in terms of our trying to figure out their internal order, it is extraordinarily difficult. I did try to contact a Chinese leader today, and it didn't work. But I'm going to keep on trying. I want them to know that I view this relationship as important, and yet I view the life of every single student as important.

. . . .

Q. Earlier you made reference to Deng Xiaoping, suggesting that he may, if I read you right, not necessarily have been responsible for the actions. You said that he was a reformer, twice out, back in. What were you trying to say? Do you have information that he is not—

A. I was trying to say that I don't know. And I'm trying to say you don't know. And he doesn't know, and she doesn't know. And nobody knows—outside. That's the way the Chinese system works. So for us to read every day some new name out there—it just isn't right. I don't want to misrepresent this to the American people. But what I do know is that there are events over there that—it doens't matter who's in charge—we condemn. There's a relationship over there that is fundamentally important to the United States that I want to see preserved. I'm trying to find a proper, prudent balance, not listening to the extremes that say, take your Ambassador out; cut off all food to the Chinese people so you show your concern. I think we found a proper avenue there, but I cannot—and you ask a good question—I simply cannot tell you with authority who is calling the shots there today.

Q. When you were in China earlier in the year, you met with Li Peng, and I believe you told him that China was exempted from your policy review because you knew China, you understood China. Have you been let down personally? Have you been misled in any way?

A. I feel a certain sense of personal disappointment. But they weren't exempt from the norms of behavior that are accepted internationally in terms of armed people don't shoot down unarmed students. Nobody suggested that.

There was an interesting point in there—and I don't want to delve into the detail of private conversations—but one of the Chinese leaders, a very prominent name, told me, "We want change, but people have to understand it's very complicated here, how fast we move on these reforms. We've come a long way." And, indeed, they did move dramatically faster on economic reforms that I think any of us in this room would have thought possible.

But what hasn't caught up are the political reforms and reforms in terms of freedom of expression. The freedom of press caught up a little bit; but it hadn't gone, obviously, nearly far enough. Now there's martial law and censorship. But we were cautioned on that visit about how fast China could move. Some of it was economic, and clearly, some of the message had to do with how fast they could move politically.

. . . .

Q. Back to China. There are reports tonight that the government there has begun rounding up the student leaders, who face at the very least, persecution, at the most, possibly charges of treason and whatever punishment that will bring. You have talked tonight about your strong desire to keep this relationship going and to keep the dialogue and all our business as usual moving forward. If the—

A. Not all of them. Excuse the interruption—

Q. Except for the military—

A. Yes.

Q. Except for the military. If we find out that the people who perpetrated the killings in Tiananmen Square and who were rounding up these students are running the government, can the United States maintain fairly normal relationships with them, given our aim to foster human rights and promote democracy?

A. It would make it extraordinarily difficult. But the question is so hypothetical that I'm going to avoid answering it directly. Anything that codifies the acceptance of brutality or lack of respect for human rights will make things much more difficult. There's no question about that.

Q. There are 20,000 Chinese students in the United States.

A. Yes.

Q. Many of them have spoken out. Are you prepared to grant them political asylum in this country, should these—

A. They're not seeking asylum. I'll tell you why I answer the question that way. They're not seeking asylum. We had four of them in the other day. And the first thing that one of them—Jia Hao—said, "I love my country." And he wants to go back to his country. What I have done is extend the visas so that people are not compelled to go back to their country. He's not seeking asylum. This man is not going to turn his back on his own country. He wants to change things. But he also wants to know that he is going to be safe, and I don't blame him for that. So, it's not a question of all these people—asylum is a legal status, and that's not what they're looking for.

Q. —in light of the student roundups. I mean, if they face—

A. I think it's appalling, and so I would simply say that what we've al-

ready done—would say to these people, You don't have to go back. But I'm not going to ask them to turn down the flag that they love and turn their back on China. These are patriotic young people who fear because of seeing their own brothers and sisters gunned down. But they're not seeking asylum. They don't want to flee China; they want to help change China.

Q. We can discuss another communist country for a while. Your attitude toward the Soviet Union seems to have shifted a bit since you became president, from deep skepticism to seeming acceptance of their intentions. Do you now accept Mr. Gorbachev's sincerity in regard to his pledge of new thinking? And can you tell us a little bit about why you've changed—

A. I don't think it's shifted as much as you think. I don't think it's shifted as much. What I did was to say, We need a time to make some prudent investigation and discovery and then to go forward with a proposal. And we've done exactly that. The proposal we made at NATO has unified the alliance, and some of the leaders told me that it's more unified than it's been in history. We've made a good proposal now, and I hope the Soviets will take it on good faith, and I am encouraged by the response to far.

Having said that, in dealing with the Soviet Union, I am going to continue to keep my eyes wide open. I will also say I want to see *perestroika* succeed. I want to see it succeed, not fail. And I told Mr. Gorbachev that one-on-one last fall at Governor's Island. I don't think he believes that I view this as some kind of a cold war relationship or that I want to see *perestroika* fail. He did say that he felt there were some elements in this country that did. But I hope that now he knows that I don't look at it that way.

Q. Do you accept that he is sincere in terms of—are you operating on the assumption that he is sincere when he says he's interested in new thinking in international affairs?

A. He's already demonstrated that he's interested in new thinking. Who would have thought that we would sit here and, on televison, see a relatively lively debate? It's nothing like our Congress, but it had some similar aspects to it. I think he has already demonstrated his commitment to change and to reform.

But there ways now to solidify these changes. They have 600,000 troops, and we have 305,000. I made an offer to him. I said the best way to guarantee stability and less warlike attitude is to go to equal numbers. They are being asked to take out many, many more troops than we are. But I've said, What's wrong with being equal? The United States will have 275,000 troops deployed, and you, sir, will have 275,000. So, here's a test now. Nobody can argue the inequity of that, particularly since we've put aircraft and helicopters and these other categories on the table.

I am inclined to think that if I do my work properly and we keep NATO moving forward on this quick timetable, that we can succeed. And if we do, he will once again have demonstrated his desire for change.

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Q. Some of the critics say that, despite your rhetoric, General Noriega can sit in Panama for as long as he wishes, in effect laughing at you, laughing at the United States. Can you do anything about it? Should you?

A. You know, as you look around the world and you see change, respect for the election process, I would simply say Panama is not immune. We're all traumatized, and properly by the terrible excesses in Tiananmen Square. But I haven't forgotten the brutal beating of Guillermo Ford in Panama [opposition Vice Presidential candidate], and the world hasn't forgotten it. European public opinion has changed dramatically as they look at Mr. Noriega now. It is my fervent hope that the Organization of American States will stay with their mission and will keep working on their mandate until Mr. Noriega leaves.

Let me repeat an important point here. I think there is some feeling in Panama that we are against the PDF, the Panama Defense Forces. We have no argument with the PDF. Many of their people have trained in the United States. We respect the Panamanian people. The problem is Noriega. If he gets out and they recognize the results of a freely held election—and certifiably freely held, I will say—they would have instant improved relations with the United States.

I am not going to give up on this. I think we're proper to use multilateral diplomacy in this instance, as well as doing what we can bilaterally; and I intend to protect our treaty rights, for example, and certainly the best I can to guarantee the safety of Americans.

Q. The agreement between Bonn and Washington on the nuclear issue only temporarily bridges the differences. At what point do you visualize the Lance missile going into Germany, and can any German Government accept it?

A. That matter has been properly deferred under the agreement at NATO. Research can go forward, but the deployment matter has been properly deferred, and let us just go forward on the NATO arrangements that were announced in Brussels. Yes, there are differences. You're absolutely right. There are differences in Germany on this whole question, not just of the Lance follow-on but a whole difference there on the question of SNF, short-range nuclear forces. It is in our interest to quickly move forward, because if we can get [it] implemented within our timeframe, the agreement on conventional forces, that will take a tremendous amount of pressure off the Germans on short-range forces.

Q. Poland—there was no question about Poland. I'm a Polish reporter. Maybe you would answer a question about—what are you expecting from your visit to Poland?

A. She's got a followup. You've misunderstood. She got a followup question.

Q. NATO was regarded as your success because of your initiatives there and—but isn't the West German challenge just the first of many, now that the Soviet threat is diminishing in Western Europe?

A. But let me use this question to reply to the question about Poland, too. There will be new challenges for NATO, as the level of concern about armed conflict reduces. I will keep reminding our friends, and they will keep reminding me, that we must keep whatever force is required to deter war. But part of what's happening—and I'm glad the gentleman raised Poland—is this quest for democracy in Poland. If that goes forward, I can see a much better relationship for the United States with Poland, in one that will, in Poland itself, convince the people that they have less of a stake in military confrontation or in a East bloc confrontation with the West.

So it is fascinating—the change that is going on there. It is absolutely fascinating. And we should be positioned. I'm going there to tell this to the leaders: We want to work with you. You've got to reform your economy. We don't feel that you have any bad intentions toward the United States, but we want to see this policy of differentiation continue. When a country moves like Poland did, down democracy's path, the United States should respond as best it could.

[1]Texts from Weekly Compilation of Presidential Documents of June 12, 1989. ■

American Leadership in the Pacific

Vice President Quayle's address before the American Business Council in Singapore on May 3, 1989.

As everyone knows, we are only 11 short years away from the end of the century and the beginning, not only of a new century but a new millennium. At a time like this when the shape of the future is on everyone's mind, it's especially appropriate for the new American Administration to consult with its Asian friends and to lay out its perspective on the developments in this critical region of the world. It is also important to solicit the views of our friends.

I can tell you the discussions with Prime Minister Lee [Kuan Yew] and others were very revealing. Complete understanding of the geopolitical concepts that are involved, the discussions, and challenges—not only today, but what our challenges are going to be in the future—were very much on both of our minds. President Bush made a trip to Asia last February, and now I am back—two trips within the first 100 days of this Administration to Asia show the importance of this region of the world to the United States. My trip here will provide me with first-hand experience of an area where amazing advances in economic growth and technological development guarantee it an important role in the years to come.

But it is also an opportunity to make some fundamental points about America's view of itself, and its role in Asia and the Pacific in the years ahead. Perhaps the most spectacularly accurate political prediction of all time was made by the great French social critic and student of democracy, Alexis de Tocqueville. Writing back in 1835, De Tocqueville declared:

> . . . there are at the present time two great nations in the world which seem to tend toward the same end, although they started from different points: I allude to the Russians and to the Americans. Both of them have grown up unnoticed, and while the attention of mankind was directed elsewhere, they have suddenly assumed a most prominent place among nations. And the world learned of their existence and their greatness at almost the same time. The American relies upon personal interest to accomplish his ends, and gives free scope to the unguided exertions and common sense of the citizens; the Russian centers all the authority of society in a single arm. The principal instrument of the former is freedom; of the latter, servitude. Their starting point is different, and their courses are not the same, yet each of them seems to be marked out by the will of heaven to sway the destinies of half the globe.

These words were written at a time when the notion of a global destiny could not have been more remote from the minds of most Americans. Yet in the 150 years since De Tocqueville delivered his prophecy, America and the Soviet Union have, indeed, come to sway the destiny of the globe. The question is, will they continue to do the same thing in the 21st century?

As everyone now recognizes, an extraordinary ferment is currently underway inside the Soviet Union on almost every issue. Wide-ranging and potentially explosive debates are in progress. The failure and abuses of the Soviet system are not only admitted but exposed in astonishing detail in the official Soviet press. The need for a fundamental restructuring of the Soviet economy and policy appears to be accepted by virtually all currents of political opinion in the Soviet Union.

What does all this mean for the future of the Soviet empire and Soviet global ambitions? I think it is fair to say that the new Soviet policies—*glasnost*, *perestroika*—derive from the recognition by the Soviet leadership that their system has failed and that their country has fallen behind—not only America and Europe but also many nations in the Pacific. Their propensity to center all authority of society in a single arm, as De Tocqueville put it, is poorly adapted to the emerging realities of the next century—a century where political, economic, and social openness will increasingly be seen as keys to national success.

Whether the Soviet system can successfully adapt to the 21st century is, of course, an open question. We certainly wish the long-suffering Soviet people good will. We applaud recent measures to increase openness in the press, to ease restrictions on religion, to take the first faltering steps toward democracy, and to contribute constructively to settling certain international disputes.

Nevertheless, barring some really radical and fundamental shift in the very basis of Soviet power, it's hard to see how the Soviets can continue to play the global role to which they so clearly aspire. At present, the basis of Soviet power is the Soviet military establishment—that goes without saying. Yet it is becoming increasingly clear that the economic performance of the Soviet Union is inadequate to support such massive military forces or military efforts of client states whose own economies are also declining or in collapse.

America's Unchanging Fundamental Principles

Let me turn now to my own country, the United States. I think of the most striking facts about my country is that today, as in the days when De Tocqueville first issued his famous prophecy, "America continues to give free scope to the unguided exertions and common sense of its citizens." Although a great deal has happened in the world between Andrew Jackson's Administration and George Bush's Administration, America's fundamental principles have remained unchanged. People who accuse the Americans of being inconsistent and fickle would do well, I think, to bear fundamental fact in mind.

Of course, we Americans have often been taken to task for adhering so tenaciously to our convictions. Our critics argue that perhaps the democratic form of government worked well enough in the United States, but it was hopelessly unsuited to other parts of the world. It was particularly inappropriate to the Third World, we were told, because most Third World peoples lack a democratic tradition and because

economic development requires centralized control and planning.

Yet today, it is clear that democracy—personal freedom within a framework of representative government—is, indeed, the wave of the future. In Latin America for example, most nations have either recently accepted democracy or are moving clearly in that direction. While in Asia, old traditions of authoritarian government are fading fast from the scene. At the same time, free markets and private initiative are the new guideposts to economic development, for the simple reason that their principles of economic organization clearly work. The nations of the Pacific rim, in particular, have shown the world that free enterprise economies are at least as effective in the developing world as they are in the more industrialized nations.

Is it a mere coincidence that democratic governments and free-market economies are developing side by side throughout the world? It is not a coincidence. I think it is not. Rather it seems to me that economic development and political freedom are two sides of the same coin. Both are necessary to achieve genuine modernization.

Continuing U.S. Global Commitments

Let me return to the rather special case of the United States. While most are willing to acknowledge the remarkable dynamism of American society, some question whether America will continue to fulfill the promise that De Tocqueville predicted for it. Certain critics question whether America has the discipline or the determination to remain competitive in the global environment or to manage its fiscal problems in a responsible manner. Others point specifically to America's security commitments and wonder whether it can continue to shoulder the burdens of a far-flung alliance system.

The United States, critics say, is a nation in decline, our budget and trade deficits are symptoms of a deeper malaise. The burden of international leadership has grown too heavy for America to bear. If we are to avoid disaster, we must pull back from our global commitments. That way, at least, we can decline gracefully.

Books predicting America's imminent fall from world leadership have made the best seller list in my country. Prophets of American decline have become virtual academic celebrities. That being the case, what are our friends in Asia, and the rest of the world, to conclude? Will the United States remain a key player in the Pacific region? Can it still be relied upon to sustain the security commitments which have helped preserve peace and stability in an area of geopolitical and ideological conflict?

As you and other members of the international community address these questions, there are four important factors that you should bear in mind. Perhaps the most important thing to remember about the current wave of "declinist" thought in the United States is that it is hardly a new phenomenon. On the contrary, since the end of World War II, Americans have been periodically scaring themselves with visions of imminent collapse.

The first such scare occurred back in 1957 and 1958, in the wake of the Soviet missile launches of Sputnik. The fashionable fear that swept the United States then was that Soviet technological superiority had relegated us to a position of permanent inferiority. Of course, these fears proved to be groundless. The United States quickly regained the lead in military high technology. Today, as a result of revolutionary advances in strategic defense systems, low observable or "stealth" aircraft, and other advanced aerospace technologies, this lead, in all probability, will become wider.

The second great scare occurred at the end of the 1960s, when it became fashionable to argue that the United States and Soviet Union were both losing their primacy. The bipolar world of the immediate postwar period was said to be giving way to a five-cornered world in which Japan, China, and Europe would enjoy superpower status. Twenty years later, however, this development has yet to occur.

This was quickly followed by a third wave of pessimism, triggered by the OPEC [Organization of Petroleum Exporting Countries] oil embargo of 1975, which envisioned the United States as a helpless giant unable to secure the energy resources necessary to support our growing economy. Then, in the late 1970s, the Soviet Union once again became the focus of the fourth declinist wave of thought, as the American withdrawal from Southeast Asia, together with a series of Soviet foreign policy successes, led many to conclude that the global "correlation of forces," as they called it, had shifted decisively in the favor of the Soviet bloc. All these fears enjoyed a considerable intellectual vogue for a time; yet again, all were proven to be false.

The Condition of America Today

What is the truth about the condition of America today? The truth is that there are fundamental sources of strength in the American economy that are ignored by the prophets of decline. The United States is entering its 78th consecutive month of economic growth, the longest period of peacetime economic expansion in American history. During this period, real per capita income for Americans has risen more than 15%. Employment has grown faster in the United States than in other leading industrial nations, more than 2½ times faster than Japan, for example. We have produced more than 17.5 million jobs over the last 6 years, more than Western Europe, Canada, and Japan combined, and average U.S. productivity is greater than that of any other major industrialized country. Strong productivity growth, combined with wage restraint and adjustment in the foreign exchange value of the American dollar, has restored the international competitiveness of U.S. manufacturing. In fact, recent labor costs in the United States relative to other major industrial nations fell 41% between 1985 and 1987, and we are now lower than they were in 1980.

The result has been a dramatic improvement in our trade balance. The trade deficit has fallen from a peak of about $170 billion to an annual rate of about $120 billion, according to the most recent statistics. Perhaps an even more telling sign of our competitive strength is that exports have risen dramatically over the last few years, growing by an impressive 27% in 1988 alone. I think that it is safe to conclude that the United States remains healthy and vigorous despite, or perhaps because of, a certain brooding and self-critical disposition. The United States will continue to be engaged with and open to the world. We recognize that some nations are advancing rapidly in economic power and that others rival us in military power. No nation, however, either now or in the foreseeable future, ranks as high as the United States in virtually all the major sources of national power: population size and education, natural resources, economic development, political stability, social cohesion, military strength, ideological

appeal, diplomatic appliances, and technological achievement.

U.S. Leadership and Security Roles

Because it is such a multidimensional power, America has a unique leadership role to play in the Pacific. Let me be very clear, we intend to play it. We will, therefore, continue to work closely with our Asian friends and allies to keep our markets open, to support free trade, and to oppose what President Bush has aptly called, "the fool's gold of protectionism." We believe that an open trading system is good for all countries—importers as well as exporters. Our goal is to open markets, not close them, to create an ever-expanding international trading system based upon fair and enforceable rules. We prefer to use multilateral negotiations to achieve our objectives, but we will also engage in bilateral efforts and take selective unilateral actions where these can be effective and where they are necessary for opening foreign markets to U.S. goods and services. While pursuing this active agenda with our trading partners, we will work equally hard to ensure the openness of the U.S. economy to fairly traded goods and services.

What, then, of the American security role? Here, too, our fundamental objectives remain constant. Globally, the containment of Soviet power remains the cornerstone of American foreign policy. The doctrine of containment, as originally formulated, called on the United States to confront the Soviets with an "unalterable counterforce at every point where they show signs of encroaching upon the interests of a peaceful and stable world." Were we to do that, it was predicted, we would "promote tendencies which must eventually find their outlet in either the break-up or the gradual mellowing of Soviet power."

For the past 40 years, America has pretty much followed this course; with some notable exceptions, we have succeeded in containing the power of the Soviet Union and its clients. The result has been, more or less, what the architects of containment predicted it would be: deprived of the aura of historical inevitability, the Soviet system is being forced to confront its own "internal contradictions." Meanwhile, sheltered behind America's broad shield, the nations of the free world, both here and in Europe, have made brilliant use of the time America's containment policy won for them and have succeeded in overcoming the legacy of war and devastation to become vibrant and robust societies in their own right. The recovery of our European and Asian allies under America's security umbrella must surely be reckoned as one of the greatest foreign policy successes of our time and irrefutable demonstration of the fact that America advances its own interests best when we foster the growth and security of our friends and allies.

The very success of containment poses new and difficult challenges. The new political dynamics of reform in the Soviet Union and some of its client states afford important opportunities for advancing Western interests. At the same time, a new instability and unpredictability has been introduced into the East-West equation. There are promising signs of change in Soviet security policies. But these have not yet been translated into substantial reductions in the overall Soviet military threat, while their political impact in the West has been quite enormous. With declining levels in East-West tension, it is all too easy to neglect the requirements of national security and the maintenance of strong alliances. Declining concern for security issues is also bound to raise substantially the political importance of interallied frictions over trade and other economic issues.

In light of the current developments, it is all the more vital for the United States to maintain an active role and presence in the Pacific. Now, more than ever, it is necessary to affirm and cultivate our alliance relationships. These relationships are not intended solely to address urgent needs or immediate threats. They are a reflection of abiding geopolitical realities. The United States and its Asian friends and allies must take the longer view of our collective security requirements. We must be more mindful than ever of the fact that the strength of the alliance relationships rests not on military power alone but on shared political purposes. U.S. policy in Asia will also continue to insist that democratic political institutions, with a commitment to openness and criticism, are the surest means of building a national political consensus—the foundation of true security. We will continue to support democratic reforms as they develop naturally, even while recognizing that there is no set pattern for democracy and no standard or assured outcome to processes of political change. We will continue to monitor human rights practices and to register our concern when we think fundamental freedoms, including the open press, are violated.

Future Peace Through Strength

When Americans and Singaporeans look to the future, we both share similar evaluations of the evolving international situation. We both agree on the necessity of peace through strength. We both agree that we must complement military deterrence with an active diplomacy that seeks political solutions to regional tensions. We both condemn Vietnam's illegal occupation of Cambodia and are united in calling on Hanoi to withdraw completely its remaining forces in Cambodia. We agree that once Cambodia has achieved a genuine end to Vietnam's occupation, free elections should be held under, a transitional government led by Prince Sihanouk. We agree that the discredited Khmer Rouge must never be allowed to seize power again.

As far as the Soviet role in the Pacific is concerned, the United States and our Asian friends agree that the Soviet Union must be judged by its actions, not by its rhetoric. The Soviet Union has placed the improvement of its relations with China on the top of its agenda; General Secretary Gorbachev will be visiting China shortly. We believe that lessening Sino-Soviet tensions is a logical course for both nations to pursue, and we have no objections to it, provided that any new relationship harms neither our own interests nor those of our friends and that it directly addresses our common security concerns.

More generally, we recognize the Soviet interest in sharing in Asia's economic boom and in increasing its access to the region. But Moscow has a long way to go to achieve this goal. Besides reforming itself, the greatest contribution it can make to reducing tension and building confidence in Asia would be to end its military presence in Vietnam and its support for Vietnam's occupation in Cambodia. In pursuing our common destiny in the Pacific, the United States looks forward to strengthening and deepening our friendship with Singapore. Your role in Asia and, indeed, the world testifies to the fact that a nation's influence is a function not of its size but of the character of its people and the quality of its leadership.

Singapore's commitment to market principles has made an inspiration to developing countries around the world. Singapore's unwavering commitment to free trade has made it a model for economic development. We welcome Singapore's interest in pursuing a "U.S.-ASEAN [Association of South East Asian Nations] initiative" and look forward to a dialogue with ASEAN in the coming months to discuss this initiative and others like it. Singapore's role in ASEAN has made it a force for patience, unity, and steadfastness in Southeast Asia. And Singapore's role in the United Nations in the nonaligned movement has served to encourage moderation, reasonableness, and peaceful resolution of disputes. These are qualities that Americans deeply admire and that we ourselves seek to emulate, as we both face the challenges of the 21st century.

Our two nations have much in common. We have common objectives and concerns. I came to Singapore impressed by its people and its capacity for economic growth, and I leave with strong favorable impressions of Prime Minister Lee, his younger generation of leadership, and the Singaporean people who have created this economic miracle. ■

After the NATO Summit: Challenges for the West in a Changing World

Secretary Baker's address and excerpts from the question-and-answer session at the National Press Club on June 8, 1989.[1]

I know that most of you know that on NATO's 40th anniversary, we, the United States, and our allies renewed our commitment to collective defense, and we renewed our commitment to democratic values. But we did more than that. We also committed ourselves to an ambitious mission for the years ahead, and that mission is to make from a divided Europe, a new Europe, a Europe that is whole, a Europe that is free, and a Europe that is secure. This mission, of course, has far-reaching security, political, and economic implications for NATO but also for the West as a whole.

NATO's Security Proposals

So let me begin with the security proposals which we discussed at the 40th anniversary of the North Atlantic Treaty Organization. From its inception, NATO has sought to protect the West's democratic values by preventing war. It's been very, very sucessful. The Soviet threat has imposed on the members of the alliance a significant burden of defense, but, through four sometimes tense decades, we have been able to avoid armed conflict.

Now a combination of Western strength and pressing economic problems within the Soviet Union appears to have convinced Moscow that the arms buildup really leads us nowhere. All NATO leaders acknowledge that a ray of hope has dawned—hope that Europe, the most heavily armed continent in the world, can really begin to disarm; hope that through negotiation and responsible action by governments, ways can be found to make all of us safer at lower levels of risk. But, I think we should all recognize that the dawn is not the day. That's why the President advanced proposals at the summit to bring us closer to that day when the shadow of still-threatening Soviet conventional advantages will be lifted.

The President's Conventional Parity Initiative promises to accelerate and lock in a potentially historic change in the balance of military forces in Europe. If accepted by the East, this initiative would reduce the size of NATO, and it would reduce the Warsaw Pact's conventional forces to equal and stable levels. These levels would substantially reduce the threat of surprise military attack and substantially reduce the danger of large-scale offensive operations against Western Europe.

I want to add here an observation about the summit process and about NATO itself. This summit, I think, showed beyond a shadow of a doubt that the alliance does have the flexibility to change while at the same time preserving and even enhancing its core principles and values. NATO's agreement on a comprehensive concept, including an agreement on short-range nuclear forces (SNF), demonstrates that we can maintain deterrence under new and changing political conditions.

In light of the conventional imbalances, the alliance agreed that the short-range nuclear forces negotiations leading to ***partial*** nuclear reductions would begin but only—and this is very important—only after the implementation of a conventional forces agreement is underway. We and our NATO partners further agreed that any short-range nuclear forces reductions will not be implemented—they'll not be carried out—until the results of the conventional forces agreement have been implemented.

The economic and the political consequences of the President's security initiatives are far reaching and profound. If the Soviet Union truly wishes to channel needed resources from the military to the civilian sector, then these new proposals surely offer the opportunity. If the Soviet Union truly wishes the process of political reform in Eastern Europe to proceed freely, then the removal of 325,000 troops will surely reduce fears of Soviet military intervention.

These proposals point clearly to a long-term, dramatic transformation in Europe's strategic and political landscape. The time is ripe for General Secretary Gorbachev to respond positively to the opportunities presented by these initiatives. Indeed, we look for him to do so when he travels to the Federal Republic of Germany next week.

As the alliance came to agreement on the SNF issue last week, we added

an important call to the Soviet Union: We urged the Soviets to reduce unilaterally their short-range nuclear systems to NATO levels. Next week, the General Secretary can sustain this new spirit by answering this call and by announcing a real cut in Soviet short-range nuclear forces. But whatever Mr. Gorbachev's response, I think we should remember that the West's efforts are aimed at removing more than just Soviet divisions; they are aimed, in fact, at removing the division of Europe itself.

Beyond Containment to a New Europe

The Brussels summit also affirmed that NATO's mission goes beyond the military dimension of East-West relations. We want, as the President has said, to move beyond containment to a new Europe—a Europe that is whole, and a Europe that is free. That Europe is defined by a community of free nations from which no one is excluded. Its borders are set not by geography or barbed wire but by the reach of democratic freedoms. Its pursuits are the ways of peace, and it grows through the force of ideas. Today, it stretches from Montreal, San Francisco, and Rome to Tokyo, Helsinki, and Melbourne.

It is the community for which Chinese students have sacrificed their lives on the hard pavement of Tiananmen Square. It is the community of thought to which Sakharov belongs. It is the model in the minds of Hungarians and Poles as they strive to hammer out social compacts between government and the governed.

NATO has signaled its intention to engage in political and economic outreach to the East. We and our alliance partners realize that the cold war which began with the Iron Curtain and continued with the Berlin Wall can really only be ended there. It can only be ended when imposed barriers no longer separate East and West—East and West Europeans, East and West Germans, East and West Berliners.

Therefore, we've called upon the East to bring down the wall that makes our common European home a house which is really divided against its will. And, as an expression of our determination to increase contact and cooperation, NATO reiterated its commitment to improve the quality of life for Berlin's inhabitants through the allied Berlin initiative. This effort seeks to make ***all*** of Berlin a free and prosperous city—a symbol of a Europe that is itself free and whole.

The President has offered five new proposals that would help overcome the division of Europe by fostering the spread of democratic ideas and the decentralization of political and economic authority in the East.

First, in the economic sphere, the President seeks to encourage private initiative and private institutions in the East. We want to make sure, of course, that we avoid the costly mistakes of the 1970s, when we allowed unproductive public sector debt to accumulate. The European Community is becoming a magnet for the East; in effect, an agent for change. We urge the European Community to reach out toward Eastern Europe, particularly after 1992, when Western Europe becomes a single unified market.

Second, in the political sphere, the President seeks to encourage greater political freedom. That can best be done through contacts with free press associations, universities, trade unions, and other organizations that have sprung up in the East. He has asked Western counterparts to establish ties with these new groups. We have experience; they have the need; and we can both benefit from the new relationship.

Third, the President has urged the free political parties of Western Europe and the United States to establish relations and help foster new parties in the East.

Fourth, the President has called for self-determination for all of Germany and for all of Eastern Europe. He has urged that the question of free elections be placed prominently on the agenda for meetings of the Helsinki signatory states. The world cannot fully enter a new age of normalized relations between East and West until the peoples of all nations can freely choose their own destinies.

And **fifth**, the President has proposed that East and West work together on environmental problems. Can there be any greater symbol of the promise and the problems that East and West face together than the Chernobyl nuclear disaster? A supreme technological achievement, when you think about it, the unlocking of nuclear energy, was mocked by the failure of those who designed and ran the plant to control it. Instead of pointing the finger of blame for this and other pollutions of our environment, we extend, instead, the hand of cooperation. We can offer training, assistance in drafting laws and regulations—in short, our whole experience in dealing with these issues. And we can look to develop joint projects to control the pollution that knows no walls or borders and that threatens the health and beauty of Europe.

Forty years ago, we and our NATO partners pledged to "safeguard the common heritage and civilization" of Europe against our common enemies. As the President pointed out, Europe's environment is the common heritage of all Europeans, and we must all work to protect it. Defending Europe's environment from the threat of pollution is just another way for the West to fulfill NATO's mission of making Europe safe and making Europe whole.

President Bush's July trip to Poland and Hungary prior to the Paris economic summit demonstrates his seriousness about reaching out to Eastern nations. The President is convinced that the East can progress only through both political and economic changes. To stand in the way of such necessary, historic change—as we are seeing to our outrage and sorrow in China—is to turn one's back on the future.

Beyond Europe to the Global Community

That future promises to be a demanding one for all nations—even ours in the West with proven political and economic track records. From the beginning, we and our Western allies recognized that our efforts to prevent war and to advance democratic values on the European Continent were really fundamental to world peace.

Today, as tensions ease in the Soviet Union and Eastern Europe, the President and other NATO leaders acknowledge that the West must begin to turn more attention to other areas of concern to the world community. Together, we and our allies met the daunting challenges of a postwar world. So today, as that postwar era is succeeded by new times, we really must tackle a new and a different set of challenges, and I want to cite three of those in particular.

First, we face a series of regional problems that, if untended, can affect nations near and far with grim consequences. Perhaps it's time for our friends and alliance partners to consider mechanisms to deal collectively with these regional conflicts. For example, working bilaterally and in par-

allel with several of our European allies, we and other nations responded very effectively when Iran's actions threatened vital shipping lanes in the Persian Gulf.

Second, the spread of ballistic missiles, chemical weapons, and possibly even nuclear weapons to countries engaged in regional conflicts is very, very dangerous. The trends are very alarming. At least 15 developing nations could be producing their own ballistic missiles by the year 2000. The spread of these missiles will put states in volatile regions on hair triggers and will increase their incentives to acquire or deploy chemical or nuclear weapons. Can there be any doubt that such developments constitute an increasing danger to world peace? The time is growing short for effective approaches to deal with these problems. Further steps—both individual and collective—are necessary to strengthen international barriers to proliferation. We must continue to support the nuclear nonproliferation regime, and we must strengthen the missile technology control regime. Building on the work of the recently concluded Paris conference on chemical weapons, we must continue our joint efforts toward banning these weapons of terror.

And, **finally**, like the problems of proliferation, transnational dangers such as environmental hazards, terrorism, and the drug trade ultimately respect no political boundaries. They pose new threats. But they also create opportunities for creative responsibility sharing and cooperation where none existed before.

The President discussed all of these points at the summit in Brussels, and we have been gratified by the response. The NATO leaders agreed to consult and to coordinate among themselves with respect to these issues, and we will continue to lead the allies in working toward solving these very, very pressing problems.

Creative Responsibility-Sharing

Finally, I want to discuss a very important concept that the President broached at the summit. The best way, we think, to proceed with our alliance partners—indeed, with all nations—in this changing world is to engage in what the President has called "creative responsibility-sharing."

In the past, we heard a lot about "burdensharing," which was a concept that at first, at least, was narrowly applied to defense cooperation within our alliance system. And, in the defense area, many of our European partners ***are*** working toward a more efficient European defense industry. We endorse these efforts, particularly those of the independent European program group and the West European Union to develop wider armaments cooperation. And, by continuing our own efforts to stimulate codevelopment projects, the United States will promote joint armaments development and production and over time will improve efficiencies and reduce the costs of defense.

But, "creative responsibility-sharing" is really a broader concept than burdensharing. It embraces issues such as how we define threats to our security, how we divide up responsibilities, and who we engage in responsibility sharing. It applies to a broad range of issues on the international agenda.

Today, for instance, we must think more broadly about how we define "security" in the long term. Environmental concerns violate the integrity of Europe. Conflicts around the world—regional conflicts—threaten the supply of vital resources to our Atlantic and Pacific allies. Chemical and ballistic missile proliferation pose dangers to the entire world community—to our allies, friends, and adversaries alike.

So the West must consider how best to divide responsibility for our wider security needs among our friends and among our alliance partners. We must learn to pool our various strengths. Countries having differing capabilities, experiences, and know-how can lend each of these capabilities, experiences, and know-how toward meeting the security challenges which we together face. I think, for example, that some countries, given their historical involvement in particular regions, can play key diplomatic roles to resolve conflicts. Still others, I believe, are well-placed to help with problems of economic development and problems of debt.

An expanding global economy, development in the Third World, and the resolution of Third World conflicts are all critical to global progress. Already, our Pacific ally Japan is using its great wealth to foster economic development in the Third World. I would note, of course, that everyone bears a responsibility to contribute to global growth.

Clearly, I think we must also think creatively about the private sector's role in efforts that can contribute to our security. For example, as I mentioned earlier, we can facilitate private efforts by Western trade unions, businesses, industry, and the scientific community that would foster political and economic reform in Eastern Europe.

Conclusion

So let me sum up where I think NATO and the West stand today in relation to the challenges of a changing world.

NATO has always—not always been perceived to be—but has always been more than simply a military arrangement. It began as a community of nations sharing a common vision of Europe, a vision of free peoples working peacefully together to advance democracy. Now we have very nearly achieved that vision. Western Europe, today, is a model of democratic values. It's an economic giant, and it is a pillar of Western security.

In Brussels, the leaders of NATO committed themselves to the next mission—to bring about a whole Europe and a free Europe, as I said at the beginning of my remarks. Even as we protect the West's security, we must marshal our combined military, diplomatic, and economic strengths in order to reach out to the East. That is because the Soviets and many of their allies are engaged in new thinking—really, I guess we should say ***rethinking***—of their failed policies. The walls of ideological dogma are collapsing and with them the old order of a rigidly divided Europe. Opportunities are now opening for the East to rejoin the mainstream of European and international life.

At the anniversary summit, therefore, we and our allies made the ***next*** 40 years, ***not*** the last 40 years, our point of reference. We forged, I think it's fair to say, a new basis for unity. We advanced toward our objectives of making war both unthinkable and impossible. And, we have set a new course so that the alliance and the nations of the West can bridge at last the East-West divide.

As we in the West look into the future, we rekindle our hope for a Europe that is free and a Europe that is whole. And, as we approach a new century, we renew our commitment to work with all nations to make the world a far, far better place.

Q. Do you think that Gorbachev's efforts to open up Russian society will succeed?

A. We hope they will. We very much want *perestroika* to succeed. At the same time, we have to recognize, I think, that there are some significant problems that have to be overcome. There is, of course, the resistance of a rather significantly entrenched bureaucracy to change—a bureaucracy that has built up over the past 70 years. There are major economic problems that have to be overcome, and there are the problems, of course, in the Soviet Union—the problems of nationalities. These are the three biggest problems that I think the General Secretary faces in his efforts to open up the Soviet Union.

We have said on a number of occasions that we think it is in the best interests of the United States for *perestroika* to succeed, because we think that will produce a more stable, a more secure, and a more open Soviet Union.

Q. What is our view of ethnic disturbances in the Soviet Union?

A. I think those are rather significant problems for the leadership. They have suggested as much, recognized them as such. Our view, of course, is that we stand for freedom, democracy, the right of free speech, the right of assembly. I think that pretty well answers your question.

We'd like to see reform go forward in the Soviet Union. We take note of the fact that, to some extent, the political reform process in the Soviet Union may be a bit ahead of the economic reform process. They have got some major, major steps to take to find their way to a market economy.

I think that perhaps we've seen somewhat the reverse in the People's Republic of China, where the economic reforms got out in front of the political reforms. It is our view that democratic reforms—political and economic—should proceed apace.

Q. Since NATO's prime mission for 40 years has been to deter the Soviet military threat, does the President's conventional proposal indicate we believe that threat has significantly diminished? Or is it based on a hope that the threat will diminish enough to justify fewer U.S. troops?

A. No. It's based on a rather, we think, realistic assumption that if we could get to parity, we would see the Soviet Union and its Warsaw Pact allies having to reduce by significantly greater numbers in all categories of weapons and manpower—I mean, the proposal the President has presented calls for a reduction in U.S. troop strength in Europe of 29,200 and a corresponding reduction in Soviet troop strength of 325,000. So it's based on a realistic assessment by the political and military leadership in the United States that it's in the very best interests of the peace and security of the Western alliance that we see these reductions.

Q. You and the President have encouraged the Soviets to tear down the Berlin Wall. Do you seriously believe that that decision can be made without the consent of the East German Government?

A. We're really not suggesting that it necessarily can be made without the consent of the East German Government. But what we're saying is that this is—we hear the Soviet Union talking a lot about a common European home, and that is their competing vision, if you will, to our suggestion that we should see a Europe that is undivided and free. We argue that you can't talk about a common European home unless the people living in that home are free to move from room to room. The Berlin Wall is the greatest symbol that we see of the fact that under the current system people are, in fact, not free to move from room to room.

We also know, of course, that the Soviet Union has a significant degree of influence as far as the German Democratic Republic is concerned.

Q. Who's in charge in China?

A. Let me suggest to you that we have seen various reports about who's in charge. I think it's too soon, and the situation is too clouded now for us to answer that definitively by suggesting names—throwing names out there for you.

The Chinese themselves, at this point in time, are not shedding a lot of light on this, which I think is another indication of the fact that there is a power struggle going on in China.

Q. Are economic sanctions being considered as a way to bring pressure on China, and can you rule out specifically the use of a grain embargo?

A. The President, in announcing the action that he took several days ago with respect to military sales and the exchange of visits between military advisers, said that he reserved the right to review all options as the situation warrants. For the time being, he has determined that it is important that we maintain the economic relationships that exist now.

In large part, I said a moment ago that I thought the reform process in China—the economic part—got out a little ahead of the political part. But in large part, those economic reforms are what have led to the opening up that we saw before this recent tragic and unfortunate and deplorable crackdown.

We think it's important that we maintain, if we can—depending upon what happens and depending upon the future course of events there—that we maintain these economic ties, because those are the things that for the most part have led to a move toward openness in the People's Republic of China. But the President does reserve his options with respect to all these matters.

Q. If, as it now appears, the hardliners are taking charge in Beijing, will you hand back Mr. Fang, the dissident now in the U.S. Embassy, if asked to do so?

A. Mr. Fang is in the embassy where he took refuge for personal safety reasons. We never discuss questions involving the issue of asylum, and I will not discuss that now. Let me simply say that he asked for refuge in our embassy, and we granted that refuge. We will be motivated primarily by his wishes in this regard.

Q. In retrospect, was the U.S. Embassy in Beijing slow in beginning the process of evacuating Americans from Beijing and other parts of China?

A. No, I really don't think so. I think, frankly, that we were right on the mark, if I might suggest so. I've seen some comment to the contrary. We have had a working group monitoring this situation since the 19th of May on a 24-hour basis. We have been following it very, very closely. I have been following it personally very closely for the past week, or since last Saturday morning, in any event, when the circumstances began to go in the direction they were moving in.

I have been in very frequent contact with the President by telephone and in person on each day since then. When the violence began to erupt on Saturday, our embassy sent some of our officers at some personal risk to these diplomats, if I might say so, into the square to advise Americans to leave. We sent them to the campuses and into town to suggest that they give consideration to leaving.

We have provided for air transportation through contact that we made with some of the private air carriers in the United States. I might say that those companies—United, Continental, and Northwest—have been very, very quick to respond to our pleas for assistance. We now have more air charter capacity than we have people willing to leave. The last airplane that took off an hour or two ago, I think, left with only 68 Americans on board. There are no more Americans at the airport awaiting evacuation from Beijing. There are still some Americans in Beijing, but we have ordered our U.S. Government dependents home. We have strongly suggested that all Americans leave China.

Now obviously, we are not in a position to, nor would we want to be in a position to, force them to do so against their will. But I particularly want to say that I believe that our embassy there and our Ambassador, Jim Lilley, have been extraordinarily responsive to the needs and concerns of Americans throughout this crisis. Not one American has been killed. Only one has been hurt. We were in touch with him immediately after he was injured and taken to a hospital. He has since been released and is ambulatory. So all in all, we are keeping our fingers crossed, maintaining our 24-hour vigilance.

While our dependents are coming out of Beijing, we are maintaining the full staff of other embassy people there so that we can continue to assist people—Americans—to get to the airport and to move about in this very, very chaotic and unfortunate situation.

Q. Are the events in China having any effect on the situation in the Korean Peninsula?

A. There's been no significant fallout as we stand here at this time.

Q. The Iranian leader Rafsanjani today made an offer to help with the nine U.S. hostages in Lebanon. What is your reply to him on this request for U.S. help?

A. He said that if we would help with respect to certain Iranian hostages, I think, who are alleged to be held in the Christian enclave sector of Lebanon—let me simply say that we have provided Iran, on several occasions, with all of the information that we have with regard to the disappearance of these four Iranians in Beirut in 1982. It's our position and remains our position that Iran should move to bring about the immediate and unconditional release of U.S. citizens held by Iranian-supported groups in Lebanon.

Q. Ali Khamenei is the new leader in Iran. Is he a caretaker, and do you expect that relations with Iran will improve?

A. I've just given you our conditions for improvement in those relations. And in addition to seeing Iran move unconditionally and with dispatch to obtain the release of our hostages, we, of course, would like to see them renounce state-sponsored terrorism, which they have been unwilling to do in the past.

I have to say to you I think we're going through a period of great change around the world. One of our challenges, of course, is to relate to that change in an effective and appropriate way.

Before I finish answering your question on Iran, I should throw one other thing in here about China. While the President does reserve options, I think it's important to note he has spent and we in the United States have spent many years in improving the relationship between the United States and the People's Republic of China and encouraging China to move toward democratization. Now we've had a very tragic step backward. But it is important, I think, that we all recognize the importance of this relationship.

Back to Iran. Change is taking place in many areas of the world. Change is clearly going to take place now in Iran. It is my own view, in all probability, there will be a significant struggle for power there, and it remains to be seen whether there will be, in the future, any basis for our improving our relationship with that country.

Q. Could you tell us about the questions Ambassador Pelletreau [Robert H. Pelletreau, Jr., U.S. Ambassador to Tunisia and official U.S. contact with the Palestine Liberation Organization (PLO)] is bringing up in his dialogue with the PLO today in Tunisia?

A. Let me start answering by saying to you that the dialogue we are maintaining with the PLO, we have said on many occasions, should not be and cannot be, as far as we're concerned, an end in and of itself. It can only be productive if it can move us forward toward the goal of peace in the Middle East.

This was the third formal session which we've had with the PLO. Our dialogue has progressed from initial contacts to now the discussion of substantive issues and today to a consideration of serious and practical ways we might progress in a step-by-step fashion toward the goal of a comprehensive settlement through negotiations based, of course, on UN Security Council Resolutions 242 and 338. And we got into a fair amount of substance today in that dialogue.

We, of course, support the proposal that [Israeli] Prime Minister Shamir has advanced for elections in the occupied territories, particularly when you consider that he advanced that proposal in the context of a way to launch a political negotiation. We think this is meaningful. We think this gives us something to work with, to try and move things forward toward peace in this very, very difficult part of the world and with respect to this very, very intractable problem.

Q. Several former U.S. ambassadors have admitted last Sunday that over the past several years, they had over 30 secret meetings with the PLO in violation of U.S. State Department policy and a promise made to Israel by former Secretary of State Kissinger.

The first question: How does this breach of trust with Israel affect possibilities for progress with the problems in the West Bank and Gaza?

And, second, what do you know about the involvement of U.S. citizens and former State Department officials in masterminding the *intifada*?

A. I don't know anything about it, and I take note of the fact you made mention in the question these were ***former*** U.S. Ambassadors. [Laughter]

Let me simply say we now have a dialogue with the PLO, because the PLO has acceded to the three conditions the United States laid out there as preconditions for such a dialogue 13 years ago. So we don't have secret meetings. These meetings are—I mean, they're private meetings, but they're not being held behind anybody's back.

Frankly, this is the first time that I've even heard of this. I hadn't seen *The Washington Post* article, so I can't comment further.

Q. What sort of reaction has your recent recommendations to the Israelis in the Mideast peace gotten from Congress? Many protests?

A. No. I've gotten—you mean the—I guess you're referring to the speech I gave which has received a fair amount of publicity.

But I think it's interesting to note I have received three congressional letters with respect to that speech; two very positive and approving, and one that I would characterize as slightly negative.

But there doesn't seem to be much—if you measure it by the volume, by the number of letters, there wouldn't seem to be that much—as much interest as the question might suggest up in the Congress.

Q. If the mission of the Organization of American States (OAS) to Panama fails, what would be Washington's next step?

A. We're very hopeful, now that all countries in Latin America, save Cuba—which is not a member of the Organization of American States—and save Nicaragua, agree with us there should be a transfer of power in Panama. We're very hopeful, when the mission goes back down there, they will be able to move the process forward.

You're asking me to look into a crystal ball here and suggest what we might do next, and I, of course, am unwilling to do that, because that would probably not be good policy even if I were able to tell you, which I'm not. [Laughter]

Q. How does the Bush Administration's policy on South Africa differ from the Reagan Administration's unsuccessful policy of constructive engagement?

A. I'm not sure that the question is phrased in the right way. If I might rephrase it just a little bit.

Some of us believe that sanctions sometimes are counterproductive. Sometimes they can be quite effective. It's important, if you're going to make a difference with respect to the affairs of any country, that you have an ability to engage that country and you have an ability to move public opinion in other countries in support of your policy *vis-a-vis* that country, that you have an ability to reward or not reward that country.

That was the idea behind constructive engagement. I recognize that the term has been discredited in the sense that was the term that was used to support the policy of the executive branch of the U.S. Government. But the legislative branch had a different policy, and that policy prevailed, and it was a policy of sanctions.

What we would like to do is convince the legislative branch, as I think we were able to do with respect to Central American policy, where we were going off in different directions, and, therefore, the United States could not act in a unified way and could not be successful. We would like to convince the Congress we have the same ends in mind. We seek the abolition of apartheid, which we think is deplorable, and we seek the institution of a nonracial, representative government in South Africa.

I think that is the same goal of those people who supported past sanction legislation and who support additional sanction legislation. Our difference of opinion is with respect to the best way to get there, and we are now engaged in dialogue with the legislative branch to see if we can come forward with an agreed course, so the United States can speak with one voice and might be able to have some impact on what happens in South Africa, because we're having scant impact now.

Q. Were your meetings in Rome with the man likely to be the next head of state in South Africa, William de Klerk, productive, and do you see any sort of a breakthrough coming?

A. I didn't meet with De Klerk in Rome. I met with the Foreign Minister of South Africa [Roelof F. "Pik" Botha]. I thought the meeting was productive. I'll tell you what he told me, which I understand he said before, but which I found very significant. He said, "The days of white domination are over." He said, "We are going to abolish apartheid in South Africa," and he said, "My party and I are going to run on that platform."

Now, the question, of course, is when. The key is implementation. But I thought it was fairly significant that the first time there was a high-level meeting between representatives of that government—and that's the party that's going to succeed, going to probably win the election in South Africa—I thought it was significant that the first time there was a meeting between representatives of that party and the Bush Administration, they would be so definitive in their comments to us and in stating their goals in that way.

Q. Is the U.S. Government prepared to support negotiations between the Najibullah regime and the *mujahidin* in Afghanistan?

A. We will continue our support for the right of the Afghan people to self-determination. We have said before we think it's a question of transfer of power in Kabul, not sharing of power. We don't think there can be self-determination for the Afghan people if Najibullah remains in power.

So our goals in that regard have not changed. Our policy has not changed, contrary to some suggestions I saw a day or so ago in the press. We have spent a fair amount of time yesterday in discussions of this matter with [Pakistani] Prime Minister Bhutto when she was here, and we and our allies in Pakistan will be moving forward together in respect to this question of Afghanistan.

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Q. Back to the loop that you are in, should civil war erupt in China, what position will the United States take? Would the United States support one side or the other?

A. That's too speculative and hypothetical for me to answer. It's a good way to get in trouble; therefore, I won't answer it.

Q. Would you want to flesh out your proposal that the United States and its allies should join in a creative responsibility-sharing to help resolve regional problems? Which regional issues do you have in mind, and which allies could be helpful? Are you suggesting something like the assistance Sweden played last year in influencing the PLO to shift its ground?

A. That's an example, but, of course, Sweden is a neutral country and not an ally. So that would not be a good example from that standpoint. But the NATO alliance includes, for instance, a number of countries that were very helpful when we had to go into the Persian Gulf and assure freedom of navigation.

The British and the Dutch, among others, sent ships in to help with our ships. The Japanese—although they're

not members of NATO, they are an ally of the United States—helped foot the bill for that operation.

The Spanish are members of NATO, and they can be very influential with respect to regional conflicts in Latin America by virtue of the cultural relationship that exists there.

It's these kinds of things that I'm talking about. The United Kingdom was helpful in connection with Angola-Namibia—a regional problem—and the resolution of that problem. And [British Prime Minister] Margaret Thatcher happened to be in southern Africa when the Namibian settlement gave every indication of coming off the tracks because SWAPO [South West Africa People's Organization] moved into Namibia against the agreement. And she was very helpful in getting that back on track.

So it's that kind of thing that I'm talking about. There's no reason why, with this very vital and vibrant and effective alliance, we shouldn't coordinate our efforts with respect to solving some of these regional conflicts which represent the real threat, I think, to world peace today.

[1]Press release 112. ■

Challenges Ahead for NATO and Developments in East-West Relations

Secretary Baker's statement prepared for the Senate Foreign Relations Committee on June 20, 1989.[1]

It is a pleasure to appear before you this afternoon to report on East-West relations and the progress we have made in our European security policy.

NATO's commitment to protect our security and promote democratic values has been largely responsible for the positive developments we see in the international environment. At the NATO summit, all Western leaders agreed that we are in a remarkable period of transition in East-West relations. A combination of Western resolve and economic problems within the Soviet Union seem to have convinced the Soviet leadership that it must rethink a wide range of domestic and foreign policies.

Now, it is the West's task to seize the opportunities that have been created by the new "correlation of forces"—to borrow a phrase from Moscow. At this time of transition, we must work together to promote the West's democratic principles enshrined in the North Atlantic Treaty and in the Helsinki Final Act.

The President has called for the United States and the West to move "beyond containment" toward a new objective: overcoming the division of Europe by making Europe whole and free. We are seeking to bring a new unity to Europe—a unity based on Western values.

The President has also outlined his strategy for moving toward this objective. He has explained how America must lead in "managing change" by establishing new missions for the alliance and the West.

U.S.-Soviet Dynamics

We are living in an era of transition. The postwar system is being transformed, and a new environment is emerging. To establish the context of these changing times, it's helpful to begin with an assessment of how the Soviet Union is changing.

The movement we're seeing in Soviet politics presents a potential revolution—a revolution we hope will succeed. "New thinking" is really a rethinking of their failed ideology. But nobody knows—not even Mr. Gorbachev—what kind of Soviet Union ultimately will result from the changes underway.

At this time of transition, our values and our interests have led us to engage the East actively. We should not sit idly by. We've moved decisively to broaden our dialogue with the Soviet Union, seeking to contribute content to the slogans of Soviet "new thinking."

The Soviets have taken concrete and encouraging strides in a number of key areas. Emigration has increased dramatically. They have come forward with serious responses to our arms control proposals—for example, on intermediate nuclear forces and conventional reductions. The Soviets pulled out of Afghanistan as promised. They have agreed to work actively with us on transborder issues of global concern. But there is a long way to go before the promise of *perestroika* becomes reality, before the progress becomes institutionalized.

We'll have to be realistic and patient while we probe the Soviets to see how far cooperation can go. We're going to work hard to get results in every area. Some of the individual steps may be small, but their cumulative weight could result in a markedly more constructive U.S.-Soviet relationship.

Results won't come easily; many of the critically important issues between us are not amenable to simple, facile solutions. But the President and I are optimistic that progress will come if we have bipartisan support from Congress; if we and our allies stand by our convictions; if we remain engaged; and, above all, if we stay united.

For our part, the Bush Administration has been engaging the Soviets across the full range of our concerns. As always, we begin with human rights. During my ministerial talks in Moscow in May, I took up individual human rights cases with Foreign Minister Shevardnadze, telling him that we won't be satisfied until the several hundred remaining cases are resolved.

I also indicated to him that we want the Soviets to go beyond the "era of lists." We want to see them guarantee human rights by institutionalizing the changes they're making. We want to see an open Soviet political system and legal codes that will make the recent gains difficult to reverse.

On arms control, we are also moving forward. We have promising movement on conventional arms reductions. (I'll say more about the President's ambitious conventional proposal and the status of the CFE [conventional armed forces in Europe] talks later.) The President has put forward an "open skies" proposal designed to build confidence through greater transparency. We are proceeding on a multilateral basis with the CSCE [Conference on Security and Cooperation in Europe] talks on confidence- and security-building measures in Vienna. We have just signed a bilateral agreement with the Soviets on avoiding military activities that could lead to inadvertent conflict. Yesterday, strategic arms control negotiations resumed in Geneva.

And, we have also been stressing with the Soviets our interest in extending the arms control agenda to cover ballistic missile, chemical, and nuclear

weapons proliferation. These weapons are being acquired by irresponsible regimes in unstable regions and increase the danger of escalation.

While working to control the technological side of superpower competition through arms reductions and control, we have made it clear to Moscow that regional conflicts must become a central focus of superpower cooperation because of the dangerous threats of escalation they represent.

In Moscow, General Secretary Gorbachev and Foreign Minister Shevardnadze listened carefully to my presentations on Nicaragua and the Middle East peace process. They understand that we are giving diplomacy a chance in Central America and that our policy has bipartisan support. They know the importance we attach to the Sandinistas living up to their pledges in Esquipulas II. In the Middle East, they understand our support for elections in the territories, and they understand, too, why a premature international conference will only divert us from the changes we need to see taking place on the ground. We are now engaging in a series of experts talks with the Soviets on all the areas of regional concern.

By taking positive action to resolve regional conflicts, the Soviets can show us that their new thinking applies the world over. In Central America and the Middle East, especially—but also in southern Africa, the Horn of Africa, and Asia—it is time for the Soviets to prod their clients into doing some new thinking of their own.

At the ministerial, we also had fruitful discussions on transnational and bilateral issues. The transnational problems were added to the agenda at our suggestion. We have pointed out that the Alaskan oil spill, the Armenian earthquake, Chernobyl, global warming—all these are problems that go beyond traditional geopolitical concerns of sovereignty and security to affect global well-being. Foreign Minister Shevardnadze and I also signed an agreement combating pollution in the Bering and Chukchi Seas—a small step on what I hope will be a long road toward solving the international environmental problems which threaten all mankind.

On terrorism, we seek to establish points of contact within our governments and vehicles for information sharing about terrorist groups.

On bilateral subjects, we have established a full workplan of 23 items as diverse as ocean research, civil aviation, atomic energy, and maritime boundaries.

I would sum up this brief overview of U.S.-Soviet relations this way: No one can know the outcome of the changes taking place in Moscow and elsewhere in the communist world. In the end, we do know that the success of reform will depend primarily upon choices made in Moscow, Beijing, or East Berlin, not Washington, Brussels, or Bonn. What we do know is that the East can progress only through both political and economic reform. To stand in the way of such necessary, historic change—as we are seeing to our outrage and sorrow in China—is to turn one's back to the future. And that is why General Secretary Gorbachev's temporizing comments on those tragic events are disappointing.

For our part, we strongly believe that reform in the communist world—whether in Asia or in Europe—is very much in our interests. That is why we're building on past efforts and moving forward on our broad agenda with the Soviets. We are exploring and establishing new vehicles that will foster systematic cooperation. And we'll be continuing our wide-ranging discussions during the ministerial meeting in September.

We're actively engaging Moscow with our eyes open and fixed on our longstanding goals and interests: protecting Western security and promoting the democratic values, goals, and interests that we reaffirmed at the NATO summit.

Moving Ahead: The NATO Summit

At NATO's 40th anniversary summit, we made the next 40 years, not the last 40, our point of reference. And as we took bold steps toward making war in Europe both unthinkable and impossible, we set our eyes on the objective of making Europe whole and free and the world a much better place for everyone to live in.

In Brussels, the President took three significant actions to lead the alliance in managing the changing world we face. First, this Administration seized the opportunity to lock in and accelerate a possible historical change in the balance of military forces in Europe. Second, we reached agreement on NATO's comprehensive concept. Third, we identified new missions for NATO.

The President's Conventional Forces Proposal. Let me discuss the President's conventional forces proposal by giving the members a brief review of the negotiations to date.

In March of this year, members of the North Atlantic alliance and the Warsaw Pact began negotiations in Vienna on conventional armed forces in Europe that are designed to reduce the threats posed by Warsaw Pact superiority in key conventional military capabilities. At the opening of the CFE negotiations, we and our Western partners tabled detailed and comprehensive proposals designed to achieve security and stability in Europe at greatly reduced levels of conventional forces.

The Western proposal, which has become the basis for negotiations, calls for establishment of equal NATO-Warsaw Pact ceilings on key types of equipment that can be used to seize and hold territory. Beyond eliminating key Warsaw Pact military advantages, the Western approach to CFE seeks to reduce the pact's capability to initiate surprise attacks and large-scale offensive actions or to use military forces for political intimidation. We also want to reduce and constrain the overall size of Soviet forces, the extent of their deployment in Eastern Europe, and the relative speed with which they can be brought to bear in any conflict.

Finally, our approach includes four subzonal ceilings which would limit the concentration of forces in any part of Europe. Thus, we seek to enhance deterrence by establishing East-West parity in the capability to employ and sustain military action.

A major opportunity to advance the Vienna negotiations developed out of my meeting with General Secretary Gorbachev in Moscow on May 11. Mr. Gorbachev presented me with specific numerical ceilings and a more detailed timetable for the proposal the East had introduced earlier in Vienna. These figures were formally tabled just before the NATO summit.

The President concluded that the specific Warsaw Pact proposals reflected tacit Eastern acceptance of the Western concept and framework for CFE and that the time was ripe to give the negotiations a major push. The President decided to advance a four-part augmentation of our original proposal. At the summit, the plan was universally lauded by our allies. Our proposal calls for:

One, locking in Eastern acceptance of the proposed Western limits on key elements of ground forces. That would mean fixing common ceilings on the numbers of tanks at 20,000, on armored troop carriers at 28,000, and on artillery pieces between 16,500 and 24,000, depending on the resolution of definitional questions. Equipment reduced would be destroyed.

Two, expanding the West's original proposal to include limitations on all aircraft permanently based on land and on helicopters throughout the Atlantic-to-the-Urals area at 15% below the current NATO total. All reduced equipment would be destroyed.

Three, an agreement between the United States and the U.S.S.R. to each reduce their combat manpower stationed in Europe outside national territory to parity at 20% below current U.S. levels, with the resulting ceiling on U.S. and Soviet ground forces stationed in Europe at approximately 275,000 troops. Withdrawn soldiers and airmen on both sides would be demobilized. This personnel ceiling would require the Soviets to withdraw approximately 325,000 military personnel from Eastern Europe, thereby reinforcing the objectives of the stationed forces ceiling in the original Western proposal.

Four, an agreement on acceleration of both the Eastern and Western timetables for reaching a CFE agreement along the lines I have just outlined and for implementing the required reductions. The Soviet proposal called for full implementation of an accord by 1997. The President set a goal of completing an agreement in 6 months to 1 year with completion of required reductions by 1992 or 1993.

These provisions would oblige both sides to destroy significant amounts of equipment. Most importantly, the Warsaw Pact's preponderance in critical components of military strength would be eliminated. These efforts will not undercut NATO's defense modernization plans. They should be understood as part of a comprehensive approach to improving our security through both force modernization and arms reduction and control.

The Western governments are now in the process of preparing these augmentations of our original proposal with the goal of presenting them at the opening of the third round of negotiations in Vienna on September 7. In addition, the West is continuing to develop the specific elements of its verification regime and a package of "stabilizing measures," which are designed to amplify the benefits of the equipment ceilings. Work is also continuing apace in the negotiations with the East on the development of agreed definitions and counting rules.

Both sides now agree, in principle, that there should be subceilings on forces on foreign soil in Europe, limits on any one nation's forces, and subzones. However, there are some important differences in the way East and West apply these principles. The East has yet to advance its verification regime, but we expect them to be fairly forthcoming.

The Broader Implications of the President's Proposal. I don't want to get lost in numbers here. Arms reduction and control is much more than a matter of simple subtraction. And the President's initiative is more than a military concept.

Our proposal has far reaching political implications for bringing about the whole and free Europe that we seek. We are seizing this opportunity to diminish the shadow Soviet military power casts throughout Europe. We seek to free Western Europe from the threat of aggression or political intimidation by superior Warsaw Pact forces. Finally, we want to help free the political reform process in Eastern Europe from the heavy weight of an excessive Soviet military presence. While we tend to see the Soviet forces as a potential invasion force, to millions in the East the Soviets remain an occupation force.

In sum, we want to free all of Europe to become a center of cooperation, not confrontation.

The Role of Nuclear Weapons in NATO's Strategy. At the summit, the President also led the alliance in taking a second important step toward the future: Western agreement on the components of "A Comprehensive Concept of Arms Control and Disarmament" [see p. 22].

This achievement demonstrates NATO's ability to adapt to change while maintaining our fundamental conviction that nuclear weapons play a critical role in ensuring the effectiveness of our deterrent strategy. In light of the existing imbalances in conventional forces, the alliance agreed that any negotiations on short-range nuclear forces (SNF) could begin only after the implementation of a CFE agreement is underway. Moreover, any negotiated SNF reductions will not be carried out until the CFE agreement is, in fact, implemented.

The summit communique underscores—literally, in fact—that our objective in SNF negotiations would be to achieve partial reductions in these forces. The alliance is committed, for as long into the future as can be foreseen, to maintain an appropriate level of land-, sea-, and air-based nuclear systems, including ground-based SNF missiles.

Thus, the alliance reaffirmed our long-shared conviction that nuclear weapons make an irreplaceable contribution to the credibility of NATO's deterrent posture. We hope the catastrophic potential of nuclear escalation in any conflict will continue to overwhelm the calculations of any potential aggressor. Even at conventional parity, nuclear weapons will play a unique role in our strategy.

New Missions for NATO. The third step forward by the President at the summit was his call for the alliance to address new problems. He invited our alliance partners to consider new missions for the alliance. As we succeed in easing down the military confrontation in Europe, we must direct the alliance toward new challenges. NATO will always have as its central purpose the maintenance of collective Western security. However, the focus of alliance activities in a more benign European security environment will, obviously, be different than it has been during the past 40 years.

First, the President spoke of our interest in furthering the decentralization of political, economic, and social authority in Eastern Europe. Even as we protect the West, we must reach out to the East to give substance to our commitment to overcome the division of Europe. In this regard, NATO's role as a political consultative forum and our commitment to the Helsinki process could be more effectively used to synchronize Western approaches to the East. Together with activity in the European Community and other Western institutions, the United States and its allies should develop a coherent strategy for dealing with change in Eastern Europe.

Second, the President also noted the newly recognized dangers to our security and well-being posed by threats to the environment. He proposed new efforts that the West might undertake

to help the East rectify its massive pollution problems. In addition, the allies are committed to allocating more resources to certain nonmilitary endeavors that complement the functions of the European Community and other European cooperative institutions—for example, on environmental matters and scientific cooperation.

Third, the President focused attention on the need for cooperation in dealing with the array of security threats, particularly those posed by regional conflicts and the proliferation of chemical and nuclear weapons and their delivery systems.

It is not necessary for NATO to develop highly visible unified responses to all these new security threats, nor should our efforts be limited to cooperation among Western countries. These new threats menace allies, friends, and adversaries alike. We have signaled our readiness to work with all concerned nations to counter them.

Conclusion

The success of the summit, and indeed of the alliance itself, is testament to the enduring strength of the political, cultural, and economic ties that have united America with our European allies for 40 years. As the President has stressed, America is and will remain a European power.

In Brussels, we and our alliance partners set forth ambitious plans for the future. We made important headway on the security agenda, having successfully set guidelines for the development of our nuclear and conventional force postures and arms control policies. In addition, we focused attention on the need for the members of the alliance and other Western states to address a much broader agenda that confronts us in Europe and the world during the 1990s.

But, most importantly, during this 40th anniversary of the signing of the North Atlantic Treaty, and at a time of great change in East-West relations, we and our alliance partners have forged a new basis for unity.

[1]Press release 118. The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

A New Pacific Partnership: Framework for the Future

Secretary Baker's address prepared for delivery before the Asia Society in New York City on June 26, 1989.[1]

Thank you for that introduction, and I am honored to be here. I am especially happy to appear before the Asia Society in the company of Japan's Foreign Minister, Hiroshi Mitsuzuka. As the representative of a great democracy, the Foreign Minister understands, as we all do, that a free government depends upon well-informed citizens who are active in public affairs. The Asia Society can, therefore, reflect with pride upon its contribution to America's understanding of East Asia and the Pacific rim. Each one of you, by participating in the [Asia] Society, makes a unique contribution to our national interests.

Our understanding of events in Asia and the Pacific has become all the more important because the postwar era is over. In Asia, as in Europe, a new order is taking shape. While the rites of passage will be painful—China proves that—it is an order full of promise and hope. I believe strongly that the United States, with its regional friends, must play a crucial role in designing its architecture.

There are major challenges to be met as the new order emerges. In Asia and the Pacific, as elsewhere in the world, the demand for democracy is the most vital political fact of our time. The Philippines and South Korea have made the transition to free government. But, as we have seen to our sorrow last year in Burma, and more recently in China, there are no guarantees of progress.

Another challenge stems from the very fact of the Pacific rim's economic success. Economic achievements carry new responsibilities. Explosive growth has been accompanied by imbalances that threaten the integrity of the open trading system.

Finally, we continue to face security challenges. Conflict continues in Indochina. And on the Korean Peninsula, there remains a heavily armed standoff. Elsewhere in Asia, the postwar security arrangements are being strained by economic constraints, changing threats, and rising nationalism. Yet without a regional consensus on defense, all other achievements will be put in doubt.

The Pacific region is clearly of great and growing importance to the United States. That is why President Bush and Vice President Quayle visited Asia within the first 100 days of the new Administration. In a few days, I will be traveling to Tokyo to meet with other donors to the Philippines Multilateral Assistance Initiative. Then, I'll go on to Brunei to meet my colleagues in ASEAN [Association of South East Asian Nations], one of the Pacific's most constructive regional organizations.

The purpose of my trip is to establish the framework for a new Pacific partnership. To build that new partnership, we need continued American engagement in the region's politics, commerce, and security. We need a more creative sharing of global responsibilities with Japan. And we also need a new mechanism to increase economic cooperation throughout the Pacific rim.

Elements of the New Partnership: American Engagement

The foundation of the new Pacific partnership must be the engagement of the United States. President Bush has declared rightfully that America is a European power and will remain one. America is also a Pacific power, and we will remain one.

The stakes are great. In 1988, for example, our transpacific trade totaled $271 billion, far exceeding our transatlantic commerce of $186 billion. U.S. trade with East Asia has more than doubled since 1982.

Eight of our top 20 export markets are now in the Pacific. U.S. investment there, exceeding $33 billion, accounts for 23% of all overseas profits earned by U.S. corporations.

The prosperity of the Pacific, however, depends upon the peace of the Pacific. For four decades, the United States has provided a framework of security that has permitted the region to prosper. America's forward-deployed deterrent remains more essential than ever to the security of the Pacific. And, as we demonstrated through the treaty abolishing intermediate-range nuclear forces, we will not seek to improve the security of another region at Asia's expense.

Today, our allies are stronger and more prosperous than ever. And there may be new opportunities to reduce both political tensions and threatening military capabilities.

Surely we will be able to find creative, new ways to assure our mutual defense. Just as surely, we must avoid false complacency. We have fought three major wars in East Asia in the past 45 years. Neither we nor our allies want to fight another.

I think that the facts are clear and the conclusions inescapable. America's unique political, economic, and military capabilities provide the foundation for a prosperous and secure Pacific. And that foundation can be strengthened further through improved regional partnerships that reflect the achievements of our friends and allies.

The U.S.-Japan Global Partnership

Among those relationships in the Pacific, none is more important to the region or the world than our alliance with Japan.

Over the past decade, that alliance has experienced a fundamental change. Japan has become a world power. We applaud this achievement which holds so much promise for the future. But to make the most of that promise, the United States and Japan must build a new and truly global partnership. The foundations for that global partnership are now being laid.

- Japan is shouldering more of the mutual defense burden and provides 40% of the cost of stationing U.S. forces in-country.
- The recently concluded FSX fighter codevelopment project is an important advance as we strengthen our cooperation in defense and technology.
- Japan will soon be the largest donor of overseas development assistance. Its role in the Philippines' assistance initiative offers a prime example of the good Japan can do in bolstering emerging democracies and sharing responsibilities.
- Finally, Japan has offered to help in alleviating the international debt problem.

There are, of course, other issues that will find their way onto the agenda of a global partnership, including environmental protection and international peacekeeping. But the message is clear. The time has arrived for Japan to translate its domestic and regional successes more fully into a broader international role with increased responsibility. And I am glad to say here today to my Japanese colleague, Foreign Minister Mitsuzuka, that I look forward to a new closeness of coordination with Japan.

This expanding relationship will require a transformation of outlook and policy in both our countries. That is already evident in the area of trade, where our bilateral relationship continues to be troubled. Prime Minister Uno himself put it best when, in his first major speech to the *Diet*, he urged Japan to "embark upon rectifying those institutions and practices that are objectively viewed as unfair." Though we have seen some progress in the trade area, the full opening of Japanese markets must still be achieved. And at the same time, we look forward to the full implementation of the structural reforms advocated by the Maekawa report.

We and Japan must recognize how interconnected we really are. That is why we are looking to begin a structural economic initiative. Its purpose is to identify, on both sides, impediments to the reduction of economic imbalances—and to develop action plans to remove them.

Change will be required of the United States, not just of the Japanese. That is why President Bush is determined to put our American house in better order—to improve our education, to sharpen our competitiveness, to reduce the trade and budget deficits that weigh so heavily on our economy. And we will continue to oppose the protectionist pressures that menace the world trading systems. The challenge of structural change is not Japan's alone.

Pacific Economic Cooperation

Let me turn now to the next part of the framework—a new mechanism to increase economic cooperation throughout the Pacific. Last year intra-Asian trade approached $200 billion, reflecting the rapid pace of Pacific rim economic integration. Yet unlike Europe, there are inadequate regional mechanisms to deal with the effects of interdependence. Many distinguished statesmen and influential organizations have suggested ways to fill the gap—among them Australian Prime Minister Hawke and MITI [Japan's Ministry of International Trade and Industry] during the time Hiroshi Mitsuzuka headed it. All their suggestions share the objective of improving economic cooperation and offering a regional forum to discuss a range of common problems.

Clearly, the need for a new mechanism for multilateral cooperation among the nations of the Pacific rim is an idea whose time has come. Our involvement in the creation of this new institution will signal our full and ongoing engagement in the region. And by furthering the development and integration of market economies within the international system, we strengthen the collective force of those that share our principles.

I want to explore the possibilities for such a mechanism in detail during my trip. The United States will not offer a definitive blueprint. We will be looking, instead, for a consensus, drawing on the best elements from various plans. This new mechanism should be based on the following key principles.

First, any mechanism should encompass a wide array of issues, extending from trade and economic affairs to issues such as cultural exchange and the protection of the Pacific region's natural resources. As such, it would embody what the President has called "creative responsibility-sharing," meaning that each government should act commensurate with its resources and capabilities. All our economies have benefited from the world trading system and all should act commensurate with their resources and capabilities to help strengthen it.

Second, any Pacific-wide institution must be an inclusive entity that expands trade and investment. It must help, not hinder, already existing efforts, such as the Uruguay Round of GATT [General Agreement on Tariffs and Trade], the OECD [Organization for Economic Cooperation and Development], or a regional group, such as ASEAN. It should be based on a commitment by market economies to facilitate the free flow of goods, services, capital, technology, and ideas.

Third, a pan-Pacific entity should recognize the diversity of social and economic systems and differing levels of development in the region. At the same time, we should recognize that private initiative and free-market policies offer the best route for individual opportunity and higher living standards.

Today, Minister Mitsuzuka and I talked about the possibility of such a new entity. And I will be discussing how we can create this new mechanism when I see Prime Minister Hawke this

week and our ASEAN friends next week. If a consensus can be reached, we would support the Prime Minister's call for a ministerial meeting this fall as a first step toward developing such a new Pacific institution.

Constructive Relations With China

Full American engagement, a global partnership with Japan, and a new political mechanism for Pacific economic cooperation are critical pieces in the puzzle of Asia's future. But that future will be incomplete without China. And today, more than ever, China casts a long shadow over the Pacific.

China had made great economic strides. Per capita income doubled in a decade. An open window to Western trade, technology, and investment was an essential part of reform. To sum it up, if I can, China had decided to join in regional progress rather than remain isolated from it.

History shows, however, that economic and political reforms are but two sides of the same coin. Now it has become all too evident that the pace of political change in China did not match the aspirations of the Chinese people.

The President has condemned in the strongest terms the brutal events of this past month. We and other nations have suspended business as usual. But we and the rest of the world must not let our revulsion at this repression blind us to the pressures for reform.

China has suffered a tragic setback, but the story is not over. As the President said, "the process of democratization in communist countries will not be a smooth one, and we must react to setbacks in a way that stimulates rather than stifles progress."

That is why we have acted in a measured way. The hasty dismantling of a constructive U.S.-Chinese relationship, built up so carefully over two decades, would serve neither our interests nor those of the Chinese people. Above all, it would not help those aspirations for democracy that were so obvious in the millions who marched to support the students in Tiananmen Square.

Having said that, let me be clear: The U.S. Government and its people will stand for the democratic values we hold dear. China's current leadership may have cleared the square; they cannot clear the conscience. China's rendezvous with freedom, like its rendezvous with the advancing nations of the Pacific, cannot be long delayed. We will be there to help when the day follows the night.

Conflict in the Pacific

Finally, we and the entire region must deal with the remaining major conflicts that threaten peace: the Korean Peninsula and Indochina.

I must note with regret that the North Korean regime has yet to abandon its self-imposed isolation or its pressure tactics intended to destabilize the Republic of Korea. We will continue to probe for hints of progress in reducing tensions between North and South, looking for signs of a willingness to engage in greater *glasnost* and military transparency. Our policy is to facilitate reconciliation through dialogue with all concerned parties, above all through direct talks between South and North. We will maintain fully our security commitment to Korea to facilitate such progress and prevent armed conflict.

In Cambodia the shooting continues and the danger of renewed civil war is real. Hanoi's announced intention to withdraw its troops by the end of September has accelerated efforts toward a negotiated settlement. Our principal objectives are to bring about a verified Vietnamese withdrawal, to prevent a return to power of the Khmer Rouge, and to provide the Cambodian people a genuine opportunity for self-determination. We believe a comprehensive agreement, backed by a credible international presence under UN auspices, is the best way to achieve these goals.

We believe that Prince Sihanouk's leadership is essential to the process of creating an independent Cambodia at peace with itself. That is why we have asked Congress to authorize additional aid to the noncommunist resistance. Such aid will strengthen the Prince's position in the political process now underway and increase the prospects for a settlement which can ensure that the Khmer Rouge never again take power.

As we examine the possibilities of resolving the remaining Pacific conflicts, I want to note here some new developments in Soviet policy. For much of the postwar era, Soviet actions in Asia could only be described as ominous. Moscow has deployed a formidable military presence able to project naval and air power well into the Pacific.

Three years ago, at Vladivostok, General Secretary Gorbachev announced a new approach to Soviet interests in Asia. After easing Sino-Soviet border tensions, withdrawing Soviet troops from Afghanistan, and influencing Vietnamese restraint, Mr. Gorbachev was able recently to visit Beijing. President Bush welcomed this development. It confirms that a constructive Soviet approach is possible if Moscow changes its policy of military intimidation and support for aggression.

Now, it is time for new Soviet deeds to match new Soviet thinking. Let Moscow end its occupation of Japan's Northern Territories. Let Vladivostok become an open port, as Mr. Gorbachev proposed 3 years ago. Let special economic zones bloom in the Soviet Far East, as Mr. Gorbachev suggested 1 year ago. Let the Soviet Union cooperate in resolving the tensions and hostilities in Korea and Cambodia.

Conclusion

A political philosopher once wrote that "there is nothing more difficult to take in hand, more perilous to conduct, more uncertain in its success, than to take the lead in the introduction of a new order of things." Yet today in the Pacific and East Asia, as in Europe, we face the inescapable challenge of building a new order.

There are perils. There will be difficulties. Yet I believe that despite these uncertainties, the rewards of a free, prosperous, and secure Pacific are within our reach.

That calls for a new Pacific partnership, based on a global sharing of responsibilities with Japan. We also need a new political mechanism to enhance economic cooperation in the Pacific rim. And we need to address the points of conflict that still threaten the peace of the Pacific.

Let me close on this note. I believe that, ultimately, what beckons us to our Pacific destiny goes beyond the reckoning of material interests. It is the idea of a creative harmony, the product of many different nations, each with its own approach but drawn together around certain principles. It is the faith that we can create a Pacific community reaching out to the rest of the world. It is, in short, the belief that free peoples, working together, can emancipate our region at last from historic burdens of poverty and conflict. That is our vision, to which we this day dedicate our new Pacific partnership.

[1]Press release 123 ■

Secretary's Interview on "Newsmaker Saturday"

Secretary Baker was interviewed on CNN's "Newsmaker Saturday" by Charles Bierbauer and Ralph Begleiter on June 3, 1989.[1]

Q. The pictures from Beijing today are vivid and alarming. Chinese security forces have opened fire on the student demonstrators, and the students have resisted. Amid the flames, there are also the first victims on both sides. It is very much a contest of the flames of suppression, which we now see, versus the flames of democracy, which we have witnessed kindling the past weeks in Tiananmen Square.

Is there any influence that the United States has exerted, sought to exert, can exert, to try and bring what we are seeing now to a peaceful rather than a violent conclusion?

A. Unfortunately, it would appear that the situation in China is turning ugly and chaotic. The U.S. Government has heretofore expressed its concern to the Chinese Government that the utmost restraint be used. I think it's important to note that there has been a significant amount of restraint used over the past number of weeks, because this has been going on for quite some time.

I think the Chinese Government knows of the position of the U.S. Government. The army of China calls itself the army of the people, and we think it would be unfortunate, indeed, if the army of the people were used to suppress the people. This would disturb the United States, and it would, of course, disturb the people of the United States.

Q. Have you been told, though, that this is really none of your business, that it's going to be handled the way the Chinese seek to?

A. The Chinese are, like others I suppose, of a mind from time to time that things that involve the internal affairs of that country are just that—matters involving their internal affairs. I think that the messages which we have sent have, however, been received in the spirit in which they have been sent. We've not, in effect, been told in so many words, "You mind your own business," because the commitment of the United States of America to democracy, to freedom of speech, to freedom of expression, and freedom of assembly is well known throughout the world.

Q. You said that the situation had turned ugly and chaotic. Chaos was one of the things many people around the world—businessmen, diplomats—are very worried about in China. How chaotic is it, according to your latest reports?

A. We've been in touch very recently—within the last hour—with our Embassy there. I have spoken, as a matter of fact, to the President within the last hour, and the reports that we're receiving and that are being communicated to me and that I am communicating to him are that it's quite chaotic now. There is shooting going on. To some extent, that shooting appears to be aimed up in the air, although we do have some preliminary reports of casualties. We're not able to confirm any specific casualty reports.

Q. Should Americans who are in Beijing leave, and what about businesses who have investments in China?

A. We have, as you know, a travel advisory against travel to China now. We have, in fact, ordered our Embassy people out of Tiananmen Square. We have suggested that other Americans avoid Tiananmen Square, but we have actually ordered our Embassy personnel out of the square. It's a situation that is not a happy one; it's not pleasant. It is, indeed, turning quite ugly.

Q. Just recently, one of the Chinese leaders, Wan Li, was in this country. President Bush has often made reference to his conversations and relationship with Zhao Ziyang. These appear to be people who now are out of power. Do you have any assessment as to what may have happened to them, or who is in charge now, and is it a solid control?

A. There has been a power struggle in conjunction with this very passionate statement that these hundreds of thousands of students are making for democracy. This has triggered a power struggle within China. I'd really rather not go into the details of who's up and who's down, and where we think the various parties are. That's really something I think—

Q. Is that because of uncertainty?

A. No, not so much because of uncertainty; because we have some opinions on it. But I really do believe that would be seen to be interfering in the internal affairs of China, and that would probably not be appropriate for us to do.

Q. Is there any response the U.S. Government can take or should take overtly in response to the ugliness that you see now in Beijing?

A. We have sent the signals that I have mentioned to you, the messages that I've just mentioned to you here on the program. This is a matter of great concern to the United States. I suppose saying that is a signal. I have said that it is something that disturbs the American people. Beyond that, we will have to see how the situation develops.

I said earlier—and I think we should keep this in mind—that both sides in this exercised a significant degree of restraint for quite a period of time, and it is our hope that they will return to restraint. We have some reports, as you probably do, that there are some Molotov cocktails being thrown, so it would appear that there may be some violence being used here on both sides.

Q. It almost sounds as though you're suggesting the demonstrators also ought to back off a bit here.

A. No, I think the demonstration, for the most part, has been very peaceful. It's been very orderly. It has, as I've indicated to you, been what I think we would characterize as a very passionate statement for democracy. It's only recently that we've received reports—as a matter of fact, during the course of this recent escalation on the part of the government—of some Molotov cocktails being thrown by the students.

Q. Beyond the Molotov cocktails, there are arms that the United States sends to the Chinese Government. There is some rumbling on Capitol Hill that perhaps you ought to stop doing that, or at least curtail it. What action will you take?

A. Oh, I don't think we should sit here today, if I might suggest, within hours of the first really significant use of force, and that's what I think we see

here now. But this is, after all, the first time we've seen that against a peaceful demonstration that has lasted for many, many weeks. I don't think we should sit here this morning and try hypothesize about what that will mean with respect to—

Q. But you know that Congress will. Is this a question that you feel you're going to have to address?

A. I think we'll have to see what happens. Let's see what happens now as we move forward. We're not sure what course this will take even now, although I have characterized it for you in the words, actually of our people there in China, as ugly and chaotic. We're afraid it's moving in that direction.

Q. There are reports of more troops moving into Tiananmen Square. We go now to CNN's Mike Chinoy in Beijing.

Mike Chinoy. Thousands of troops are now sweeping through Tiananmen Square. They have been firing as they go. They appear to have cleared the top end of the square. Thousands of people broke and ran in panic as the troops opened fire at them, just in front of the Gate of Heavenly Peace. I can now see thousands of people streaming down Changang Boulevard, away from the square, moving toward the east. The troops are systematically sweeping the square, trying to clear the remaining protesters from it. You can hear the sirens of ambulances racing through these crowds. There are many people wounded. I fear there are many people dead. We have no precise casualty figures. The guns have been blasting almost continuously. It's just in the last moment or two that it has stopped. Now it's picked up again down toward the square.

Thousands of troops poured out of the entrance to the Forbidden City on the north side of the square and moved into the square. We also have reports the troops were firing from the roof of the Great Hall of the People, and the roof of Chairman Mao's mausoleum, although we cannot confirm that.

There are reports from eyewitnesses that in the southern corner of the square that troops bayonetted protesters. This, ironically, right near Mao's mausoleum and the Colonel Sanders Kentucky Fried Chicken joint venture restaurant.

As the crowds stream back now, some of them are regrouping and chanting, waving flags, but from my vantage point—the top part of the square—which has been a sea of people for 3 weeks, is now clear. The troops are slowly trying to establish their control over the square.

Q. In light of this stronger action, does the U.S. Government now take a stronger demarche against the Chinese Government? Do you do something more?

A. I think what I have said here earlier today is, in effect, considerably stronger than what we've said heretofore. It's important that the Chinese people not lose the social and economic progress, the developments they've made socially and economically over the past decade. As I've indicated earlier on the program, it is very important, however, that excessive force not be used. That would, unfortunately, appear to be the case, and this will disturb the U.S. Government, and it will disturb the American people considerably.

Q. Can the U.S. Government continue to share science and technology achievements with the Chinese Government, which has apparently opened fire from the roof of the Great Hall of the People upon its own citizens?

A. Before we get into hypothetical situations, let's see how this most recent and extremely deplorable development unfolds. Let's see what happens over the course of the next few days before we start hypothesizing about what we might or might not do in the future.

Q. Let me ask you about arms control, then. Have you had a direct Soviet response to the President's proposals delivered at NATO earlier this week?

A. We haven't had what I would call a comprehensive response. We've had responses that you've seen reported in the news and that we've seen reported.

Q. Does the Soviet Government have to respond, in the U.S. view, to a package—a complete package—deal that the President proposed? Is it all or nothing? Or is there room for negotiation?

A. Yes. As I indicated in Bonn—or London, I can't remember which of those press conferences—this is a package deal. This is not something that NATO will put on the table and invite the Warsaw Pact to pick and choose those elements it likes, or reject those elements it doesn't.

Q. When you said that, you've really upped the ante on this. You went to Brussels feeling that the Soviets had now come very close to your position on tanks and armored personnel carriers.

Now you're saying, in effect, it's not good enough; let's go farther. Or you're saying, it's good; let's see if we can go farther. What if he comes back—and it's not hypothetical—and says, okay, we're in agreement on phase one; let's do that, and then we'll talk about phase two?

A. I'm inclined to think that we would want to reject that, because the proposal that the President put on the table is a coordinated proposal. It is a whole. It's not something that he lays out there, or that NATO lays out there, inviting them to pick what they like and reject what they don't. It's important that we not have control or reduction in one area, because everything is related.

I think the military would tell us that it's something we should continue to look at as a package.

Q. The proposal includes a negotiation on aircraft, combat aircraft. Toward the end of the trip, it became clear that the United States has told perhaps France, but certainly Britain, don't worry, your aircraft are not going to be included in this deal. It sounds a little like a lot of side deals being made that is not really an alliance-wide commitment on the question of combat aircraft.

A. No. When the proposal was developed, we faced up to the problem that is presented by the possibility of including the dual-capable aircraft of France and Great Britain. And the proposal was designed with that in mind; that is, with the fact in mind that we should not include their dual-capable aircraft.

There are counting rules now, and there are definitional problems on aircraft that I'm sure you're aware of that we're going to have to overcome. The definition of the Warsaw Pact, or the Soviets, about combat aircraft is quite different than ours.

Q. That's going to make it hard for the Soviets to accept an all-or-nothing deal.

A. What that's going to mean is it's going to mean we're going to have to negotiate diligently, and it's going to take us a while to reach a final agreement.

Q. As we traveled through Europe this past week, we went from dissension in the ranks to some apprehension to an agreement, to a sigh of relief, to almost euphoria, to gee whiz, it was swell. Is that perhaps going too far? Is there too much euphoria at this stage? Is there a caution that you should have for yourselves as well as everyone else?

A. I hope there's not too much euphoria. We have an agreement here that is not going to be easy to negotiate. As a matter of fact, we do not yet have an agreement; we have a proposal. But it is a bold proposal, and it's far-reaching. Clearly you want to not get overly enthusiastic or optimistic, but I think that there is clearly reason for some optimism.

Q. Speaking of arms control, but in another area of the world, the Indian Government recently tested a ballistic missile which now gives India the capability not only to produce a nuclear weapon but also to deliver it, almost anywhere in the region that it's in.

That could be a threat to Pakistan. What's your view of the escalation of the nuclear and missile issue in that region of the world?

A. The escalation of both the nuclear and missile issue problems is of major concern to us, as is the escalation, if I may say so, of chemical weapons around the world, not just in that region but around the world. That's why we, as you well know, wanted to begin a dialogue with the Soviet Union about proliferation of missiles, of nuclear and of chemical weapons technology.

Q. Has India crossed a line of some sort as far as the United States is concerned and gone too far in its development of a weapons program?

A. As far as missile technology, perhaps not. We continue to suggest to both India and Pakistan that they exercise restraint in connection with their nuclear programs, and, in fact, there are legal considerations, as you know, again, with respect to the development, the possibility of development, by Pakistan of a nuclear capability.

Q. While we're jumping around the world, while we were traveling, did anything happen in Panama that we should know about, or is Noriega as entrenched as ever?

A. The commission that went down from the OAS [Organization of American States] will be coming back up here next week. I'll be meeting with the three foreign ministers who made up that commission the early part of this week. There will be another session of the Organization of American States to continue to work the issue, work the problem. I think it's important to note that with the sole exception of Nicaragua, all Latin governments now subscribe to the idea that Gen. Noriega has abused power.

Q. Yes, but do you have any indication from the foreign ministers that anything is really going to happen?

A. We have an indication that the message they carried down there was received, that the fact that there is wide disapproval of what he's doing—on the part, not just of the United States, not just of European countries and other countries around the world but all Latin countries—could move us in the right direction. Is he going to leave office tomorrow? We have no indication of that whatsoever, but we will continue to work the problem. Let me simply say to you that there will be no normalization of relations as far as the United States is concerned with Panama until Gen. Noriega does leave power.

Q. You and the Foreign Minister of Great Britain [Sir Geoffrey Howe] discussed the hostages in Lebanon this past week in Europe. Did you come up with any ideas about how to get them out?

A. No new ideas.

Q. Is anything new on the subject of the hostages; have we heard anything more of or from them?

A. Not that I am at liberty to talk about here.

Q. Does that mean something is happening, but—

A. No, it doesn't.

Q. Polish elections this weekend; the President is headed for Poland next month. How much do you expect to achieve there? Is this a weaning away of the Poles from the Soviet bloc?

A. I don't think it's a weaning away from the Soviet bloc as much as it is an expression of the fact that we see they're opening up with a great deal of pleasure. We're very happy to see the Poles begin to open up politically, attempt to open up economically. The President thought it was important to go both to Poland and to Hungary, because, as he indicated on this recent trip to Europe, ending the division of Europe on the basis of Western values is one of the things that is very, very important to the United States, and it's a policy that we should embrace and continue to pursue.

[1]Press release 109 of June 6, 1989. ■

The Seedlings of Hope: U.S. Policy in Africa

by Edward J. Perkins

Address before Africare on June 11, 1989. Ambassador Perkins was U.S. Ambassador to South Africa (1986–89) and is nominee to be Director General of the Foreign Service.

I am pleased and honored to appear before you today, this 11th Africare Day. When C. Payne Lucas [Africare Executive Director] asked me to speak on the subject of hope for Africa, it was an invitation I was only too pleased to accept, despite the common view that the continent is now without hope.

Much of my life has been entwined with Africa; I am no stranger to its pain and tragedy. The same is true of all of those who work in this great organization. I know about the poverty, which is among the worst in the world, and the crushing debt burden which keeps it locked in place. I know about the civil wars, the bloodshed, and the corruption. And, I also know about the grisly specter of AIDS [acquired immune deficiency syndrome], which in the next 10 years threatens to wipe out numbers too frightening to contemplate.

But I also know there is a hope and promise for Africa and its people. I base this hope on other aspects of Africa I have come to know: its aspects of warmth and generous hospitality, of hard work and commitment, of vast natural wealth, and of that special African concept of *ubuntu*—the doctrine of humanity, love, and forgiveness that guides human relations throughout the continent.

The Gathering Breezes

There is no doubt that Africa is on the brink of some dramatic and fundamental shifts. Nearly 30 years after British Prime Minister Harold MacMillin heralded the "winds of change" which toppled colonialism in Africa, new breezes are gathering force. And the changes which they signify are no less revolutionary than those which altered the face of the continent in the 1950s and 1960s.

At this crucial juncture in Africa's development, we in the United States must intensify our commitment to Africa's future with a thoughtful policy that will contribute to the realization of the hopes that we all share. Even the unsparingly realistic British weekly *The Economist* recently noted "for the first time in decades, there is a little cheer coming from that huge continent." Across Africa, more and more governments are taking closer looks at liberalized pricing policies, incentives to farmers and business representatives, more realistic exchange rates, reduced government deficits, privatization, and increased investment in basic education.

This shift in thinking has already produced dramatic results: the booming produce markets in Maputo and Dar es Salaam and the stunning increase in maize production in Zimbabwe. Furthermore, a new World Bank/UN Development Program study shows encouraging indications that the economic performance of countries which have adopted key policy reforms has been consistently better than those which have not.

Politically speaking, Africa's track record on democracy and political participation is better than is usually recognized, and it's improving. Many African countries lack the institutional structure we would normally identify with democratic institutions, yet there is a real recognition among most political leaders that government must accommodate dissent and allow decentralized decisionmaking. And there are governments across the continent which are courageously taking on and succeeding in the task of building democracy.

- In Nigeria, Gen. Babangida is working to rebuild a functioning democracy. Nigeria is scheduled to elect local government officials this year, state governors next year, and return to a complete, elected, civilian democracy in 1992. If successful, Nigeria will become Africa's largest democracy.
- In Zimbabwe, a courageous and relatively free press protects the right of open dissent, and a responsible and highly professional judiciary ensure government accountability—despite a one party structure and socialist rhetoric.

It is in the area of diplomacy where Africa has made its most dramatic progress, just in the past year. After decades of South African occupation, Namibia is on the brink of independence. After years of war, one-upmanship, and ideological hostility, South Africa, Angola, Cuba, and the Soviet Union came to realize that there is a joint interest in peace and prosperity. What an example that sets for the entire continent, if not the world! In Angola there are signs that the MPLA [Popular Movement for the Liberation of Angola] has decided to begin a process of national reconciliation with UNITA [National Union for the Total Independence of Angola]. And, in Mozambique, the church has begun a dialogue which holds the promise of eventual talks between RENAMO [Mozambique National Resistance Movement] and the government. The countries of southern Africa are acting constructively on the realization that their economies are inextricably linked—leading to the creation of the Southern African Development Coordination Conference.

A New Africa

Admittedly, many of these successes may not seem like much compared to the obstacles which remain before all Africans can enjoy lives free of war and hunger; before they can expect better futures for their children; and before they can be free to say what they wish and elect their own leaders. But I take hope from these successes, because they are not isolated events. Taken together, they mark a change of direction for all of Africa, away from the mistakes of the past and toward a new Africa that will realize the potential with which it is so richly endowed.

The new Africa is moving away from the view that the state can solve all ills—toward recognition of the important role of the individual and the community in generating and sustaining growth. Rulers of the new Africa are coming to realize that political stability is won by establishing participatory governments which respect the rights of individuals. The new Africa features a shift away from the thinking that governments are not accountable for their actions and toward the conviction that Africans have a right to good and decent government. Most importantly, the new Africa is coming to the realization that the solutions to its problems do not lie in foreign boardrooms and governments. In the words of the African delegates to the UN special session on Africa in 1986, "Africa has taken the responsibility for its own development."

Slowly, and one by one, African leaders are taking these courageous steps toward greater openness in their economies and political systems, taking the risks of trying new paths, and acknowledging the mistakes of the past and learning from them. And that is why I have hope for Africa.

South Africa-Southern Africa

Even in South Africa, from where I've just returned, I have hope. There is remarkable absence of bitterness by black South Africans in spite of the agonies which apartheid has inflicted and a recognition that cooperation between black and white is indispensable to South Africa's survival.

There is an extraordinary understanding of and commitment to the democratic process in township politics among ordinary people. South Africa's enormous natural wealth in its minerals, agriculture, infrastructure, and its people can make it one of the world's strongest economies in the aftermath of apartheid. South Africa, when it does become free, will also have the important benefit of having the history of newly independent countries behind it. This will endow South Africa's future leaders with a mine of lessons learned in managing the transition to independence with prosperity for all.

There has been a change in big power attention to southern Africa. The successul negotiation on Angola/Namiba introduced a new direction in U.S.-Soviet attention to southern Africa. Both powers see the possibility of

ooperation in other spheres. The conlicts in Mozambique and Angola come o mind. The overall encouragement of rowth economies in the region will ertainly be the focus of attention.

There is dynamic tension in the white power structure. Clearly, the oming change in presidential leadership signals new government approaches within the nationalist party nd government structures. The *modus perandi* is still to be worked out, but he South African Government must ain the trust of the black leadership efore anything concrete will happen.

The measures of repression by the outh African Government have not stifled the desire of blacks to make a difference in their situation. The black pposition is widening its range of options in strategic planning—education nd nationbuilding skills are among the onsiderations. A greater awareness of he importance of direct negotiations is n stream. The recent discussions beween the Minister of Law and Order nd religious leaders on the hunger trikes was a good example.

Younger South Africans of all colrs are much more aware of the need or change. Some want it now; others ook at it as an evolutionary thing. Black South African youth on the other nand are searching for more alternatives. They want the right to participate in the political process decisively, ow. The government would do well to remember that the black leaders of oday represent a much more cooperative element with which to negotiate han the emerging younger leadership.

The American public needs to know more about South Africa—beyond he surface. One of the more important contributions that can be made by the American people is the provision of money for education of South Africans disadvantaged by apartheid. This produces effective change agents. African-Americans have a lot to contribute: role models in business, in education, in reaching for psychological emancipation.

My assignment in South Africa was challenging, rewarding, and tension-filled. I arrived in 1986 thinking that the United States should be represented. I left even more convinced. The solution to South Africa must be found by the South Africans themselves, but the United States can be facilitative.

The Terror of AIDS

The road to the new Africa will not be an easy one. One of the most immediate problems, as well as the most frightening, is the terrifying specter of AIDS.

We are only now discovering the scope of the threat this disease poses to Africa, and its awful magnitude exceeds our power to comprehend. Some countries in central and southern Africa face the loss of as much as half their populations in the next 20 years. AIDS is the most critical emergency Africa has faced in its modern existence. We must all work together to combat it, now.

Nationbuilding

Beyond the threat of AIDS lie the daunting challenges of nationbuilding. Many of the political entities which occupy the African Continent are not the product of rational political evolution. Rather, they are the legacy of colonialism, a patchwork quilt sewn and sundered by European wars and economic competition.

The rulers of Africa must cope with complex societies; with amalgamations of multiple tribes, languages, and cultures; and few common bonds for forging a nation. The rulers of the new Africa face an arduous task of nationbuilding.

Economically, Africa faces the burdens of starting largely from scratch to build the infrastructure that is a necessity for any successful economy. Not only the nuts and bolts infrastructure of bridges, roads, and power plants but also the social infrastructure of a sound educational system.

Nations in the new Africa must operate in a world that is infinitely more competitive, faster paced, and more challenging than the world in which our nation matured. The new Africa must compete on first-world terms with Third-World assets—both internationally in terms of trade and domestically in meeting the expectations and demands of its own people.

A U.S. Policy for Africa

To assist this newly emerging Africa, we need a new dynamism in our foreign policy toward the continent. Like any foreign policy, our policy toward Africa must be the product of an evaluation of our interests, our goals in defense of those interests, our resources to pursue those goals, and, finally, specific actions toward those goals.

- Our interest in Africa, though not always apparent to the public at large, should be abundantly clear to us here.
- Africa's economic potential and the American market make us an ideal match for pursuing a mutually beneficial economic relationship.
- A significant number of Americans are of African heritage, and our links to the mother continent are becoming stronger.
- More broadly, the issues which Africa is beginning to address hit at the core of what we stand for in the world: the democratic ideal, the value of a pluralistic society, and the positive dynamism of the free market. In the process of testing, expanding, and experimenting with these ideals, Africans will document for the world at large the potential—and limits—of these ideas.

It is vitally important that these initial experiments in greater political and economic openness in Africa succeed. Each success encourages other experiments and contributions to further successes. Each small success is a buildingblock in the construction of the new Africa I envision. Failure, on the other hand, will breed discouragement and despair, a retrenchment of the openness we seek to promote. And there can be no retrenchment of this openness without more poverty and conflict. We can't bow away from Africa because it's too tough. The failure of the ongoing experiments there will cost us all too much.

We have seen how famine and revolution in Africa can affect the world. A decision to limit our involvement in Africa is really a decision to limit our involvement in the world because the problems of Africa have such a global dimension.

On the strength of the positive changes I've pointed out, we should reaffirm our commitment and our efforts to support Africans in their pursuit of prosperity and nationhood. And we do so with intelligence and respect for African aspirations and with the wisdom and humility born of past mistakes.

Strategic Areas

There are some strategic areas which I believe must receive our attention. First and foremost, we must focus on education. A well-educated public is fundamental to a free society and economic growth. We must first define it. I think our definition should have three ingredients.

First, education must fill the needs of nationbuilding.

Second, there must be some link between educators and society.

Finally, we should support education in its broadest sense—not just formal school learning, as measured in enrollments or degrees, but the ability to think critically and independently.

We can help greatly by financing training in nationbuilding skills; by sharing with African educators U.S. research and experience in building responsive educational systems; by supporting efforts to improve the place of women in African society, since they are the primary educators of African children; and by facilitating regional and international exchanges for Africans of all backgrounds through scholarships for study abroad.

Another strategic component of our African policy must be to stop thinking that economic development is somehow separate from political development and build into our assistance programs in Africa support for institutions which promote decentralized decisionmaking, pluralistic structures, and the exercise of democratic process. Support for independent trade unions, private business associations, and grassroots community organizations should be viewed as integral elements in our assistance programs in Africa.

We must also realize that a key to Africa's development as a prosperous continent will be contingent on its receiving a share of the technology which has powered our own economic development. Our trade with Africa must be more than just purchases of raw materials and agricultural commodities. As consumers of those products, the West—and the United States in particular—has an obligation to plow back into Africa the technology which can provide the framework for industrial and agricultural development.

And this technology transfer should not only come from the West. Africans themselves have a wealth of knowledge and experience and should be encouraged and assisted to share with other African nations. Strategically there needs to be a freer exchange of ideas, a greater depth of understanding of how Africans see the world, how their systems of influence and decisionmaking work, and what their aspirations are.

We need to continue our important effort in South Africa to lay the groundwork for an early and peaceful transition to a nonracial democratic future. How South Africa makes this transition—and there is no longer any doubt that it will—will be felt far and wide throughout Africa. The better managed the transition, and the better prepared South Africans are to govern, the better off the rest of Africa will be. So whatever modest impact our diplomacy and our AID [Agency for International Development] and USIS [United States Information Service] programs can make toward preparing black and white South Africans for change is an investment for the whole of Africa.

For these reasons, we are looking at a long-term bipartisan commitment to educate the future leadership of South Africa. The collaborative effort among AID, IIE [Institute for International Education], corporate donors, and the university community has resulted in first-class university education in the United States for over 600 black South Africans in the past 10 years. But it is not enough. We hope that a bursaries foundation can be established to guarantee that adequate funding, from both the private and public sectors, is made available for this purpose for many more black South Africans in the years ahead.

As for sanctions, the Comprehensive Anti-Apartheid Act [of 1986] sent a strong signal to all South Africans of fundamental U.S. opposition to apartheid. More sanctions in this period of transition in South Africa would probably be dysfunctional at this time. But we should not let South Africa forget that added ones are always a possibility. We need both incentives and disincentives and existing sanctions give us plenty of the latter and a path to push vigorously toward a post-apartheid South Africa.

Our existing AID programs in Africa are reaping huge dividends in relation to investment. But we need to be doing more, and that will require an increase in our AID budget for Africa. However, in light of the opportunities for positive change in Africa, I believe it is important that we expand this assistance. It is also important we coordinate with our key allies to the greatest possible extent in order to avoid duplication and to maximize the impact of our respective aid programs.

The Seedlings of Hope

Against this background, it is clear how very important it is that such organizations as Africare exist and thrive. Your reforestation program in West Africa is perhaps one of the best metaphors around for the hope that exists for Africa. Through the resources you provide, the communities of West Africa are nurturing the seedlings that will one day grow into trees that stop the desert creeping across the face of Africa.

Africare, together with such organizations as the African Development Foundation, the African-American Institute, the Peace Corps, the Institute for International Education, private foundations such as Ford and Rockefeller, and many others have done a great service in stepping forward to argue on behalf of the most neglected part of the world. Your efforts have contributed, I believe, to a more attentive foreign policy and a more conscientious assistance program in Africa and certainly to a better informed American public.

I have every reason to believe Africare and its sister organizations will continue to play an important role in nurturing Africa's seedlings of hope and in promoting our relations with Africa. I urge you to continue; you have our extended support and encouragement not to abandon our high hopes for Africa. And we will continue to work actively with you to see those high hopes realized. ■

Nuclear and Space Talks Open Round 11

PRESIDENT'S STATEMENT, JUNE 19, 1989[1]

Today marks the opening of round 11 of the nuclear and space talks (NST) in Geneva. Ambassador Richard Burt, the chief negotiator to the strategic arms reduction talks (START), heads the U.S. delegation. Ambassador Henry Cooper is our chief negotiator to the defense and space talks.

My objective for these negotiations is to achieve verifiable agreements that improve our security while enhancing stability and reducing the risk of war. In the strategic arms reduction talks, our emphasis will be on creating a more stable nuclear balance and strengthening deterrence by reducing and constraining those strategic nuclear forces which pose the greatest threat to security and stability. We will pursue complementary goals in the defense and space talks, seeking an agreement on a cooperative transition to a more stable nuclear balance that relies increasingly on defenses.

After extensive deliberations with my advisers, I have approved instructions for the U.S. START delegation. These instructions reaffirm much of the treaty text negotiated with the Soviets by the previous Administration. Modifications will be proposed in some cases. The United States will be prepared to address all the issues on which the two sides have not reached agreement as the negotiations proceed. In addition, I have reserved the right to introduce new initiatives aimed at further enhancing security and strategic stability.

Of all the outstanding START issues, verification may be the most complex. It will be especially critical in determing whether START enhances U.S. security and strategic stability. As part of our overall negotiating effort as the talks resume in Geneva, the United States will also propose that the two sides make a special effort to agree on, and to begin implementing as soon as possible, certain verification and stability measures drawn from proposals that both sides have already advanced in START or other contexts. These measures will enhance verification of a START treaty and contribute to strategic stability. Early agreement and implementation of them will speed resolution of outstanding issues and give added momentum to the efforts of our two countries to conclude expeditiously a START agreement.

Our approach to these arms negotiations and to our force modernization programs are complementary and mutually reinforcing. Maintaining credible and effective nuclear deterrent forces is essential both to our security and to our ability to negotiate sound and stabilizing agreements. A successful START treaty will reduce the risk of war but will not diminish our need to rely on modernized, effective strategic forces for continued deterrence. Indeed, our security would be reduced rather than enhanced if we do not modernize our forces while the Soviets continue to modernize theirs. We must continue to pursue both our force modernization and arms control and not make the mistake of treating one as a substitute for the other.

Our negotiators return to the bargaining table with my firm pledge that we will work vigorously to achieve fair and far-reaching agreements that strengthen peace. Nothing has higher priority. I am heartened by the growing evidence that the Soviet Union is prepared to negotiate seriously about agreements that promise to reduce the risk of war. Much has already been accomplished in the negotiations; much remains to be done. Our commitment is unwavering. We must build on our achievements thus far to reach agreements that fulfill our objectives of reducing the risk of war and enhancing security and stability.

AMBASSADOR BURT'S STATEMENT, JUNE 20, 1989

We have now begun the 11th round of the negotiations on nuclear and space arms. The United States sees this round as an opportunity to reestablish the working relationships of our negotiating groups, to reaffirm previous positions, and to present some new ideas. We will be prepared to address all the issues on which the two sides have not yet reached agreement. After seeing the lay of the land over the course of the next 6 weeks or so, we will have a recess sufficient to allow us time to analyze in our capitals the results of our dialogue during this round.

This round is also the first since President Bush assumed his responsibilities as President. As you know, the Bush Administration has conducted a comprehensive review of American security and arms control policies. As a result of this review, the President has concluded that the primary objective of strategic arms control is to achieve verifiable agreements that reduce the risk of nuclear war. In particular, we seek agreements that will contribute to nuclear risk reduction in three ways.

First, we seek to strengthen the stability of the nuclear balance by curbing incentives to use nuclear weapons in a crisis.

Second, we seek to improve predictability in the evolution of the forces of the two sides over the longer term.

Third, we seek to create greater transparency in the strategic posture and activities of both sides.

Based on the results of his review, the President has decided to build on the progress that has been achieved to date here in Geneva. At the same time, as I mentioned, we are coming to these talks with new ideas. We returned to the bargaining table with President Bush's firm pledge that "we will work vigorously to achieve fair and far-reaching agreememts that strengthen peace. Nothing has higher priority."

In START, we seek to ensure a stable nuclear balance by reducing the nature and scope of the threat posed to each side, by decreasing the vulnerability of our retaliatory forces to the threat that remains, and by lowering uncertainties in the evolution of forces between the two sides. Critical to determining whether START enhances our security and strategic stability is the issue of verification. As part of our overall negotiating effort, the United States will propose that the two sides make a special effort to agree on, and to begin implementing as soon as possible, certain verification and stability measures that we believe will enhance verification of a START treaty and contribute to strategic stability. Early agreement and implementation of these measures will give both sides early practical experience in verification, which will speed resolution of outstanding issues and give added momentum to the efforts of our two countries to conclude a START treaty.

Similarly President Bush has decided that our goals for the Strategic Defense Initiative (SDI) and our approach in the defense and space talks are sound and remain unchanged. The SDI program will continue to research, develop, and test concepts for effective defenses in full compliance with the Antiballistic Missile (ABM) Treaty. In defense and space, we will preserve our options to deploy advanced defenses when they are ready.

Several U.S. initiatives introduced late last round remain on the table in the defense and space area and provide a good basis for continued discussions with the Soviets. We look forward to a constructive Soviet response to help complete a separate defense and space agreement, with the same legal status as the ABM and START treaties, as was agreed by President Reagan and General Secretary Gorbachev during their Washington summit. We have made some progress toward such a treaty, including an associated protocol on predictability measures, which builds on the understanding reached at the December 1987 Washington summit.

We have accomplished much already in Geneva, yet a great deal of work lies ahead. Based on the growing evidence that the Soviet Union is prepared to negotiate seriously, I believe that through a constructive dialogue, we will be able to make significant progress. The United States is committed to building on our achievements thus far to reach agreements that fulfill our objectives of reducing the risk of war and enhancing security and stability.

[1]Text from Weekly Compilation of Presidential Documents of June 25, 1989. ■

Military Openness Proposals Tabled at CSBM Talks

DEPARTMENT STATEMENT, JUNE 9, 1989[1]

Maintaining the momentum of U.S. and NATO leadership on arms control launched by the President at the NATO summit, the allies today tabled far-reaching proposals for military openness throughout Europe.

The Western package of 12 specific measures was put on the table at the negotiations on confidence- and security-building measures (CSBMs) in Vienna. These measures cover everything from a comprehensive exchange of information about ground forces, combat aircraft, and major weapons systems in combat units in Europe to a measure for improving access for the press to military exercises. They are the result of a cooperative effort among the members of the NATO alliance to design a comprehensive package of CSBMs that would go far beyond the Stockholm regime to advance openness and predictability about military forces in Europe and their activities.

The Western package represents another step in the broader U.S. effort to build confidence and openness in East-West relations, most recently set out in the President's speech in Mainz this week [May 31]. European security can only be built upon a foundation of respect for human rights and the rule of law. In the military area, openness and confidence-building serve to chip away at the secrecy which too often shrouds the capabilities and intentions of some states toward their neighbors.

The Western measures are written in language suitable for a final agreement. NATO's tabling of such detailed proposals so early in the negotiation is indicative of our eagerness to propel the process forward with all possible speed.

In addition to the information proposal, the Western package has a number of ground-breaking features. These include a requirement to notify new deployments of weapons systems in the zone, a new evaluation measure which entitles states to visit units to check the validity of the information provided, notification of mobilizations of reservists, and a proposal to conduct a 35-nation seminar on military doctrine. Also included are many improvements to the highly successful Stockholm regime (completed in 1986), including extension of the duration of observation of military exercises, a tightening of the inspection regime, including the right to conduct an aerial overflight of the area to be inspected before the actual inspection begins, and an increase in the inspection quota.

[1]Made available to news correspondents by Department spokesman Margaret DeB. Tutwiler. ■

Anniversary of INF Treaty

WHITE HOUSE STATEMENT, JUNE 1, 1989[1]

One year ago today, on June 1, 1988, the President of the United States and the President of the Soviet Union exchanged the instruments of ratification bringing into force the Intermediate-Range Nuclear Forces (INF) Treaty, the first in history to bring about actual reductions in nuclear arsenals.

The goal of the INF Treaty—the complete elimination of INF missile systems under conditions of strict verification—is being accomplished. Since the summer of 1988, when eliminations began with the destruction of a Soviet SS-20 at Kapustin Yar and an American Pershing II at Longhorn, Texas, both sides have continued to eliminate INF missiles, launchers, and support equipment in the presence of inspectors from the other side.

The achievement of the INF Treaty was a signal victory for NATO solidarity and political resolve and a contribution to greater security for our allies. It established the long-held alliance principles of asymmetrical reductions to reach equality of forces and effective verification as essential components of arms control agreements. These principles remain keystones of our approach to arms control.

The agenda ahead is even more challenging as we move forward with NATO's conventional force proposals and the President's initiative this week for added reductions. Further we seek stabilizing reductions in strategic arsenals and increased reliance on strategic defenses and a truly global and effective verifiable ban on chemical weapons. We will spare no effort to achieve agreements that will reduce the risk of war and strengthen the foundations for peace.

[1]Text from Weekly Compilation of Presidential Documents of June 5, 1989. ■

Demonstrations in China

DEPARTMENT STATEMENT, MAY 18, 1989[1]

The Department of State advises Americans traveling to China to use caution and avoid areas where demonstrations are occurring. There is no indication of any antiforeign feeling among the demonstrators. Nonetheless caution, good sense, and discretion are called for to ensure Americans are not caught up in a demonstration. This alert does not advise against traveling to China; only that caution should be exercised.

WHITE HOUSE STATEMENT, MAY 20, 1989[2]

President Bush this morning received his daily intelligence briefing, including an update on the status of events in China. The situation remains uncertain. Both sides have exercised restraint, and we urge that restraint to continue. The United States stands for freedom of speech and freedom of assembly, and President Bush commented yesterday on the inexorable march of democracy in China. The demonstrations of the last few days indicate that the hunger for change remains strong. We remain hopeful that a dialogue between the government and the students is possible.

WHITE HOUSE STATEMENT, MAY 23, 1989[2]

The President today met with Wan Li, Chairman of the Standing Committee of the National People's Congress, from 2:30 p.m. to 3:30 p.m. Following the plenary meeting, Wan Li visited the residence to greet Mrs. Bush.

The Chinese leader briefed the President on the outcome of the recent Sino-Soviet summit and on the student demonstrations in China. "We are strongly committed to democracy around the world," the President said. "It is the underpinning of our being as a nation. I urge nonviolence and restraint in your present situation. I urge that Voice of America not be jammed and that reporters be given open access."

The President told Chairman Wan that he remains personally committed to expanding the normal and constructive relations the United States enjoys with China. The world has a stake in China's economic progress, national security, and political vitality. The United States hopes to see the continuing implementation of economic and political reforms, which undoubtedly will also help advance these goals.

PRESIDENT'S STATEMENT, JUNE 3, 1989[3]

It is clear that the Chinese Government has chosen to use force against Chinese citizens who were making a peaceful statement in favor of democracy. I deeply deplore the decision to use force against peaceful demonstrators and the consequent loss of life. We have been urging, and continue to urge, nonviolence, restraint, and dialogue. Tragically another course has been chosen. Again I urge a return to nonviolent means for dealing with the current situation.

The United States and People's Republic of China, over the past two decades, have built up, through great efforts by both sides, a constructive relationship beneficial to both countries. I hope that China will rapidly return to the path of political and economic reforms and conditions of stability so that this relationship, so important to both our peoples, can continue its growth.

DEPARTMENT STATEMENT, JUNE 5, 1989[1]

The situation in Beijing and other cities remains chaotic. There are reports of indiscriminate firing on civilians and burning of military vehicles in several sectors. The situation in Shanghai is tense, with many roads blocked and large groups of students and workers gathered in the business district.

To ensure the safety of American students in Beijing, the embassy is requesting they leave their campuses and go to hotels in central Beijing. The embassy is attempting to facilitate the movement of students with embassy vehicles.

Today we are issuing another travel advisory urging Americans not to travel to China in view of the extremely volatile and dangerous situation. The embassy in Beijing has advised Americans in the city not to venture outdoors unless absolutely necessary.

We have had an open line for the last 72 hours from our Embassy in Beijing to the State Department's 24-hour task force that is set up here in the Operations Center. In addition our Embassy in Beijing has activated its warden system whereby it keeps in touch with all Americans to make sure they are safe and to help if necessary.

DEPARTMENT STATEMENT, JUNE 6, 1989[1]

The situation in China remains tense and unsettled. The Secretary of State, after consulting with our Ambassador in Beijing, last night decided to encourage American citizens in the Beijing area to depart China. The embassy is making an effort to contact American citizens in Beijing to give them this advice and assist in their departure.

In addition the Secretary of State has authorized the ambassador to permit voluntary departure by those U.S. Government dependents who wish to leave China. There is no drawdown of embassy officers. The embassy and our four consulate offices continue to operate fully.

The embassy's figures as of January of this year show 270 American students in Beijing, 360 in all of China; 1,400 American non-U.S. Government residents in Beijing, 8,800 in all China. There are 424 embassy and consulate personnel and dependents in China. Normally—and we don't have a better figure for you—there are roughly about 4,000 tourists in China at any given time.

Persons in other parts of China may also wish to leave China, depending on the local situation. Citizens who choose to leave should, if possible, avoid routes out of the country that would require them to travel through Beijing. The Beijing airport is open, and flights are operating as scheduled. Roads to the airport are also open.

The U.S. Government is in touch with commercial airlines to arrange for charter flights, should they become necessary, to accommodate Americans departing China. As many of you know, Northwest Airlines flies out of Shanghai, and United flies out of Beijing.

The Secretary is recommending today to the Attorney General that all nationals of the People's Republic of China in the United States be permitted to remain in this country after their visas expire, without a change in their status. There are approximately 45,000 P.R.C. nationals in the United States at this time.

DEPARTMENT STATEMENT, JUNE 7, 1989[1]

The situation in Beijing and in China is volatile, uncertain, and increasingly dangerous. As you all know, this morning in China our Ambassador issued an order that all U.S. dependents—there are 258 of them—depart China.

Let me make something very clear. Our government can only order U.S. personnel and dependents to leave the country. The U.S. Government has no legal authority to order Americans to leave a foreign country. In light of that, the Secretary of State and our Ambassador are strongly urging all American citizens to leave China, and our Embassy and consular officers are assisting all Americans in leaving China to the best of our personnel's ability.

The State Department today is issuing a new travel advisory which reiterates the above.

In order to help facilitate the departure of American citizens and dependents, we have done the following. The U.S. Government is arranging charters that will supplement U.S. airlines to facilitate the departure of all those who want to leave and all those who have been ordered to leave. There are two charter flights scheduled for Thursday [June 8]. There is a possibility of a third. One of these is a United Airlines 747. Another is a Continental DC–10. There are 684 seats on those two flights. I do not have for you at this time what the additional charter may be.

On Friday [June 9], there is a regularly scheduled United Airlines flight. In addition Continental Airlines will bring back its DC–10 twice. All flights will include a mix of American citizens and dependents. It will depend on who is ready and waiting at the airport to go. There is a U.S. Embassy officer available at the Beijing airport to assist American citizens.

Concerning transportation to the airport: The road remains open. Yes, there are some roadblocks and some difficulties and delays. Embassy vans and cars are transporting American citizens to the airport. Hotel buses and taxis are also available.

In addition a convoy of six embassy vans and one car departed our Embassy in Beijing this morning at approximately 9:30 a.m. for the university area. The convoy picked up 55 American teachers, students, and dependents. All of those people are now at the airport and were taken directly from their pickup points to the airport.

Our embassy and four consulates remain open.

Secretary Baker spoke this morning with our Ambassador in Beijing for a report on the situation at the diplomatic compound and the embassy. Ambassador Lilley reported that he was able to see the Vice Minister for Foreign Affairs and registered a strong protest against the shooting incident. In addition here in Washington the State Department, around 2:00 a.m. this morning, registered a similarly strong protest to the Chinese Embassy.

The Chinese Embassy has informed the State Department late last night—that was June 6—that Foreign Minister Qian's visit to Washington has been postponed. As I said on Monday, the visit would have given us the opportunity to convey to the Chinese leaders our view of the tragic and brutal actions that have taken place and to urge that a policy of restraint and dialogue be reinstated. However, under current circumstances, we agree that such a visit should not take place.

The State Department task force has 35 individuals here answering phones 24 hours a day. We are averaging approximately 8,000 calls in a 24-hour period.

I would like to give you a VOA [Voice of America] update. We have stepped up the hours of frequency. We have increased the hours from nine to eleven in Mandarin. We will continue increasing the hours. We have increased the frequency as of today to 12 in Mandarin; that is breaking out into seven in the evening—broadcasts—and five in the morning. There is sporadic jamming, but we know that some of this is getting through.

We have seven English frequencies, which is an increase of two; and these are not being jammed. In addition VOA has satellite television being beamed into China. I would like to point out that the only way it can be picked up is on a TV receiving dish, and our estimates are that there are approximately 2,000 of these dishes in China. There are 43 people working at VOA on these radio and TV broadcasts both here and in China.

DEPARTMENT STATEMENT, JUNE 9, 1989[1]

Basically we would describe the situation today as relatively calm; however, we would note that Beijing is still an armed camp.

On Americans left in China—our estimates are there are a little under 1,500 Americans in China. I will break some of this out for you. There are approximately—and all our numbers are approximate and estimates—500 Americans in Beijing. Of that number, approximately 150–200 are media, 116 are our own Embassy personnel, and the remaining number is made up of businessmen and tourists.

There are approximately 200 Americans in Shanghai. There are approximately 135 Americans in Guangzhou. There are approximately 100–25 Americans in Wuhan, and we are working on getting transportation to get those individuals out.

There are 50–100 Americans in Tianjin, and the embassy has organized a bus caravan to pick them up and bring them to Beijing.

The embassy is still making daily visits to the universities and to the hotels. We have found at Beijing University there are no Americans there. The approximate number we have of Americans choosing to stay in Beijing is 400 [including press], because the total number we have out there is about 500.

Of the dependents order that was issued earlier this week, there are 10 dependents left in China, and they are coming out.

On charters; you know that we had a United charter that left on June 8. There were 65 Americans on board. Our Continental charter left on June 9 with 77 people, which includes Americans and third country nationals. There are no more scheduled chartered flights.

The embassy has told us that there are many seats now available on the regularly scheduled flights, and I will be glad to post for you the details on all commercial flights out of China. The number that we have is approximately 43 in the next 3 days, and their destinations are 10 different cities around the world.

DEPARTMENT STATEMENT, JUNE 12, 1989[1]

Beijing and other cities remain relatively quiet. There is little troop activity that has been reported. Tiananmen Square is still surrounded by tanks, armored personnel carriers, armed soldiers, and barbed wire.

As you all know, there is an increase in the security presence surrounding the foreign diplomatic residence compound and also at our Embassy.

We estimate there are roughly 1,100 Americans still in China. In Beijing, private, 185; official, 118 as of Monday morning. [Figures for Americans in other cities were posted for news correspondents.]

Over the weekend, we did complete our bus convoy to Tianjin where 89 Americans were convoyed out. We completed a chartered airplane to Wuhan with 35 Americans on it. In Dalian, we took out a charter flight with 35 Americans and 70 third country nationals. That plane went to Hong Kong. Our best information is that all U.S. citizens who wish to leave have left or are on their way out, according to our Embassy in Beijing.

On VOA: Beijing is being heavily jammed and not much is getting through. In fact, for 100 square miles, there is very heavy jamming and not much is getting through. They are broadcasting 1 hour a day from the Philippines using medium waves, which is AM and is broadcast in Mandarin. This broadcast covers Guangzhou and the whole countryside in the southeast area.

WHITE HOUSE STATEMENT, JUNE 20, 1989[2]

The President today directed that the U.S. Government suspend participation in all high-level exchanges of government officials with the People's Republic of China, in addition to the suspension of military exchanges previously announced [by the President at his news conference on June 5]. This action is being taken in response to the wave of violence and reprisals by the Chinese authorities against those who have called for democracy. The United States has supported the legitimate democratic aspirations for freedom of peoples throughout the world. The United States will continue to voice its concern and its support for these aspirations.

The United States hopes that the current tragedy in China will be brought to a peaceful end and that dialogue will replace the atmosphere of suspicion and reprisal. China is an important state with which we hope to continue productive relations.

In addition to the ban on exchanges, the United States will seek to postpone consideration of new international financial institutions' loans to China. The situation in China is of international concern as witnessed by the variety of voices that have spoken up on the issue. We urge continued international expressions of concern.

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[1]Made to news correspondents by Department deputy spokesman Richard A. Boucher.

[2]Text from Weekly Compilation of Presidential Documents of May 29, 1989.

[3]Text from Weekly Compilation of Presidential Documents of June 12.

[4]Made to news correspondents by Department spokesman Margaret DeB. Tutwiler.

[5]Text from Weekly Compilation of Presidential Documents of June 26. ■

NATO Defense Planning Committee Meets in Brussels

The Defense Ministers of the North Atlantic Treaty Organization (NATO) met in Brussels June 8–9, 1989. The United States was represented by Secretary of Defense Richard B. Cheney. Following is the text of the final communique issued June 9.

1. The Defense Planning Committee of the North Atlantic Treaty Organization met in Ministerial session in Brussels on 8th and 9th June 1989.

2. At their meeting in Brussels on 29th and 30th May, marking the advent of the fifth decade of the North Atlantic Alliance, our Heads of State and Government reviewed the successful results that Alliance policies have brought about. In their Summit Declaration and the Comprehensive Concept of Arms Control and Disarmament, they set out a positive and ambitious forward-looking programmme which establishes an agenda for the future designed to achieve the realization of our long-term objectives. They reaffirmed that the Alliance, founded on the strength and cohesion of the trans-Atlantic partnership, will continue to serve as the cornerstone of our security, peace and freedom. They also underlined that, for the foreseeable future there is no alternative to the Alliance's strategy for the prevention of war, which is a strategy of deterrence based upon an appropriate mix of adequate and effective nuclear and conventional forces which will continue to be kept up-to-date where necessary.

3. In aiming to build on the success of the Summit and recalling the principles of the Harmel Report, we reaffirmed that the maintenance of a strong and coherent defense posture is a prerequisite for the security of our countries and for constructive dialogue and co-operation with the countries of the East, including arms control and disarmament. To this end, we considered at this meeting a number of issues which are of particular significance for defense planning and policy within the Alliance. Most important amongst these were the implications for defense planning of the Western proposals, as expanded by the Summit initiative, for the reduction of conventional forces in Europe; the new Ministerial Guidance; and the equitable sharing of roles, risks and responsibilities within the Alliance.

4. We agreed that in order to safeguard and enhance our collective security the yardstick against which NATO requirements for defense and deterrence must be measured continues to be present and forecast Warsaw Pact capabilities. In this respect we noted that, even after the announced and recently begun unilateral reductions in some of the Warsaw Pact forces have been carried out, a substantial imbalance will remain between the forces of the Warsaw Pact and NATO, and that the Soviet Union continues to maintain the pace of its military production.

5. The Comprehensive Concept has made clear that within the Alliance's far-reaching arms control agenda one of the highest priorities in negotiations with the East is reaching agreement on conventional force reductions, and it reaffirms our key objectives for these negotiations. The Summit agreed on further proposals to be tabled in the CFE [conventional armed forces in Europe] negotiations and set out an ambitious timetable for achieving an agreement and then accomplishing the reductions. To meet this timetable work is already in hand in the High Level Task Force to elaborate further these proposals. The CFE negotiations have important implications for NATO's collective defense planning activities. It is essential that the Alliance's defense and arms control objectives remain in harmony in order to ensure their complementary contribution to achieving the goal of enhanced security at the lowest possible

level of forces. We have accordingly tasked the Defense Planning Committee in Permanent Session to consider how Alliance defense planning can most effectively contribute to this end.

6. The fundamental considerations set out in the Summit documents are duly reflected in the 1989 Ministerial Guidance which we have approved as the basic political directive for a broad range of defense planning activities, both national and international, in NATO. Specifically, it provides guidance for the development of the next set of force goals and their implementation, and maintains an emphasis on the need to redress identified deficiencies in our conventional defense, reaffirming the focus of the Conventional Defense Improvements (CDI) programme and the need to maintain its momentum. The Guidance also seeks increased military assistance for Greece, Portugal and Turkey, building on recent efforts to improve and focus more clearly such assistance. While recognizing that considerable efforts will be needed to meet all these challenges, we are resolved to continue to aim to provide increased resources in order to maintain and improve the effectiveness of our individual contributions to collective defense, as set out in the attached extract from the 1989 Ministerial Guidance.

7. In the light of current resource constraints we also expressed our determination to obtain greater value for the money we devote to defense in order to improve our defense capabilities. We shall seek to broaden the scope of our national and collaborative efforts to achieve this. We therefore renewed our support for further development of NATO planning processes which can play an important role in expanding co-operation and in setting priorities.

8. The longstanding Alliance principle of the equitable sharing of roles, risks and responsibilities, reaffirmed at the Summit, is one of the major themes of our Guidance. The Guidance recognizes and incorporates key recommendations contained in the Report that we issued in December 1988. We intend to ensure that national defense plans and Alliance defense planning activities take full account of the assessments and recommendations contained in this Report. To this end we have endorsed a work programme which sets out specific responsibilities for the necessary follow-on action. Some countries have already taken initial steps to improve their contributions to our collective security and further initiatives are being pursued by the Alliance collectively and by individual countries. A full report on progress in this important field will be presented to us in November this year.

9. In our consideration of other defense matters we discussed the need to ensure that Alliance ammunition stocks are sufficient and are supported by an adequate production capability. We also noted that the current status of an examination by NATO's Military Authorities of the necessary level and appropriate mix of military training and exercises in Europe to ensure that our forces maintain their operational standards while minimizing the impact on our publics. In addition, we welcomed progress being made in the trial of a conventional armaments planning system and in the pursuit of armaments co-operation initiatives for Allies with lesser developed defense industries.

10. We recognize that at this time of unprecedented promise in international affairs hopes for the future are high, and that many in our publics look forward to the time when the burdens of defense can be reduced. We share the hope that this will indeed become possible as a consequence of the current arms control negotiations. But our defense requirements are determined by realities, and the realities of the Warsaw Pact's military capabilities are such that we must maintain an adequate defense and deterrent posture as a prerequisite not only for peace and stability but also for the further progress in East-West relations that we seek. The defense efforts which we make—which must be shared equitably—must provide forces which are sufficient to meet our security requirements but are also at the lowest possible level consistent with these requirements. The policies we have endorsed at our meeting aim at achieving just this.

ANNEX

Resource Guidance

Since 1977 Alliance defense planning has been based on resource guidance involving commitment by countries to aim at annual real increases in defense expenditure in the region of 3%, although with certain qualifications, notably relating to the quality and quantity of the past and present defense efforts of invididual countries. The original basis for the 3% guideline was the need to maintain planned force levels and allow for essential equipment modernization and replacement, bearing in mind not only the substantial gap between NATO and Warsaw Pact forces but also that the continuing enhancement of Warsaw Pact force capabilities was tending to widen the gap, particularly in terms of the quantity of equipment deployed. Account was also taken, however, of affordability, based on forecasts of likely economic growth rates and pressure on Allied Governments to exercise budgetary restraint for domestic economic reasons.

Practical experience over the past decade has generally confirmed the appropriateness of the guidance. Most annual reviews during the period concluded that

Elections in Poland

PRESIDENT'S STATEMENT, JUNE 6, 1989[1]

Sunday's elections [June 4] in Poland marked an important step toward freedom and democracy. I am encouraged by the responses of both the Polish Government and members of the opposition to the election results. I hope the movement toward political pluralism will continue to follow the responsible, constructive path it has taken since the historic roundtable agreements in April.

As I said in my speech in Hamtramck, Michigan, April 17, the Polish people are now taking steps that deserve our active support. We will work in concert with our allies to help Polish democracy take root anew and sustain itself. The Polish people face a difficult task ahead; but their first steps have been firmly in the right direction.

[1]Text from Weekly Compilation of Presidential Documents of June 12, 1989. ■

Hungarian Political Reforms

WHITE HOUSE STATEMENT, JUNE 16, 1989[1]

The United States welcomes the announcement of the Hungarian Government's intention to begin discussions with the opposition as a first step to multiparty elections. On April 17, in Hamtramck, Michigan, the President pledged support to East European countries which embarked upon the path of fundamental political and economic reforms. In view of Hungary's progress, the President will seek legislation to accord Hungary GSP [generalized system of preferences] and to permit the Overseas Private Investment Corporation (OPIC) to operate in Hungary.

[1]Text from Weekly Compilation of Presidential Documents of June 19, 1989. ■

eal increases in that order were necessary o maintain the credibility of NATO's de- ense posture. While no country has suc- eeded in consistently meeting or exceeding he target over the whole period, and the erformance of a few countries has fallen ell short of doing so, some eight countries enerally achieved the goal and the average ate of growth across the Alliance (exclud- ng the United States whose large defense udget tends to distort the figures) was bout 2%.

Notwithstanding the announced uni- ateral reductions in Warsaw Pact forces and he possibility of future arms control agree- ents, a very considerable imbalance re- ains between the forces of the Warsaw act and NATO, and there is as yet no evi- ence of a significant diminution of the cope and momentum of Warsaw Pact force odernization programmes. Therefore, in rder to sustain a credible deterrent there emains, at least for the time being, a con- inuing need to increase the resources de- oted to defense both in order to maintain he effectiveess of current capabilities and o redress existing deficiencies in conven- ional defense. It will also be necessary to im to achieve the most efficient use of re- ources devoted to defense, on both a nation- l and an Alliance basis.

The DPC [Defense Planning Commit- ee] report on Enhancing Alliance Collec- ive Security endorsed by Ministers in December 1988, whilst acknowledging the eed to avoid setting unrealistic or unrea- onable standards, concluded that real in- reases in resource inputs will continue to e necessary if the defense output is to be aintained and improved. It stressed that ll countries should provide a level of re- ource allocations to defense adequate to en- ble them to maintain or assume a fair share f the roles, risks and responsibilities in the lliance, noting that for some countries par- icular efforts will be necessary.

While there may be significant varia- ions among individual countries, it should e noted that projected GDP growth rates or NATO as a whole over the planning peri- d are in the region of 3%. Moreover, most ountries have, in the recent past, allocated larger share of their GDP to defense than t present and should, therefore, be in a po- ition to reverse the current downward rends or at least to arrest them. Thus, for he present, continuing real increases in de- ense expenditure of the order of 3% appear oth necessary and affordable.

The ultimate yardstick against which he need for Alliance and national efforts nust be measured is the overall ability to upport NATO's deterrent and defensive ob- ectives. In this context, it is recognized hat reductions in the threat resulting from urther positive developments in East-West elationships and arms control agreements nay in the future justify some revision both n our force posture and in the resource guidance. However, in the near term at east, the need to overcome significant defi- ciencies in our conventional defense in order to maintain our strategy remains beyond dispute.

Taking into account the above considerations and recognizing that guidance on the level of financial input is only one of several instruments to guide the defense effort in the Alliance and to bring about a fair sharing of roles, risks and responsibilities, countries should:

(a) continue to aim to achieve significant real annual increases in defense expenditure in order to redress identified deficiencies, maintain the momentum of the CDI programme and enhance collective security as agreed in the DPC report on the sharing of roles, risks and responsibilities. In this respect, the target of a real increase in defense expenditure of the order of 3% should, in the absence of tangible improvement in the balance of forces, serve as a general guide, recognizing that a special effort will be required from those countries identified of the DPC report whose past level of expenditures had led to key deficiencies in their defense capabilities. Regarding the share of GDP devoted to defense, countries should make every effort to provide a level of resources adequate to enable them to maintain or assume an equitable share of the roles, risks and responsibilities of the common defense burden; in particular those countries that spend a smaller percentage of their GDP on defense than the current NATO median should over time assume a more equitable share of the defense burden by showing real progress in increasing that percentage;

(b) make every effort to improve the output obtained from the resources available. Continuing attention should be paid to obtaining better value for money through improved cooperation and rationalization, with particular attention to those areas identified in the Roles, Risks and Responsibilities Report. ■

President Meets With French President

President Francois Mitterrand visited the United States May 20–21, 1989, and met with President Bush at Kennebunkport, Maine, and at Boston. Following is the text of a news conference the two Presidents held at Dickerson Field at Boston University on May 21.[1]

President Mitterrand. We're coming to the end of our stay in the United States, and this meeting with the press is, more or less, the last event. And the journalists who have been good enough to follow us during the last 24 hours will have appreciated, I think, that we've had a very full day. But you will, of course, be able, in a moment, to ask the questions which you feel most suited to the requirements of the day. And President Bush and myself will be at your disposal to reply to them.

But personally—and also on behalf of my country—I would like to say how very deeply sensitive we are to the way in which Mrs. Bush and President Bush have received us—my wife and myself. They received us in a very warm, homely family and restful atmosphere; but at the same time, we were able to have some intensive, political, serious conversations which were given, as it were, more life thanks to the forest air and the sea breeze that we were ble to breathe.

Now President Bush will be saying a few words, and then we'll be open to questions. But I'd like to personally thank all those who have been good enough to accompany us during our stay and comment on what we have done.

President Bush. Let me just say what a pleasure it was having President Mitterrand and Madame Mitterrand as our guests in Maine. We've just come from the commencement of Boston University. And nothing better symbolizes the strength of the friendship and common values which we share—which our two nations share—and which really the President celebrated with us 8 years ago, when he came to Yorktown, celebrating the 200th anniversary of that battle.

The weekend was not all work and no play; it provided a good opportunity for us to discuss many of the main issues on the international agenda. By the end of this week, both of us will be traveling to Brussels for the NATO summit. We agreed on the central role the Atlantic alliance has played in keeping the peace for the past four decades, the enduring value of this partnership in the common defense in the years ahead. We also agreed on the critical contribution the nuclear deterrent has made in keeping us free and secure and at peace.

We also talked about the opportunities that lie before us in the light of the changes now taking place in the Soviet Union and in Eastern Europe. Both of us will watch developments in the Soviet Union, seeking signs of lasting change. Of course, we discussed the dramatic events now taking place in Beijing, in China. The President, I believe, shares my view—I'll let him speak for himself—that our goal should be a bold one, to move beyond containment, toward the integration of the Soviet Union into the community of nations. Of course, we discussed how the United States will relate to France and the rest of Western Europe in the years ahead.

I sensed an excitement on his part about the future. We exchanged views about the themes that I touched on in my earlier remarks here at BU [Boston University]—America's readiness for a more mature transatlantic partnership, the vision of a commonwealth of free nations as a bridge to overcome the divisions of Europe. We also discussed the potential for improved cooperation with the EC [European Community] as we approach 1992 and the single European market, as well as the prospects for greater Western European cooperation in addressing the political and global issues around the world. I heard his clarion's call for cooperative action on the environment, and I salute him for that.

Beyond the NATO summit and East-West relations, we exchanged views on so may subjects, many of which will be on the agenda at the Paris economic summit. We agreed that more needs to be done in practical, realistic ways to deal with the environment and to deal with the problems of global warming. We also reviewed ways of advancing the peace process in the Middle East, the urgent need to try to find, or be helpful in finding, a solution to the situation in Lebanon.

On the question of peace and democracy in this hemisphere, in Central America, we share the view that democracy must be restored in Panama and that the commitments undertaken at Esquipulas are the key to peace and democracy in the region.

Q. The students in China have been told to leave Tiananmen Square or face military attack. What's your reaction to that, and do you have any message for the students, other than that the United States supports freedom of speech and freedom of assembly?

President Bush. We do support freedom of speech, freedom of assembly, freedom of the press; and clearly, we support democracy. I don't want to be gratuitous in giving advice, but I would encourage restraint. I do not want to see bloodshed. We revere the model of Martin Luther King in this country for his peaceful protests. And so I might suggest a familiarization with that for the people in China. I would urge the government to be as forthcoming as possible in order to see more democratization and to see a peaceful resolution of this matter.

Baltic Freedom Day

PROCLAMATION 5990, JUNE 14, 1989[1]

Fifty years ago on August 23, 1939, the foreign ministers of the Soviet Union and Nazi Germany signed the infamous Molotov-Ribbentrop pact. The secret protocols to this treaty condemned the independent Baltic States of Estonia, Latvia, and Lithuania to the foreign domination they still endure today.

Less than 1 year after the signing of the Molotov-Ribbentrop pact, the Soviet Union invaded the three Baltic Republics and imposed a regime antithetical to the ideas of national sovereignty and individual liberty. The suffering of the Baltic people was exacerbated when Nazi forces drove through these states during the beginning of the Nazi-Soviet War and established a brutal administration. When the Red Army recaptured the Baltic States during World War II, it reinstituted a reign of terror under the Soviet secret police. Hundreds of thousands of innocent men, women, and children were deported to Siberia; thousands of others perished in armed resistance to the attack upon their national independence and individual rights. By the end of World War II, the Baltic States had lost 20 percent of their populations.

Since their forcible annexation by the Soviet Union in 1940, the people of Lithuania, Latvia, and Estonia have suffered political oppression, religious persecution, and repression of their national consciousness. Their cultural heritage has been denigrated and suppressed, and russification has threatened their survival as distinct ethnic groups. An aggressive program of industrialization has posed hazards to their health as well as the environment. Members of the clergy and lay religious leaders have been systematically harassed and imprisoned for activities deemed unacceptable by the authorities.

However, half a century of repression has not broken the spirit of the Baltic peoples. Today, their longing and hopes for liberty remain strong. Hundreds of thousands of Estonian, Lativian, and Lithuanian men and women have publicly demonstrated their desire for freedom and democracy, calling for national autonomy and control over their own affairs.

The future looks brighter today than at any other time in the Baltic States' post-war experience. The undeniable voice of Baltic people is being heard. Some religious shrines—desecrated by the Communist government and used to house concerts, artwork, and even a museum of atheism—have been returned to the churches. Members of the clergy have been allowed to take up their pastoral duties. The unique languages, national flags, and patriotic songs of the three countries have been restored. Some political prisoners have been released.

These are important steps, but justice demands that more be taken. Recent improvements in human rights practices by the ruling Communist officials are not complete, nor have they been institutionalized. The people of Lithuania, Latvia, and Estonia both demand and deserve lasting guarantees of their fundamental rights.

The Government of the United States does not and will not recognize the unilateral incorporation by force of arms of the Baltic States into the Soviet Union. On this observance of Baltic Freedom Day, we express our solidarity with them and call upon the Soviet Union to listen to their calls for freedom and self-determination.

By Senate Joint Resolution 63, the Congress has designated June 14, 1989, as "Baltic Freedom Day" and has requested the President to issue a proclamation in observance of this event.

NOW, THEREFORE, I GEORGE BUSH, President of the United States of America, do hereby proclaim June 14, 1989, as Baltic Freedom Day. I call upon the people of the United States to observe this day with appropriate remembrances and ceremonies and to reaffirm their commitment to principles of liberty and freedom for all oppressed people.

IN WITNESS WHEREOF, I have hereunto set my hand this fourteenth day of June, in the year of our Lord nineteen hundred and eighty-nine, and of the Independence of the United States of America the two hundred and thirteenth.

GEORGE BUSH

[1]Text from Weekly Compilation of Presidential Documents of June 19, 1989. ■

Q. Do you think that progress has been made in hoping to bring German and American views closer together on the question of modernization of nuclear short-term weapons in Europe? And do you think that you are there to act as an intermediary, a conciliator?

President Mitterrand. The only role I play is the role that is my natural role as a member of the alliance. But I am not particularly there to act as a mediator. Obviously I'm happy if views can be reconciled and believe, I think, that they can be reconciled. I think that we have now the elements of ideas that could form a decision that will be taken just in a week's time. And I think that the decision that will be taken will be found positive from the point of view of all members of the alliance. You know what my suggestions on the subjects are because I made them clear in Paris.

Q. On that point, the indication out of Bonn today was that the West Germans have not accepted the explicit conditions that were handed to Mr. Stoltenberg [West German Minister of Finance] on Friday for talks on SNF [short-range nuclear forces]. A West German spokesman said that those conditions were merely—I think he said—a basis for further dialogue. Is the U.S. position negotiable at this point, and how do you sum up the likelihood of resolving this before the NATO summit?

President Bush. I think great progress has been made. One way to guarantee there will not be progress is to lock each other in, in public statements, so I do not intend to comment on the specifics. The report I saw from Bonn was somewhat more encouraging than the way you phrased this one, in terms of being very, very close together with the Germans. This is an alliance that contains many countries, and we are in active consultation with the Germans and others. And, of course, I had the benefit over this weekend of hearing directly from President Mitterrand on his views. But I think that we could well have this resolved before the summit.

Q. You spoke about the common bond between the United States and France and the economic changes that will be coming about in 1992 and, of course, the obvious benefit to the United States. Yet we have an immigration law at the present that disfavors Europeans. Do you see this matter being resolved so that Europeans can continue to contribute to the United States?

President Bush. I want to see the immigration matter resolved, and, yes, I do foresee it being resolved.

Q. You have a personal interest in China and the Chinese people, yet your statements have seemed to be very cautious and diplomatic. Have you made any private representation to the Chinese leadership or given any suggestions to them on how to resolve—or what you might help with in the democracy movement in China?

President Bush. We have been in touch with our ambassador on this very key question. I think this perhaps is a time for caution because we aspire to see the Chinese people have democracy, but we do not exhort in a way that is going to stir up a military confrontation. We do not want to have a situation like happened in Burma or some other place. And so as we counsel restraint and as we counsel peaceful means of effecting change, that is sound advice. To go beyond that and encourage steps that could lead to bloodshed would be inappropriate.

Q. You said we could well have agreement on SNF before the summit. I gather you're talking about the West Germans, because we're getting reports out of London that Mrs. Thatcher is not, as the English say, best pleased about this. And this is confusing because we also understand that you took Mrs. Thatcher's wishes into account when you were formulating your counterproposal and that, in fact, you were in rather close touch with the British. Do you think we could go to Brussels with the British not having signed on to this and yet you would have agreement with the West Germans?

President Mitterrand. I can appreciate exactly what kind of a dialogue you were hoping to achieve [with President Bush], but the rules of the game are that it's my turn to answer. You may be asking for an opinion, but I would say this; that within the Atlantic alliance, there is full equality among all partners. And on this problem, like on other problems, at the outset, people have diverging views, different opinions. But the important thing is to come to a meeting of the minds and to achieve a common answer. This has always been the case in the alliance. A particular view will only carry more weight if it carries more wisdom and more common sense. I'm not going to sit here and award prizes to this view or that view. There's no particular view which would prevail. The important thing is that the general interest of the alliance should prevail, and it will.

Q. You called for restraint in China, and you said that the lessons of Martin Luther King could well be heeded here. Do you believe the protesters should go home? Do you think there is a revolution underway in China now?

President Bush. I don't think that it would be appropriate for the President of the United States to say to the demonstrators and the students in Beijing exactly what their course of action should be; that is for them to determine. They know the U.S. commitment to democracy, to the commitment to freedom, to the aspiration we have that all people will live in democratic societies. But I'm not about to suggest what I think they ought to do, except to spell out peaceful and continue to fight for what you believe in, stand up for what you believe in, but beyond that, I cannot go.

Q. How unstable is the situation?

President Bush. I don't know. I think we have to wait and see. There's certainly an enormous expression on the part of many people—students and others—for change toward movement toward democracy. I lived there. I saw a society totally different than the one that exists in China today. China has moved, in some areas, toward democracy. Now the quest is, and the appeal from these kids is, to move further. I am one who feels that the quest for democracy is very powerful. But I am not going to dictate or try to say from the United States how this matter should be resolved by these students. I'm not going to do it.

As for [an earlier] question, we have been in very close touch with Mrs. Thatcher. And I listened attentively and with great interest to what President Mitterrand said, and I agree with him; that we can get together on this vexing question. There are strong-willed people from strong countries, and they each have an opinion. But my role has been to try, behind the scenes, to be helpful for working this problem out. And I should salute the President of France as he has tried to be extraordinarily helpful in working this prob-

lem out. Your job is to know every step of the way the nuances of difference that exist between the parties, and mine is to see if we can't iron out those differences. And that's exactly what I'm doing, what Secretary Baker is doing, and what others are doing.

Q. You were talking about the attitude we should have toward the Soviet Union, particularly on the part of the allies. Do you think that the cold war has come to an end, and, if so, has it come to an end once and for all?

President Mitterrand. People seem to want us to play the role of crystal-gazers, which we are not. It's like a revolution. You only know afterward if a thing turned out to be a revolution. As far as the cold war is concerned, one thing is clear, and that is that we are moving out of the cold war. And the chances are that this will be true for a very long time. There will be moments when things will be more difficult, doubtless, but I don't see us slipping right back into the cold war. Of course, anything is possible. A lot will depend on the trend of developments within the Soviet Union.

Q. You said in your speech today that you're grateful for some of these proposals with General Secretary Gorbachev, yet some in your Administration have made no secret of their disdain for some of these proposals. In talking about "beyond containment," did the recent proposals of General Secretary Gorbachev on conventional and nuclear weapons meet any of your tests for going beyond containment?

President Bush. Yes. I not only encourage him to continue to make proposals but I'd encourage him to unilaterally implement the proposals. Many of them address themselves to conventional forces where they have an extraordinary preponderant imbalance, where they have the weight on their side. And so, I'd like to see that. But I don't think anybody is criticizing the specific proposals. All we want to see is real progress. And when you have the historic imbalance that exists on conventional forces, yes, I welcome the proposals and like to see them implemented. And it's in that area that we're looking for reality versus rhetoric. I know that some are quite restless about the pace that I have set in dealing with the Soviet Union, but I think it's the proper pace. I will be prepared when Jim Baker gets back to talk some more. I'm most anxious to be sure that the alliance is together on these questions. And so, we have time.

In the meantime, I welcome not only the change of openness and the change of reform but I want to see it continue. I welcome the proposals, but I would like to see them implemented. That would still leave a large imbalance in favor of the Soviets on many of these proposals—not all of them. Some of them talk to get where we need to be engaged, because they talked to getting down to equal numbers. But no, I salute the man, as I said, for certain kinds of steps that he has taken. But I hope I'll be forgiven for being cautious and for being prudent and not for being stampeded into something that might prove to be no good for the alliance and not good for the United States.

Q. Mr. Gorbachev has been described by the President's spokesman as a "drugstore cowboy." Do you agree with this description?

President Mitterrand. I think that one must be wary of caricatures. Mr. Gorbachev is worth very much more than that.

Q. Do you believe that the American public is aware of the limits of American power and of your ability to really influence political events like those in China, Panama, and Europe?

President Mitterrand. I think on these questions of influence—influence can be of a material kind and military or peaceful. But it can also be of a moral kind and psychological. There's a whole rainbow, a whole range, of possibilities. Of course, the first problem that you're always up against is the problem of noninterference in other people's affairs. That being said—but it's a question of human rights. One must not stop at that. And I think one must give priority to the public assertion of the basic principles of human rights and that is what must be prevailed.

With reference to the countries you are mentioning, these principles should be recalled to the countries concerned. But recourse of arms is probably not the kind of method that is fully in tune with the requirements of our day. And to think that you can win whole populations over to your way of thinking by threatening them with guns or tanks is obviously wrong.

What is also very important, and more important, is to win over international public opinion, to mobilize public opinion, both within and without the country, so that those governments which fail in the respect of human rights will be, both within and without, with their backs to the wall on the subject. That being said, I know of no miracle cure in these matters, no unfailing method that always works. And if I were able to come here to Boston and someone could give me the golden key that would open all these doors, I'd be very happy and perhaps somewhat surprised.

Q. In your discussions this weekend concerning Lebanon, did you discuss the situation concerning the hostages, and have you any news concerning avenues that could be pursued toward their eventual release?

(White House photo by Carol Powers)

President Bush and President Mitterrand at the President's home in Kennebunkport, Maine.

President Bush. It was just touched on because—but we discussed Lebanon in depth. The hostage situation obviously continues to be on our mind, and President Mitterrand was most sympathetic—the French people held various times against their will. That underlies the concerns that I feel. But Lebanon transcends just our own keen interest in the hostage question—to see a once peaceful country, where various factions could live together, now ripped asunder by war and by outside pressures, demands world action. And yet again, when you look at the alternatives, they aren't that clear. We have called for the cease-fire, supporting the Arab League posture: getting foreign troops out of Lebanon and trying to have the election process go forward so you can have an elected president that fulfills the will of the people.

President Mitterrand was very helpful because he has a unique view of Lebanon, with France's history there. And yet I don't think either of us came up with a simple answer. I saluted what he tried to do when he encouraged the Secretary General of the United Nations to go there. But for various reasons, that did not work out. We did talk about a couple of other specific approaches that we might take, which I think should remain confidential. But it was discussed in detail. It is a matter of enormous urgency. In the United States, of course, you heard Cardinal Law [Archbishop of Boston] today appropriately singling out Lebanon because of the religious divisions there. I wish there was an easy answer to it, and the United States stands ready to help if we can.

[1]President Mitterrand spoke in French, and his remarks were translated by an interpreter (text from Weekly Compilation of Presidential Documents of May 29, 1989). ■

President's Meeting With EC Commission President

(White House photo by Susan Biddle)

WHITE HOUSE STATEMENT, JUNE 14, 1989[1]

The President held a working lunch today with Jacques Delors, President of the Commission of the European Communities (EC). The President had invited President Delors for the luncheon when they met in Brussels on May 30.

The two, who were accompanied by senior advisers, discussed ongoing cooperation between the United States and the EC Commission on issues of mutual interest, including the implications of the EC's 1992 integration program, international trade and the Uruguay Round, the efforts toward political and economic reforms in Eastern Europe and the Soviet Union, and transnational problems such as the urgent need to protect the environment.

The President reiterated his support for European integration and the EC's single-market program. He reaffirmed that a stronger Europe means a stronger America. He also noted that there will be new challenges as the EC carries out its single-market program. He stressed the importance of open markets in a more closely integrated Europe and said that the United States would work with the EC Commission and the member states to ensure that U.S. interests are taken fully into account in the 1992 process. The President underlined the need for both the United States and the EC to continue to combat protectionism and to conclude the current round of trade negotiations successfully by the end of 1990.

The President reiterated a key point in his Boston University speech: that the United States and the EC must strengthen their dialogue and cooperation. He stressed the importance of the annual U.S.–EC ministerial meeting in December as an opportunity for a high-level review of all aspects of the relationship. He also said that other channels, such as the subcabinet consultations held in November 1988, can help to broaden U.S.–EC understanding.

The President said that he looked forward to seeing President Delors again next month at the Paris economic summit.

[1]Text from Weekly Compilation of Presidential Documents of June 19, 1989. ■

President Meets With Israeli Defense Minister

WHITE HOUSE STATEMENT, MAY 24, 1989[1]

The President just completed a productive half-hour meeting with Israeli Defense Minister Yitzhak Rabin. President Bush reaffirmed the U.S. commitment to a close relationship with our long-term friend and strategic partner Israel. Toward this end, the President made clear his determination to provide Israel with the resources necessary for its security.

The two leaders also discussed the situation in the West Bank and Gaza. The President told Defense Minister Rabin that the recent elections proposal put forward by the Government of Israel constitutes an important contribution to a process that has the potential to bring about negotiations leading to a comprehensive settlement consistent with Israeli security and Palestinian political rights. The President noted that the Israeli elections proposal gives us something to work with, and we are now looking for a constructive Arab response to it.

The President also voiced his deep concern over the escalating violence in the occupied territories and expressed the strong hope that all parties would exercise maximum restraint.

[1]Text from Weekly Compilation of Presidential Documents of May 29, 1989. ■

(White House photo by Michael Sargent)

President Meets With Saudi Foreign Minister

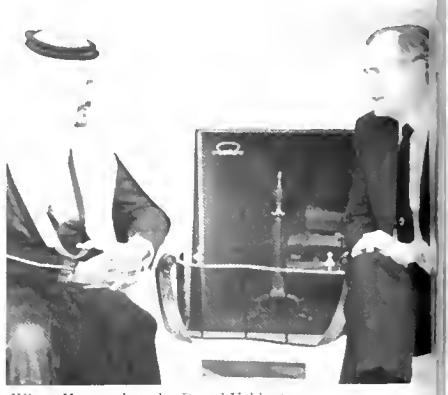
WHITE HOUSE STATEMENT, JUNE 14, 1989[1]

The President met today with Prince Sa'ud al-Faisal, Foreign Minister of Saudi Arabia, to discuss the efforts of the Arab League to resolve the Lebanon crisis. The President welcomed the collective efforts of Saudi Arabia, Morocco, and Algeria and expressed U.S. support for their mandate to pursue urgently a political process in Lebanon leading to elections, reforms, and a new national consensus. The President pledged the commitment of the United States to do all it can to promote a political solution that would bring Lebanon's turmoil to an end.

The United States encourages the Arab League's efforts to foster a political dialogue among the Lebanese. Such a dialogue, in the context of a cease-fire, is the necessary first step toward a solution of Lebanon's suffering, which has gone on too long. The President reaffirmed the commitment of the United States to Lebanon's unity, sovereignty, and territorial integrity, with the withdrawal of all foreign forces and the disbandment of the militias.

The President said that the United States believes that all parties to the conflict in Lebanon must show restraint and flexibility at this crucial point. All concerned must do their part to promote a genuine political process, devoid of threats and coercion. Outside interests must not add to Lebanon's misery.

[1]Text from Weekly Compilation of Presidential Documents of June 19, 1989. ■



(White House photo by David Valdez)

Confronting Realities of Refugee Assistance

by Jonathan Moore

Address before the Episcopal Migration Ministries Network meeting on May 26, 1989. Ambassador Moore is U.S. Coordinator for Refugee Affairs.

The United States, for a long time and at present, has a record of service to refugees around the world which we can be proud of. We are the world's leader in resettlement, assistance, and political advocacy on behalf of refugees and their humanitarian treatment wherever they may be, and we influence the behavior of other nation states continuously in major ways to increase their support.

We do this because it is a projection, an engagement of our ideals, our values within the world in which we live, a manifestation of our sense of the family of man, of sisterhood across oceans and cultures, of the global village, and our faith to love our neighbor as ourselves. We do it also because persecution, violence, and poverty—and the instability they engender which perpetuate refugees—are not in the U.S. interest. And because freedom and justice should be for all.

The idealism inherent in refugee policy not only is essential to its own success but also can strengthen the character and conduct of overall U.S. foreign policy. The injection of idealism into a whole body of policy can have an enlightening, empowering effect. We must include our own most precious values to produce progressive international leadership which otherwise might be too susceptible to chauvinism and realpolitik. To separate refugees from politics or vice versa would be folly; to divorce foreign policy from the voyage of the human spirit would be failure. A dynamic commitment to humanitarian assistance to refugees is one way of avoiding this.

Inadequate Resource Problems

Yet the proud record and commitment of the U.S. worldwide program for refugees is in jeopardy. Increases in refugee flows and in refugee plights are not covered by adequate funding. Inconsistencies in our policies between regions and refugee groups threaten the even-handed character of our program. Admissions requirements for thousands of refugees eat up funding needed to assist millions of refugees in life-threatening situations.

Larger numbers of people throughout the world are migrating across international boundaries, sometimes covering great distances, than previously, and within these flows there is a much higher proportion of those who are economically rather than politically motivated, seekers rather than fleers. Some countries are being drained, others mobbed, and neither is good. Here is one of the many paradoxes in our beloved and anguished refugee work: people must be able to escape what plagues them, yet too much movement can both cause more chaos and frustrate the necessity of building wholesome, viable societies everywhere. Americans want to give asylum-seekers sanctuary and permanent homes amidst us, yet almost everyone who leaves their own countries or regions wants to come to the United States. We cannot take them all, and we must not act so as to pull them away from the chance of building viable homes and nations with which we can interact in an interdependent and mutually reinforcing world.

Increasingly, refugee receiving countries will be tightening up, restricting their welcome of large numbers of exoduses and inflows in order to be able to sustain their capacity to provide special aid and generosity to those who are most deserving and needy. This requires more serious and intense attention being given to distinctions, definitions, who is and who isn't a refugee, what do we have to provide, who gets it and who doesn't. In turn, this calls for the most exacting resource allocation and the most excruciating soul-searching.

We have an enormous resource problem, both with regard to admissions and resettlement and to emergency and relief assistance. The United States—as well as what we call "the international community"— does not currently have funds available to fulfill the policies we proclaim given current and growing levels of need. More funds are required, in competition with deficit-fighting and with other legitimate claimants—a lot of money over a protracted period of time.

Our assistance program must deal with two problems: the tendency of the admissions program to eat up a larger portion of the overall State Department refugee account—in FY [fiscal year] 1984, roughly 70% of this budget went to assistance and in FY 1990, roughly 57% will—and the pressure to keep expenditures down in the face of severe increases in humanitarian needs—the U.S. percentage of support to multilateral organizations has slipped over the last 2 years significantly below traditional levels.

This crisis in emergency relief, care, and protection for refugees in first asylum threatens both humanitarian standards and U.S. policy achievements and long-range interests. At the start of this calendar year, we informally estimated a shortfall of $85 million in funds required to sustain traditional levels of U.S. contributions to international assistance activity. We have, over recent years, halved the U.S. contribution to the International Committee of the Red Cross as a percentage of their budget. Our funding for the UN High Commissioner for Refugees—which is currently appealing for $50 million to avoid a disruption of programs, on which some refugees are dependent for their very lives, within the next 6 weeks—has declined from one-third to one-fifth. Although U.S. budgets for this purpose have held fairly level, the emergency survival and protection needs of the world refugee population—which increased by 1 million in the Horn and southern Africa during the past year—have escalated. We are also coming to realize that real peacemaking—when fighting has ceased and repatriation and reconstruction can begin—tends for a period to cost more rather than less, whether in Mozambique, Namibia, Afghanistan, Cambodia, or the occupied territories.

At the same time, the deterioration of first asylum and the threat to the protection of fragile and vulnerable refugee populations in Southeast Asia and elsewhere is fearsome. We are hard at work to link prospects for normalization and stability in Southeast Asia to the perpetuation of first-asylum treatment and have helped to forge a balanced multilateral strategy for endorsement at the upcoming Inter-

national Conference on Indochinese Refugees at Geneva which emphasizes protection, disincentives to flows, resettlement, and repatriation. But the outcome is not assured.

A Call For Solidarity and Agreement

In dealing with these sad and dangerous circumstances I have merely suggested, we have got to have less fragmentation and recrimination and find more solidarity and agreement. We have a frustration consensus but not a political consensus. We face an enormous problem, which no one perversely created and cannot be solved overnight, which requires respect for and accommodation of contending forces, and the courage and discipline to deal with a complex reality. In our pluralism, bureaucracies, and vast responsibilities, we have not in this country yet marshaled the needed priorities, resources, compromise, and will. This is largely because everyone would like to avoid having to address the enormously difficult and controversial decisions which must be addressed.

Too often we are evasive about this complexity in our reflexes and our rhetoric, in parochial posturing and simplistic criticism. At times we act appalled if money is mentioned as a constraint to humanitarian policy, when in truth, the two are not exclusively, but integrally, tied together. It is ironic not only that certain of the ideals we hold require money to be fulfilled, but more that we feel we lack the money when we essentially have more of it than any other country of the world. How much can we share? Has our affluence got us by the scruff of the neck?

Moral and Ethical Challenges Ahead

I believe that we can find it within ourselves—as individuals, as organizations, as a government, and as a society—to meet these challenges. I believe that we all have done wonderfully in the past and can continue our proud performance, but that it will not be easy. Almost all of the tough decisions—the tradeoffs—we have to make will require a powerful element of moral choice, and I would like to give a few examples of what I mean by this, both to underscore the gravity of the task and to encourage us to get on with it.

First, there is the fundamental question of adequate priority being given to humanitarian assistance to refugees in an integral, rather than peripheral, role in policy formulation—given other competing needs in terms of resources, political energy, and policy interests.

Second, we must meet the need for long-term attack on the root causes of persecution, violence, and poverty which produce refugees and for advancing peacemaking and stability-winning strategies—in the face of emergency short-term demands and of the need to counter firmly the violent and inhumanitarian acts of others.

Third. How can we apply the imperative for even-handedness, equity, and fairness when confronted by claims for special treatment on ideological, ethnic, or political grounds with which we have sympathy? And how do we undertake the ferociously ethical dilemma of distinguishing between those in greatest need and pain and those who are merely seriously deprived?

Fourth, we must accept our responsibilities to influence the adherence of others to our principles particularly in the case of our own allies—such as the human rights behavior of the *contras* and the *mujahidin*, the Israeli response to the *intifada* in the occupied territories, and the exploitation of refugees along the Thai-Cambodia border.

Fifth, should we cut off or continue relief for exploited refugees when the delivering agencies are denied access to the camps by those who control them? And should we cut off or continue to provide food to hungry refugees caught in civil conflict when it is being used as a weapon of war by either or both combatants?

Sixth. Even more exactingly, we must deal courageously with the moral tension inherent in measures to deter flows of asylum seekers; in the failure to discourage people from flight which could expose them to further suffering; in the procreation of "humane" holding centers of rejected asylum seekers who will be cooped up until they can be repatriated; and in the ambivalence of repatriation itself—the absolutely essential component of any viable humanitarian strategy—back to countries of origin like Vietnam and Mozambique, where the dangers from which the people first fled still lurk.

Seventh, how do we resolve the schizophrenia of needing to rely less on the government for resources and authority and more on our own independent, volunteer, charitable identities when government funds and authority are so important? And how do we refrain from self-righteousness when there appears to be insufficient spiritual energy around us?

These are some of the moral choices which we must truly engage, which we can neither treat superficially nor shrink back from making.

Conclusion

So, I've unburdened myself, not on, but with you. In closing, I have one hint to share. It is that individuals like yourselves, who are in the trenches, directly, immediately, intimately working with those special voyagers whether at home or abroad—not quitting—are the key to the transcendent power of faith and love in this mission and lead and inspire the rest of us—the macropolicy makers, the bureaucrats, officialdom—to seize the opportunities and resolve the choices ahead. You can help more than you know in sustaining hope while confronting reality. ■

Developing Solutions for Central American Refugee Problems

by Jonathan Moore

Address before the International Conference on Central American Refugees in Guatemala City on May 30, 1989. Ambassador Moore is U.S. Coordinator for Refugee Affairs.

The U.S. delegation wishes to congratulate the countries of Central America as well as the UN High Commissioner for Refugees (UNHCR) and the UN Development Program (UNDP) for organizing this humanitarian undertaking on behalf of the uprooted of the region. My government comes to this conference sharing the concerns of the organizers—having studied the plan of action—and prepared to work with the other participants in addressing our shared concerns about both the protection of and assistance to refugees, displaced persons, and repatriates in Central America.

The United States believes that it is important to move beyond legalistic debates and focus on defining a concrete plan of action appropriate to the situation in the region and desirable from a humanitarian point of view. While my government does not consider the Cartagena declaration and the principle documents prepared for this conference as statements of international law, we appreciate the humanitarian and generous spirit underlying them.

Defining Refugee Status

As a party to the UN protocol relating to the status of refugees, my government considers it essential that the principle of *nonrefoulement*[1] set forth in Article 33 of the refugee convention be applied to refugees as defined in the convention. In addition, we appreciate the willingness of the Central American countries, as a matter of policy, to extend the same treatment to persons who are fleeing civil strife in their homelands. In fact, we know they have often been even more generous, allowing persons from other Central American countries to remain at least temporarily, regardless of their precise motivations for leaving or for not wishing to return to their homelands.

Whether a country chooses to apply the convention definition or the "expanded" Cartagena definition of refugee in its domestic asylum practice, asylum seekers must be given a fair opportunity to make their case for refugee status. There must be procedures for status determination that ensure that persons with valid claims are not repatriated involuntarily.

Voluntary repatriation, when feasible, is the preferred solution for refugees. Refugees should be given information about conditions in their home countries to assist them in deciding whether they wish to return, and it is desirable and, indeed, indispensable for neutral parties to monitor the well-being of repatriates.

U.S. Assistance to the Region

Under our national laws, the United States generally offers permanent resettlement and the protection of *nonrefoulement* only to people who meet the convention definition of refugees. In the assistance area, however, the United States can and does assist not only convention refugees but persons externally and internally displaced by civil strife and natural disasters. In 1989, we will contribute $10.5 million for aid to refugees, repatriates, and displaced persons in this region through UNHCR and ICRC [International Committee of the Red Cross]; in the decade of the 1980s, the cumulative total for these programs has reached $105 million. Clearly, the longer term needs of refugees and repatriates will require an even larger response from these organizations. The United States and other donors must increase their efforts to support them.

The disadvantaged groups, who are the subject of this conference, also benefit substantially from the broader program of U.S. assistance to the region. The U.S. Government, through the Agency for International Development (AID) and multilateral financial and development institutions, provides significant amounts of assistance to Central America in support of the countries' efforts to achieve peace and development. While the United States has been working with Central American programs for several decades, our bilateral assistance has increased sharply in this decade. We have provided over $5 billion in direct assistance since 1984 alone. These resources flow through our bilateral programs in Belize, Costa Rica, El Salvador, Guatemala, and Honduras and through a regional program involving institutions such as the Central American Bank for Economic Integration and the Nutrition Institute for Central America and Panama.

The principal goals of U.S. economic assistance are to support the return of economic stability to the region, to establish the foundation for broad-based, sustained growth, and to encourage the growth of democracy and democratic institutions. All U.S. assistance—balance-of-payments support, sector programs, project assistance, and food aid—support these goals.

U.S. aid programs in the five countries mentioned earlier are now contributing over $700 million annually toward these goals. Their focus in each country is both national and in areas with significant refugee returnee and displaced populations. Projects include water supply, rehabilitation of rural roads and bridges, microenterprise credit, primary health care, employment generation, housing, agricultural assistance, family planning services, municipal development, sanitation, feeding programs, forestry, irrigation, soil conservation, and primary education.

In addition to these projects, AID supports a number of specially targeted programs totaling over $100 million in El Salvador, Costa Rica, and Honduras that focus directly on refugees and displaced persons. These programs, of course, vary in the level of resources and sectors of activity depending on the characteristics, problems, and priorities of each country.

In this regard, the United States finds the diagnostic studies prepared for this conference to be a valuable source for highlighting the priorities of each of the affected countries with respect to programs affecting the uprooted. We are distributing, along with the text of these remarks, an outline of how our aid programs relate to the priorities identified by the affected countries in these studies. As we seek to

maintain our economic assistance to the region at roughly the $700 million level over the next few years, we will give close consideration to these priorities.

Steps Toward Agreement

In each of the countries, there are bilateral AID missions to work with the countries and nongovernmental organizations to follow up on this conference. Our delegation includes a contingent of AID representatives from the region prepared to engage in this process starting today.

As we move on to the next steps, we think it is important to recognize that donors will be most responsive to the real problems of the refugees and displaced persons if the final proposals which emerge are sound analytically, realistic in estimates of those genuinely in need, and feasible in the specific responses to those needs and in the capacity of truly representative host country institutions to implement them.

The United States believes that funding of individual projects should be achieved through direct contacts between individual donor countries, recipient countries, UNHCR, and UNDP. Followup mechanisms will most certainly be an important part of the ongoing process, but there is no need to create new ones. Conversion of the preparatory committee as is called for in the plan of action, or any of a number of regional bodies already in place including those associated with Esquipulas II, could serve the purpose. The U.S. Government would react positively to a call for a postconference review later in the year to assess developments and activities stemming from our deliberations here.

It is clear that progress addressing the root causes affecting the peace and well-being of the people of the region in general, and the uprooted in particular, is essential to the success of our mutual endeavor. My government heartily endorses the draft declaration's commitment to the establishment of firm and lasting peace in the region and views it as a fundamental prerequisite for long-term refugee solutions.

We fully endorse and support the goals contained in the Esquipulas and Tesoro accords to which all five Central American countries are signatories. Their goals of democratization of all the nations in the region and an end to subversion and destabilization from regional or extraregional sources in the isthmus must be pursued as an integrated whole. The United States stresses that these accords must be based on credible standards of compliance, strict timetables for enforcement, and effective ongoing means to verify both the democratic and security requirements embodied in the two agreements. Lasting peace and an end to violence in the region can only be achieved by democratization and economic development.

Conclusion

We all share a common interest in continued efforts to foster a stable, developing, and prosperous Central American region which will stimulate long-lasting refugee solutions that in turn can lead to the healing of old wounds and consolidate the sense of well-being so eagerly sought after by the people of the five Central American countries. The United States applauds the humanitarian spirit with which the Central American nations have approached the plight of refugees, displaced persons, and returnees and joins in the spirit of solidarity they exemplify. Their determination at this crucial juncture cannot help but be applauded by all who associate with them in their most worthwhile endeavor. And as true commitment to find solutions takes a stronger hold, the prospect of success cannot help but become much brighter.

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[1] No expulsion or return of refugees to the frontiers of territories where their life or freedom would be threatened for reason of race, religion, nationality, political opinion, or membership in a particular social group. ■

Current Actions

MULTILATERAL

Arbitration
Convention on the recognition and enforcement of foreign arbitral awards. Done at New York June 10, 1958. Entered into force June 7, 1959; for the U.S. Dec. 29, 1970. TIAS 6997.
Ratification deposited: Mar. 14, 1989.[1]
Accession deposited: Lesotho, June 13, 1989.

Atomic Energy
Amendment of Article VI.A.1 of the Statute of the Atomic Energy Agency of Oct. 26, 1956, as amended (TIAS 3873, 5284, 7668). Done at Vienna Sept. 27, 1984.[2] [Senate] Treaty Doc. 99–7.
Acceptance deposited: Uganda, June 6, 1989.

Aviation
Convention for the suppression of unlawful seizure of aircraft. Done at The Hague Dec. 16, 1970. Entered into force Oct. 14, 1971. TIAS 7192.
Accession deposited: Marshall Islands, May 31, 1989.

Convention for the suppression of unlawful acts against the safety of civil aviation. Done at Montreal Sept. 23, 1971. Entered into force Jan. 26, 1973. TIAS 7570.
Accession deposited: Marshall Islands, May 31, 1989.

Protocol for the suppression of unlawful acts of violence at airports serving international civil aviation, supplementary to the convention of Sept. 23, 1971 (TIAS 7570). Done at Montreal Feb. 24, 1988.[2] [Senate] Treaty Doc. 100–19.
Signatures: Congo, Apr. 13, 1989; Finland, Nov. 16, 1988; Korea, Dem. People's Rep. of, Apr. 2, 1989; Mauritius, June 28, 1989.
Ratifications deposited: German Dem. Rep., Jan. 31, 1989; Hungary, Sept. 7, 1988.

Commodities—Common Fund
Agreement establishing the Common Fund for Commodities, with schedules. Done at Geneva June 27, 1980.[3]
Entered into force: June 19, 1989.

Conservation
Convention on international trade in endangered species of wild fauna and flora, with appendices, as amended. Done at Washington Mar. 3, 1973. Entered into force July 1, 1975. TIAS 8249.
Accessions deposited: Ethiopia, Apr. 5, 1989; Gabon, Feb. 13, 1989; Malta, Apr. 17, 1989; New Zealand, May 10, 1989.

Consular Relations
Vienna convention on consular relations. Done at Vienna Apr. 24, 1963. Entered into force Mar. 19, 1967; for the U.S. Dec. 24, 1969. TIAS 6820.
Accessions deposited: Byelorussian S.S.R., Mar. 21, 1989; Mongolia Mar. 14, 1989; Ukrainian S.S.R., Apr. 27, 1989; U.S.S.R. Mar. 15, 1989.

Containers
International convention for safe containers, with annexes, as amended. Done at Geneva Dec. 2, 1972. Entered into force Sept. 6, 1977; for the U.S. Jan. 3, 1979. TIAS 9037, 10220.
Accession deposited: Mexico, Apr. 4, 1989.

enocide
onvention on the prevention and punishent of the crime of genocide. Done at Paris ec. 9, 1948. Entered into force Jan. 12, 951; for the U.S. Feb. 23, 1989.
ccession deposited: Libya, May 16, 1989.

uclear Material—Physical Protection
onvention on the physical protection of nuear material, with annexes. Done at Vien-a Oct. 26, 1979. Entered into force Feb. 8, 987.
ccession deposited: China, Jan. 10, 1989.[4]

uclear Weapons—Nonproliferation
reaty on the nonproliferation of nuclear eapons. Done at Washington, London, and loscow July 1, 1968. Entered into force lar. 5, 1970. TIAS 6839.
ccession deposited: Qatar, June 13, 1989.

atents—Microorganisms
udapest treaty on the international recogition of the deposit of microorganisms for he purposes of patent procedure, with regulations. Done at Budapest Apr. 28, 1977. ntered into force Aug. 19, 1980. TIAS 768.
ccession deposited: Czechoslovakia, May 5, 989.

ollution
onvention for the protection of the ozone ayer, with annexes. Done at Vienna Mar. 22, 985. Entered into force Sept. 22, 1988. Senate] Treaty Doc. 99–9.
atifications deposited: Burkina Faso, Mar. 0, 1989; Peru, Apr. 7, 1989.
ccession deposited: Jordan, May 31, 1989.

lontreal protocol on substances that delete the ozone layer, with annex. Done at lontreal Sept. 16, 1987. Entered into force an. 1, 1989. [Senate] Treaty Doc. 100–10.
atifications deposited: Australia, May 19, 989; Maldives, May 16, 1989.
ccession deposited: Jordan, May 31, 1989.

rotocol to the 1979 convention on longange transboundary air pollution (TIAS 0541) concerning the control of emissions of itrogen oxides or their transboundary luxes, with annex. Done at Sofia Oct. 31, 988. Enters into force on the 90th day following the date on which the 16th instrument of ratification, acceptance, approval, r accession has been deposited.
ignatures: Austria, Belgium, Bulgaria, yelorussian S.S.R., Canada, zechoslovakia, Denmark, Finland, France, erman Dem. Rep., Germany, Fed. Rep. of, reece, Italy, Liechtenstein, Luxembourg, etherlands, Norway, Poland, Spain, weden, Switzerland, Ukrainian S.S.R., .S.S.R., U.K., and U.S.,[5] Nov. 1, 1988; ungary, May 3, 1989; Ireland, May 1, 1989.
atification deposited: Bulgaria, Mar. 30, 989.

Red Cross
Protocol additional to the Geneva conventions of Aug. 12, 1949 (TIAS 3362, 3363, 3364, 3365), and relating to the protection of victims of international armed conflicts (protocol I), with annexes. Done at Geneva June 8, 1977. Entered into force Dec. 7, 1978.[3]
Ratifications deposited: Greece, Mar. 31, 1989; Hungary, Apr. 12, 1989; Spain, Apr. 21, 1989.[1]
Accession deposited: Malta, Apr. 17, 1989.[1,4]

Protocol additional to the Geneva conventions of Aug. 12, 1949 (TIAS 3362, 3363, 3364, 3365), and relating to the protection of victims of noninternational armed conflicts (protocol II). Done at Geneva June 8, 1977. Entered into force Dec. 7, 1978.[3]
Ratifications deposited: Hungary, Apr. 12, 1989; Spain, Apr. 21, 1989.
Accession deposited: Malta, Apr. 17, 1989.[4]

Refugees
Protocol relating to the status of refugees. Done at New York Jan. 31, 1967. Entered into force Oct. 4, 1967; for the U.S. Nov. 1, 1968. TIAS 6577.
Accession deposited: Hungary, Mar. 14, 1989.

Rubber
International natural rubber agreement, 1987, with annexes. Done at Geneva Mar. 20, 1987. Entered into force provisionally Dec. 29, 1988. [Senate] Treaty Doc. 100–9.
Entered into force definitively: Apr. 3, 1989.

Satellite Communications Systems
Amendments to the convention and operating agreement on the International Maritime Satellite Organization (INMARSAT) of Sept. 3, 1976 (TIAS 9605). Adopted at London Oct. 16, 1985.[2]
Acceptance deposited: New Zealand, Apr. 28, 1989.

Seabed Disarmament
Treaty on the prohibition of the emplacement of nuclear weapons and other weapons of mass destruction on the seabed and the ocean floor and in the subsoil thereof. Done at Washington, London, and Moscow Feb. 11, 1971. Entered into force May 18, 1972. TIAS 7337.
Accession deposited: Bahamas, June 7, 1989.

Taxation—OECD
Convention on mutual administrative assistance in tax matters. Done at Strasbourg Jan. 25, 1988.[2]
Signatures: Norway, May 5, 1989; Sweden, Apr. 20, 1989; U.S. June 28, 1989.

Torture
Convention against torture and other cruel, inhuman, or degrading treatment or punishment. Done at New York Dec. 10, 1984. Entered into force June 26, 1987.[3] [Senate] Treaty Doc. 100–20.
Accession deposited: Libya, May 16, 1989.

Trade—Textiles
Protocol extending the arrangement regarding international trade in textiles of Dec. 20, 1973, as extended (TIAS 7840). Done at Geneva July 31, 1986. Entered into force Aug. 1, 1986; for the U.S. Aug. 5, 1986.
Ratification deposited: Brazil, Apr. 4, 1989.

Weapons
Convention on prohibitions or restrictions on the use of certain conventional weapons which may be deemed to be excessively injurious or to have indiscriminate effects, with protocols. Done at Geneva Oct. 10, 1980. Entered into force Dec. 2, 1983.[3]
Accession deposited: Benin, Mar. 27, 1989.[6]

Women
Convention on the political rights of women. Done at New York Mar. 31, 1953. Entered into force July 7, 1954; for the U.S. July 7, 1976. TIAS 8289.
Accession deposited: Libya, May 16, 1989.

Convention on the elimination of all forms of discrimination against women. Done at New York Dec. 18, 1979. Entered into force Sept. 3, 1981.[3]
Ratification deposited: Madagascar, Mar. 17, 1989.
Accession deposited: Libya, May 16, 1989.

BILATERAL

Argentina
Cooperation agreement for reducing demand, preventing abuse, and combating illicit production and traffic of drugs and psychotropic substances. Signed at Buenos Aires May 24, 1989. Entered into force provisionally, May 24, 1989; definitively, upon notification that each party has met the respective requirements imposed by its Constitution.

Bahamas
Memorandum of agreement concerning assistance in developing and modernizing the Bahamas' civil aviation system, with letter of understanding and annex. Signed at Washington and Nassau Dec. 20, 1988, and May 17, 1989. Entered into force May 17, 1989.

Bangladesh
Memorandum of understanding concerning operation of the INTELPOST service, with details of implementation. Signed at Dhaka and Washington May 16 and 24, 1989. Entered into force June 15, 1989.

Bolivia
Agreement regarding the consolidation and rescheduling of certain debts owed to, guaranteed by, or insured by the U.S. Government and its agencies, with annexes. Signed at La Paz May 15, 1989. Entered into force June 23, 1989.

Finland
Agreement regarding mutual assistance in customs matters. Signed at Washington Jan. 5, 1988. Entered into force July 13, 1989.

Gabon
Agreement regarding the consolidation and rescheduling of certain debts owed to, guaranteed by, or insured by the U.S. Government and its agencies, with annexes. Signed at Libreville Feb. 16, 1989. Entered into force Mar. 30, 1989.

Germany, Fed. Rep. of
Memorandum of agreement concerning a cooperative program for extended air defense, with attachment and annex. Signed at Washington and Bonn Apr. 28 and May 17, 1989. Entered into force May 17, 1989.

Greece
Agreement extending the interim agreement on air services, with memorandum of understanding, of Apr. 9, 1985, as amended and extended. Effected by exchange of notes at Athens May 11 and 25, 1989. Entered into force May 25, 1989; effective Apr. 25, 1989.

India
Agreement amending the air transport agreement of Feb. 3, 1956, as amended (TIAS 3504, 5682). Effected by exchange of notes at New Delhi May 4, 1989. Entered into force May 4, 1989.

Iraq
International express mail agreement, with detailed regulations. Signed at Baghdad and Washington Apr. 6 and May 5, 1989. Entered into force June 15, 1989.

Japan
Agreement extending the agreement of May 2, 1979 (TIAS 9463), on cooperation in research and development in energy and related fields. Effected by exchange of notes at Washington Apr. 28, 1989. Entered into force Apr. 28, 1989.

Malaysia
Agreement concerning reciprocal exemption with respect to taxes on income of shipping and air transport enterprises. Signed at Kuala Lumpur Apr. 18, 1989. Enters into force upon the exchange of any necessary instruments of ratification.

Niger
Agreement regarding the consolidation and rescheduling of certain debts owed to, guaranteed by, or insured by the U.S. Government and its agencies, with annexes. Signed at Niamey Feb. 21, 1989. Entered into force Mar. 30, 1989.

Norway
Agreement regarding mutual assistance between customs authorities. Signed at Oslo May 17, 1989. Entered into force Aug. 30, 1989.

Peru
Agreement relating to the agreement of June 28, 1988, as amended, for sales of agricultural commodities, with memorandum of understanding. Signed at Lima May 3, 1989. Entered into force May 3, 1989.

Portugal
Agreement on social security, with administrative arrangement. Signed at Lisbon Mar. 30, 1988. Entered into force Aug. 1, 1989.

Spain
Protocol amending the air transport agreement of Feb. 20, 1973 (TIAS 7725). Signed at Washington May 31, 1989. Enters into force on the date on which the parties notify one another that their respective constitutional requirements have been fulfilled.

Sri Lanka
Agreement amending the agreement of Sept. 30, 1988, for sales of agricultural commodities. Effected by exchange of notes at Colombo May 16, 1989. Entered into force May 16, 1989.

Tanzania
Agreement regarding the consolidation and rescheduling of certain debts owed to, guaranteed by, or insured by the U.S. Government and its agencies, with annexes. Signed at Dar es Salaam May 4, 1989. Entered into force June 15, 1989.

United Kingdom
Memorandum of understanding concerning cooperative research project in imaging of the ocean using radar, with annexes. Signed at Arlington and London Apr. 26 and May 5, 1989. Entered into force May 5, 1989.

Agreement amending the agreement of July 23, 1977, as amended (TIAS 8641, 8965, 9722, 10059), concerning air services. Effected by exchange of notes at Washington May 25, 1989. Entered into force May 25, 1989.

Agreement concerning reciprocal recognition of airline fitness and citizenship determinations. Effected by exchange of notes at Washington May 25, 1989. Entered into force May 25, 1989.

Agreement extending the agreement of Mar. 11, 1987, as extended, concerning Anguilla and narcotics activities. Effected by exchange of notes at Washington June 23, 1989. Entered into force June 23, 1989; effective June 27, 1989.

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[1]With declaration(s).
[2]Not in force.
[3]Not in force for the U.S.
[4]With reservation(s).
[5]With statement(s).
[6]To the convention and protocols I and III. ■

Department of State

Press releases may be obtained from the Office of Press Relations, Department of State, Washington, D.C. 20520.

No.	Date	Subject
*106	6/1	Morris B. Abram sworn in as U.S. Representative to the European Office of the UN, May 24.
107	6/6	Baker: news briefing, London, June 1.
*108	6/2	Program for the official visit of Pakistani Prime Minister Bhutto, June 5–10.
109	6/6	Baker: interview on CNN's "Newsmaker Saturday," June 3.
*110	6/6	Baker: luncheon toast for Pakistani Prime Minister Bhutto.
111	6/7	*Foreign Relations of the United States*, 1955–1957, Vol. XV, Arab-Israeli Dispute, Jan. 1-July 26, 1956, released.
112	6/8	Baker: address and question-and-answer session, National Press Club.
113	6/0	OP–1 immigrant visa program.
*114	6/12	Herman J. Cohen sworn in as Assistant Secretary for African Affairs, May 12 (biographic data).
115	6/12	E. Michael Ussery sworn in as Ambassador to Morocco, Jan. 6 (biographic data).
*116	6/14	Vernon A. Walters sworn in as Ambassador to the Federal Republic of Germany, Apr. 17 (biographic data).
117	6/15	*Foreign Relations of the United States*, 1952–1954, Vol. X, Iran (1951–54), released.
118	6/20	Baker: statement before the Senate Foreign Relations Committee.
*119	6/22	Program for the official visit of Australian Prime Minister R.J.L. Hawke, June 24–27.
*120	6/22	Baker: statement before the House Foreign Affairs Committee.

121	6/26	John H. Kelly sworn in as Assistant Secretary for Near Eastern and South Asian Affairs, June 16 (biographic data).
122	6/26	Program for the official visit of Zairian President Mobutu Sese Seko, June 28–30.
123	6/26	Baker: address before the Asia Society, New York City.
124	6/27	Douglas P. Mulholland sworn in as Assistant Secretary for Intelligence and Research (biographic data).
125	6/29	Baker: news conference, White House.

*Not printed in the BULLETIN. ■

USUN

Press releases may be obtained from the Public Affairs Office, U.S. Mission to the United Nations, 799 United Nations Plaza, New York, N.Y. 10017.

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1	1/5	Okun: downing of Libyan aircraft, Security Council.
*2	1/6	Walters: Libyan complaint, Security Council.
*3	1/6	Walters: Libyan complaint, Security Council.
*4	1/11	Okun: Libyan complaint, Security Council.
*5	1/11	Okun: PLO participation in Security Council deliberations, Security Council.
*6	1/25	Joint statement by the Joint Commission of the People's Republic of Angola, the Republic of Cuba, and the Republic of South Africa, New York, Jan. 24.
*7	2/10	Okun: PLO participation in Security Council deliberations, Security Council.
*8	2/14	Okun: condolences to the people and Government of Japan, plenary.
*9	2/17	Okun: situation in the occupied territories, Security Council.
*10	2/21	Barabba: priorities, Population Commission of ECOSOC.
*11	2/21	Smith: outer space, Scientific and Technical Subcommittee, Committee on the Peaceful Uses of Outer Space.
*12	2/23	Smith: allocating funds, Scientific and Technical Subcommittee, Committee on the Peaceful Uses of Outer Space.
13	2/23	Pickering: statement at confirmation hearings, Senate Foreign Relations Committee.
14	2/24	Smith: geostationary orbit, Scientific and Technical Subcommittee, Committee on the Peaceful Uses of Outer Space.
15	2/24	Smith: space transportation, Scientific and Technical Subcommittee, Committee on the Peaceful Uses of Outer Space.
16	2/27	Maclure: remote sensing, Scientific and Technical Subcommittee, Committee on the Peaceful Uses of Outer Space.
17	2/28	Smith: planetary exploration, Scientific and Technical Subcommittee, Committee on the Peaceful Uses of Outer Space.
18	3/3	Cahill: special session on international economic issues, Committee II.
19	3/1	Nicogossian: biospheric monitoring and disease prediction, Subcommittee on Scientific and Technical Affairs, Committee on the Peaceful Uses of Outer Space, Feb. 28.
20	3/1	Smith: international geosphere biosphere program, Scientific and Technical Subcommittee, Committee on the Peaceful Uses of Outer Space.
21	3/1	Nygard: UNTAG financing, Committee V, Feb. 28.
22	3/1	Smith: astronomy, Scientific and Technical Subcommittee, Committee on the Peaceful Uses of Outer Space.
*23	3/7	Byrne: host country responsibilities, Committee on Relations With the Host Country.
24	3/8	Walters: human rights, Commission on Human Rights, Geneva, Mar. 6.
*25	3/9	Byrne: UNBRO donors' meeting.
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*27	3/16	Pickering: authorization of funds for FY 1990 and 1991, House Foreign Affairs Committee, Mar. 14.
*28	3/16	Byrne: TTPI, Trusteeship Council.
*29	3/16	Byrne: pledging conference on the Repatriation of Namibian Refugees.
30	3/22	Rashkow: outer space, Committee on the Peaceful Uses of Outer Space, Mar. 21.
*31	4/5	Rashkow: outer space, Committee on the Peaceful Uses of Outer Space, Apr. 3.
*32	4/7	Rashkow: outer space, Committee on the Peaceful Uses of Outer Space, Apr. 4.
33	4/14	Byrne: assistance to Mozambique, special meeting.
*34	[Not issued]	
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*36	4/20	Pickering: explanation of vote on violence on the West Bank.
*37	4/26	Okun: Afghanistan, Security Council.
*38	4/24	Exchange visitors to meet at UN before going on work projects across the U.S.
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41	4/28	Pickering: Panama, Security Council.
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44	5/4	Bailey: NPT, preparatory committee for review conference, May 4.
45	5/4	Pickering: FY 1990 assistance request, Senate Appropriations Committee, Subcommittee on Foreign Operations.
46	5/9	Byrne: social development, ECOSOC.
47	5/12	McLennan: women, Committee II.
48	5/15	Byrne: opening statement, Trusteeship Council.
*49	5/16	Noe: American Samoa, special committee.
*50	5/18	Pickering: human rights, ECOSOC Committee II.
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*52	5/22	Waldrop: human rights, ECOSOC Committee II, May 18.
*53	5/23	Russel: U.S. Virgin Islands, Subcommittee on Small Territories.
*54	5/24	Tyson: transnational corporations in South Africa and Namibia, ECOSOC.
*55	5/23	Byrne: response to petitioners, Trusteeship Council.
*56	5/24	Tyson: transnational banks in developing countries, ECOSOC.
*57	5/24	Tyson: transnational corporations and environmental protection in developing countries, ECOSOC.
*58	5/24	Byrne: women, ECOSOC.
*59	5/30	Bunton: Guam, Subcommittee on Small Territories.
*60	5/31	Byrne: Palau, Trusteeship Council.
*61	6/6	Brady: UNFPA, UNDP Governing Council, June 5.
62	6/6	Pickering: PLO participation in Security Council deliberations, Security Council.

*63	6/7	Lowell: outer space, Committee on the Peaceful Uses of Outer Space, June 6.
*64	6/9	Clapp: outer space, Committee on the Peaceful Uses of Outer Space.
*65	6/9	Cahill: Fourth UN Development Decade, ad hoc Committee of the Whole.
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*68	6/13	Stevenson: outer space, Committee on the Peaceful Uses of Outer Space.
*69	6/13	Okun: outer space, Committee on the Peaceful Uses of Outer Space.
*70	6/13	Ault: outer space, Committee on the Peaceful Uses of Outer Space.
*71	6/19	Pickering: drug control, U.S. Senate Caucus on International Narcotics Control, New York City.

*Not printed in the BULLETIN. ■

Department of State

Free **single** copies of the following Department of State publications are available from the Public Information Division, Bureau of Public Affairs, Department of State, Washington, D.C. 20520.

President Bush
Proposals for a Free and Peaceful Europe, Rheingoldhalle, Mainz, West Germany, May 31, 1989 (Current Policy #1179).

Secretary Baker
After the NATO Summit: Challenges for the West in a Changing World, National Press Club, June 8, 1989 (Current Policy #1181).
A New Pacific Partnership: Framework for the Future, Asia Society, New York City, June 26, 1989 (Current Policy #1185).
Challenges Ahead for NATO and Developments in East-West Relations, Senate Foreign Relations Committee, June 20, 1989 (Current Policy #1186).
Biography of Secretary Baker, June 1989 (Public Information Series).

Africa
The Seedlings of Hope: U.S. Policy in Africa, Ambassador Perkins, Africare, June 11, 1989 (Current Policy #1182).

Canada
U.S.-Canada Relations (GIST, June 1989).

East Asia
U.S.-Japan Relations (GIST, June 1989).
U.S. Relations With Korea, June 1989 (Regional Brief).

Economics
GATT and Multilateral Trade Negotiations (GIST, June 1989).
Generalized System of Preferences (GIST, June 1989).
International Investment Policy (GIST, June 1989).
Structural Adjustment and Economic Performance (GIST, June 1989).
Trade Protection (GIST, June 1989).
U.S. Trade Policy (GIST, June 1989).

Refugees
Confronting Realities of Refugee Assistance, U.S. Coordinator Moore, Episcopal Migration Ministries Network meeting, May 26, 1989 (Current Policy #1180).
Developing Solutions for Central American Refugee Problems, U.S. Coordinator Moore, International Conference on Central American Refugees, Guatemala City, May 30, 1989 (Current Policy #1182).
Indochina Refugee Situation: Toward a Comprehensive Plan of Action, Deputy Secretary Eagleburger, International Conference on Indochinese Refugees, Geneva, June 13, 1989 (Current Policy #1184). ■

Foreign Relations Volumes Released

ARAB-ISRAELI DISPUTE, 1955[1]

The Department of State on June 1, 1989, released *Foreign Relations of the United States*, 1955–1957, Volume XIV, Arab-Israeli Dispute, 1955. This 929-page volume consists of previously classified records of the White House, Department of State, and other government agencies. It is the first of four volumes of the authoritative documentation on U.S. policy concerning the Arab-Israeli conflict and the events surrounding the Suez crisis of 1956.

The newly released documents reveal the details of the dramatic onset of the Suez crisis. The United States saw the Arab-Israeli dispute as the main source of instability in the region that could threaten vital Western interests. In a diplomatic initiative code-named "Alpha," the United States and the United Kingdom formulated a comprehensive plan intended to serve as a basis for negotiation between Israel and its Arab neighbors. The plan provided for territorial adjustments leading to a political settlement and an end to belligerency. The hoped-for results were to include a resolution of the refugee issue and of related problems, such as the Arab economic boycott of Israel. Incentives included a guarantee of the agreed boundaries by the United States and Britain and a variety of economic measures, including aid to Egypt for the Aswan Dam project and assistance for development of the waters of the Jordan River valley. Although Secretary of State John Foster Dulles found the projected cost of a settlement to the United States of $1 billion "depressingly large," he secured President Eisenhower's approval in principle in February.

Dulles and British Foreign Secretary Anthony Eden tried to secure the early cooperation of Egypt and Israel. Egyptian President Gamal Abdul Nasser, the single most powerful Arab leader, was reported to be "sore and suspicious" and preoccupied with tensions with Israel in the Gaza Strip. Israel, for its part, was attempting to secure a U.S.-Israel defense treaty. Dulles and Eisenhower, after securing the reluctant consent of the British, went public with an August speech by Dulles which outlined the principles but not the details of Alpha. Israel responded by emphasizing it could make no territorial concessions, while Egypt stated it would need concessions from Israel in the Negev area.

Egypt's conclusion in September of a deal with Czechoslovakia to procure Soviet arms further complicated matters. It aroused U.S. apprehensions of an expansion of Soviet influence in the region, prompting a reassessment of U.S. policy. It also stimulated an Israeli request for compensatory arms from the United States, a request the Administration supported, but to a limited extent even though it feared a regional arms race. Despite concern over Egypt's arms purchase, the Eisenhower Administration, after prolonged internal debate, decided to continue to support the Aswan Dam proposal and to pursue Alpha further.

The year ended on a mildly hopeful note when Israeli Prime Minister David Ben Gurion stated that Israel was prepared to talk about boundaries on a "give-and-take basis," and the United States prepared to send former Deputy Secretary of Defense Robert B. Anderson to the Near East to promote the Alpha plan. His plan will be documented in Volume XV.

Department of State Publication No. 9688
GPO Stock No. 044–000–02224–9
Price: $34.00 (domestic postpaid)

RAB-ISRAELI DISPUTE, NUARY 1-JULY 26, 1956[2]

ıe Department of State on June 7, 89, released *Foreign Relations of the ıited States*, 1955–1957, Volume XV, :ab-Israeli Dispute, January 1-July , 1956. This 943-page volume of preıously classified records of the White buse, Department of State, and other ɛvernment agencies is the second of ur volumes of the authoritative, offiıl documentation on the history of S. policy concerning the Arab-raeli conflict and the Suez crisis of 56.

The newly released documents deil the events from the beginning of 56 to the nationalization of the Suez nal Company by Egypt. They reveal resident Eisenhower's attempt to recile rising Arab nationalism with the S. commitment to Israel in the face a campaign by the Soviet Union to crease its influence in the Arab orld. In 1955 Egyptian Prime Minisr Gamal Abdul Nasser began receivg arms from the Soviet bloc, and the gyptian-Israeli military equation ved toward rough parity. The trend as reinforced by the U.S. decision, afr the Israeli attack on Syrian terriry in December 1955, to suspend tion on a proposed sale of arms to Isel. The Eisenhower Administration ught to make the Israeli Government el vulnerable enough to consider ace with the Arabs but not so threated as to launch a preemptive strike its enemies.

Special presidential envoy Robt B. Anderson shuttled between iro and Jerusalem in an effort to in agreement on a comprehensive an for a negotiated settlement beeen Israel and its Arab neighbors, de-named "Alpha." Anderson hoped use Nasser's opposition to the ghdad pact, his desire to build the swan Dam, and Egypt's need for delopment assistance as levers for netiations with Israel. Nasser, however, jected direct contacts with Israeli ofials. Ben Gurion, meanwhile, rebsed to offer any major territorial ncessions, such as a link with Jordan the Negev which Nasser wanted, and sisted on direct talks.

When the Anderson mission failed, the United States adopted a policy of political and economic pressures on Nasser to move him toward more conciliatory stances and to limit his influence in the Arab world. This new policy, code-named "Omega," was based on the assumption that Nasser was now working against Western interests in the Middle East and in tandem with the Soviet Union. The United States drastically cut its programs of assistance in Egypt, stalled on the negotiations for funding the Aswan Dam, and sought with the United Kingdom to counter Egyptian influence in moderate Arab states. Secretary of State Dulles got Eisenhower's approval to refuse to fund the Aswan Dam. Before the Egyptians were informed of the U.S. decision, the Soviet Union countered in mid-June 1956 with an offer to finance the dam on very attractive terms, but Nasser apparently wanted Western financing. Only a week after the United States informed Egypt that the United States would not fund the dam, Nasser surprised the West by nationalizing the Suez Canal Company—with compensation promised for its shareholders—and stated that Egypt would use further revenues from the canal to fund the dam itself. The stage was set for the Suez crisis.

Department of State Publication 9689
GPO Stock No. 044–000–02231–1
Price $34.00 (domestic postpaid)

IRAN, 1951–1954[3]

The Department of State on June 15, 1989, released *Foreign Relations of the United States*, 1952–1954, Volume X, Iran (1951–1954), a 1,100-page volume consisting of previously classified records of the Department of State, the White House, and other governmental agencies.

This volume documents the end of the British political-economic role in Iran and the assumption of a greater role in the area by the United States. In April 1951, Iran nationalized the oil industry; in effect eliminating the Anglo-Iranian Oil Company (AIOC) as the major source of British influence in the country. The United States became involved when it agreed to mediate the dispute over the form and amount of compensation to the AIOC. Many plans and proposals were drafted by the parties, all to no avail until 1954 when the political climate in Iran had changed sufficiently to allow resolution.

U.S. interest in the Middle East was based on a strong, stable Iranian Government resistant to communist penetration. The intractability of the Anglo-Iranian oil dispute posed a fundamental challenge to this policy. The United States became increasingly frustrated both with apparent British underestimation of the Soviet threat to Iran and the virulence of Iranian nationalism. The United States eventually found itself obliged to adopt a more independent policy toward Iran and formulate a policy that would take into account Iranian nationalism without the loss of Western influence.

The crisis came to a head in 1953 when Prime Minister Mosadeq attempted to force the Shah into exile and turn away from a Western orientation. Pro-Shah demonstrations foiled this gambit, and Mosadeq's subsequent departure removed the major obstacle to a settlement, which was achieved in 1954. A package of U.S. military and economic assistance quickly followed, and beginning in 1954 the United States became heavily involved in maintaining Iranian security.

This is the most recent volume in the Department of State's official diplomatic documentary series begun in 1861 and the last of 16 covering the 1952–54 triennium.

Department of State Publication No. 9690
GPO Stock No. 044–000–02248–6
Price: $38.00 (domestic postpaid)

The *Foreign Relations* series is prepared in the Office of the Historian, Bureau of Public Affairs, Department of State.

Copies of these volumes may be purchased from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Checks or money orders should be made payable to the Superintendent of Documents.

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[1]Press release 103.
[2]Press release 111.
[3]Press release 117. ■

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Department of State
bulletin

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September 1989

SUMMIT OF THE ARCH

50TH ANNIVERSARY 1939-1989

Department of State bulletin

Volume 89 / Number 2150 September 1989

The DEPARTMENT OF STATE BULLETIN, published by the Office of Public Communication in the Bureau of Public Affairs, is the official record of U.S. foreign policy. Its purpose is to provide the public, the Congress, and government agencies with information on developments in U.S. foreign relations and the work of the Department of State and the Foreign Service. The BULLETIN's contents include major addresses and news conferences of the President and the Secretary of State; statements made before congressional committees by the Secretary and other senior State Department officials; selected press releases issued by the White House, the Department, and the U.S. Mission to the United Nations; and treaties and other agreements to which the United States is or may become a party. Special features, articles, and other supportive material (such as maps, charts, photographs, and graphs) are published frequently to provide additional information on current issues but should not necessarily be interpreted as official U.S. policy statements.

The Secretary of State has determined that the publication of this periodical is necessary in the transaction of the public business required by law of this Department. Use of funds for printing this periodical has been approved by the Director of the Office of Management and Budget through September 30, 1989.

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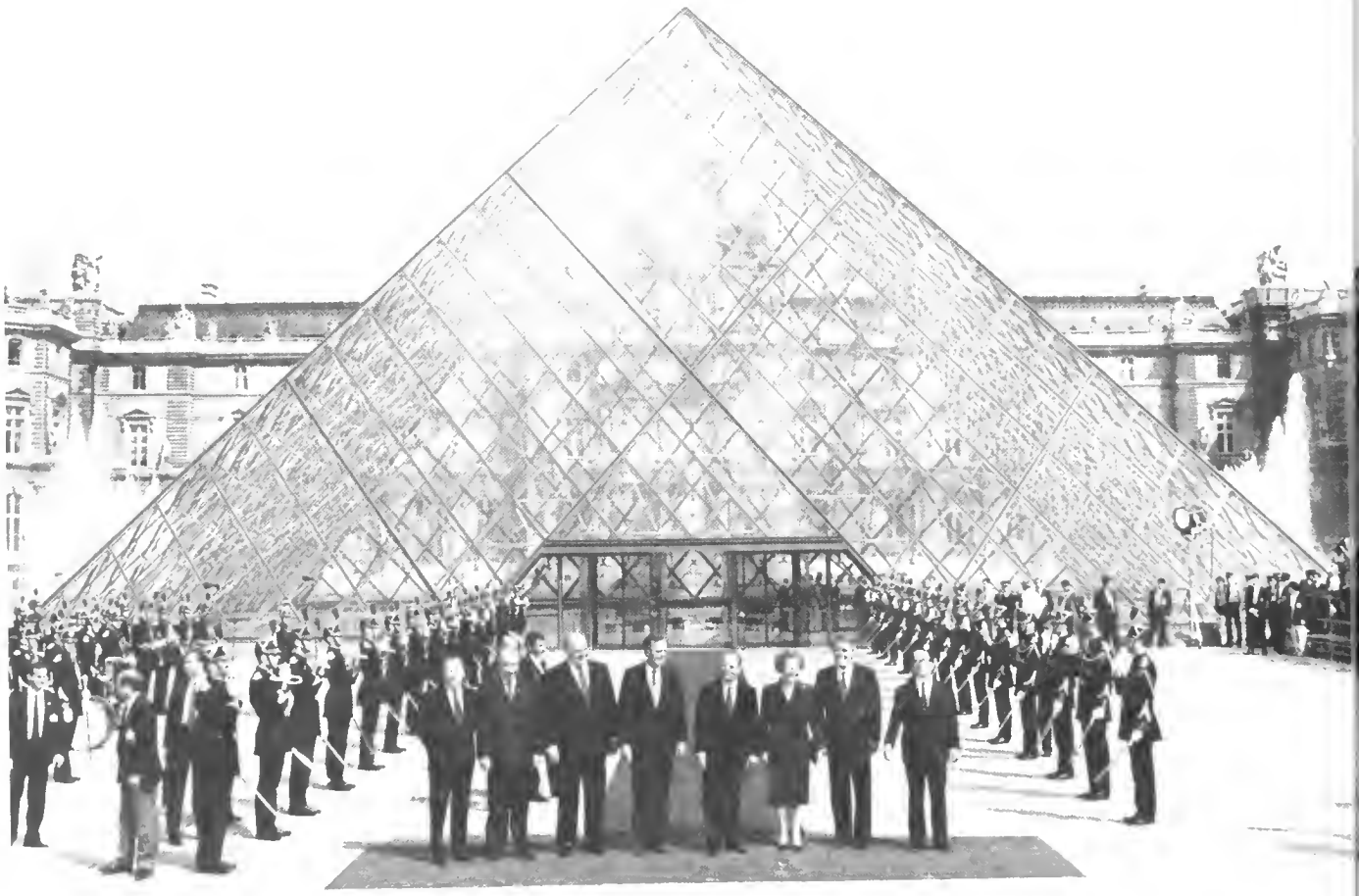


The eight economic summit participants at the giant glass pyramid, the new entrance to the Louvre Museum. Some of the summit sessions were held at the Arche de la Defense, a new structure in Paris that will house offices, exhibitions, and cultural faeilities; hence Summit of the Arch. (White House photo by David Valdez)

Summit of the Arch

President Bush attended the 15th economic summit of the industrialized nations in Paris July 14–16, 1989, which was hosted by French President Francois Mitterrand. The other participants were Prime Minister Brian Mulroney (Canada), Chancellor Helmut Kohl (West Germany), Prime Minister Ciriaco De Mita (Italy), Prime Minister Sosuke Uno (Japan), Prime Minister Margaret Thatcher (United Kingdom), and Jacques Delors, President of the Commission of the European Communities.

Declaration on Human Rights, July 15, 1989[1]

n 1789, the rights of man and of the citizen ere solemnly proclaimed. Just over 40 ears ago, the General Assembly of the Jnited Nations adopted the Universal Dec- aration of Human Rights, which have been urther developed and codified and are now mbodied in the Covenants on Civil and Po- tical Rights and on Economic, Social and ultural Rights.

We reaffirm in our commitment to reedom, democratic principles and human ights. We reaffirm our belief in the rule of aw which respects and protects without ear or favor the rights and liberties of every itizen and provides the setting in which the uman spirit can develop in freedom and iversity.

Human rights are a matter of legitimate nternational concern. We commit ourselves gain to encouraging and promoting univer- al respect for human rights and fundamen- al freedoms.

Looking towards the future, we see opportunities as well as threats; this impels us to pledge our firm commitment to uphold international standards of human rights and to confirm our willingness to reaffirm them and to develop them further.

We stress the protection of freedom of thought, conscience and religion, and of freedom of opinion and expression; for without these freedoms, other rights cannot be fully realized.

We stress also respect for the rule of law and the plurality of opinion, for without them there can be neither representative government nor democracy

We believe equally in freedom of association in a pluralist society.

We hold that the right of each individual to physical integrity and dignity must be guaranteed. We abhor and condemn torture in all its forms.

We believe that all human beings must act towards each other in a spirit of fraternity.

We believe that everyone has a right to equality of opportunity as well as to own property, alone or in association with others. Extreme poverty and exclusion from society violate the dignity of everyone enduring them. Those who suffer or are in need should be supported.

We stress that the rights of the child, the disabled and the elderly require special protection.

We consider that developments in the human sciences, for instance the progress achieved in genetics and organ transplantation, must be applied in accordance with all human rights if the dignity of human beings is to be preserved.

We, the present generation, have an obligation to ensure that future generations will inherit a healthy environment.

We reaffirm our belief that these rights and freedoms cannot be properly safeguarded without the rule of law, impartial justice and genuine democratic institutions.

Declaration on East-West Relations, July 15, 1989

1. We, the leaders of our seven countries and the representatives of the European Community, reaffirm the universal and supreme importance which we attach to freedom, democracy and the promotion of human rights.

2. We see signs of this same desire for greater freedom and democracy in the East. The people there, including the young people, are reasserting these values and calling for a pluralist democratic society. Some of their leaders are aware of the positive contribution that greater freedom and democracy can make to the modernization of their countries and are starting to make changes to their laws, practices and institutions. Others are still endeavoring to resist this movement by taking repressive measures which we strongly condemn.

3. We hope that freedom will be broadened and democracy strengthened and that they will form the basis, after decades of military confrontation, ideological antagonism and mistrust, for increased dialogue and cooperation. We welcome the reforms underway and the prospects of lessening the division of Europe.

4. We call upon the Soviet Government to translate its new policies and pronouncements into further concrete action at home and abroad. Military imbalances favouring the Soviet Union, both in Europe and in Asia, remain an objective threat to each of us. Our governments must therefore continue to be vigilant and maintain the strength of our countries. For the foreseeable future, there is no alternative for each of us, within existing alliances, to maintaining a strategy of deterrence based upon an appropriate mix of adequate and effective nuclear and conventional forces. In order to hasten the advent of a world in which the weight of arms and military strength is reduced, we recommit ourselves to the urgent pursuit of a global ban on chemical weapons, a conventional forces balance in Europe at the lowest possible level consistent with our security requirements and a substantial reduction in Soviet and American strategic nuclear arms.

5. We offer the countries of the East the opportunity to develop balanced economic cooperation on a sound commercial basis consistent with the security interests of each of our countries and with the general principles of international trade. We have noted developments of relations between the EEC and countries of the East, in particular in conclusion of an agreement with Hungary, the progress already achieved during the current discussions with Poland and the opening of negotiations with the Soviet Union.

6. We welcome the process of reform underway in Poland and Hungary. We recognize that the political changes taking place in these countries will be difficult to sustain without economic progress. Each of us is prepared to support this process and to consider, as appropriate and in a coordinated fashion, economic assistance aimed at transforming and opening their economies in a durable manner. We believe that each of us should direct our assistance to these countries so as to sustain the momentum of reform through inward investment, joint ventures, transfer of managerial skills, professional training and other ventures which would help develop a more competitive economy.

Each of us is developing concrete initiatives designed to encourage economic reforms, to promote more competitive economies and to provide new opportunities for trade.

We agreed to work along with other interested countries and multilateral institutions to concert support for the process of reform underway in Hungary and Poland, in order to make our measures of support more effective and mutually reinforcing. We will encourage further creative efforts by interested governments and the public and private sectors in support of the reform process.

Concerning concerted support for reform in Poland and Hungary, we call for a meeting with all interested countries which will take place in the next few weeks. We underline, for Poland, the urgent need for food in present circumstances.

To these ends, we ask the Commission of the European Communities to take the necessary initiatives in agreement with the other Member States of the Community, and to associate, besides the Summit Participants, all interested countries.

7. We are in favor of an early conclusion of the negotiations between the IMF and Poland. The strengthened debt strategy is applicable to Poland, provided it meets the conditions. We are ready to support in the Paris Club the rescheduling of Polish debt expeditiously and in a flexible and forthcoming manner.

8. We see good opportunities for the countries of West and East to work togethe to find just solutions to conflicts around th world, to fight against underdevelopment, t safeguard the resources and the environment and to build a freer and more open world.

Declaration on China, July 15, 1989

We have already condemned the violent repression in China in defiance of human rights. We urge the Chinese authorities to cease action against those who have done n more than claim their legitimate rights to democracy and liberty.

This repression has led each of us to take appropriate measures to express our deep sense of condemnation to suspend bila eral ministerial and high-level contacts, ar also to suspend arms trade with China, where it exists. Furthermore, each of us ha agreed that, in view of current economic u certainties, the examination of new loans b the World Bank be postponed. We have also decided to extend the stays of those Chines students who so desire.

We look to the Chinese authorities to create conditions which will avoid their iso lation and provide for a return to cooperation based upon the resumption of moveme towards political and economic reform and openness. We understand and share the grave concern felt by the people of Hong Kong following these events. We call on the Government of the People's Republic of Chi na to do what is necessary to restore confidence in Hong Kong. We recognize that the continuing support of the international com munity will be an important element in the maintenance of confidence in Hong Kong.

Declaration on Terrorism, July 15, 1989

1. We remain resolutely opposed to terrorism in all its forms. We confirm the commi ment each of us has undertaken to the principle of making no concessions to terro ists or their sponsors and to cooperating, b laterally and in all relevant international fora, in combatting terrorism. We reiterate our commitment to the policies agreed at previous summits; in particular we condem state-sponsored terrorism. We are determined not to let terrorists remain un-

unished, and to have them brought to jus-ice within the framework of international aw and in conformity with the rule of law. Ve call upon those states which have sup-orted or encouraged terrorist acts to dem-nstrate by their actions that they have enounced such policies. We reaffirm in par-icular our absolute condemnation of the tak-ng of hostages. We call on those holding ostages to release them immediately and nconditionally and on those with influence ver hostage-takers to use it to this end.

2. Deeply concerned for the safety of all ravellers and outraged by the murderous ttacks perpetrated against international ivil aviation and the frequent threat to air ransport safety from terrorist groups, we eaffirm our commitment to the fight gainst all forms of terrorism affecting civil viation. We reiterate our determination to ontribute to reinforcing internationally greed measures for protection against air-raft hijackings and sabotage.

3. We particularly condemn the recent ttack on an aircraft over Scotland, which illed 270 people. We have agreed to give riority to preventing such attacks by fur-ner strengthening security measures. We ttach importance to the implementation of ne work plan recently adopted by the ICAO nternational Civil Aviation Organization] ouncil for this purpose.

4. We have also agreed on the need for nproved methods of detecting explosives. Ve endorse efforts currently underway in CAO to develop, as a matter of high priori-', an appropriate international regime for ne marking of plastic and sheet explosives or detection.

Secretary Baker's News Conference, Paris, July 15, 1989[2]

efore I get to the political declaration, t me simply cover for you the fact that t the morning plenary session, we pent, I suppose, most of the time on ne political declaration, but we also overed economic policy coordination, tructural reform, and trade. We then roke for lunch. In the afternoon ple-ary, we covered debt and narcotics in ome detail.

With respect to the political decla-ation, I think it's a fitting occasion on ne 200th anniversary of the Declara-on of the Rights of Man and the Citi-zen that we recall the common heritage of Western values that unite those seven summit countries. As I said several days ago when I briefed, the President's NATO summit trip first highlighted this theme, and that's been carried forward at this summit. He then carried that message, as you know, to Poland and Hungary, where homegrown reform efforts are turning their societies toward the Western heritage. So it's fitting, I think, that our first declaration—or the first topic covered in the political declaration—was human rights.

Our common purpose, of course, is to promote these rights, to secure the rule of law, to create opportunity, and to extend the reach of the fundamental freedoms of man. The declaration makes those points.

The East-West declaration, of the four, we probably spent most of our time on. That expresses our joint commitment to help advance the cause of freedom and economic liberty to others in Europe who have lived for far too long under the shadow of repression. Our seven nations will reach out to these countries and, in this declaration, we condemn those who resist the movement with further repression.

The declaration points out again, as did the President's presummit trip, that Poland and Hungary are in the vanguard of change. Recognizing that political reform has got to be supported by economic reform, the seven summit countries agreed to act in concert to support the opening in Poland and Hungary for both political and economic transformation.

Specifically, the East-West declaration commits each of us to developing concrete initiatives to promote the development of competitive market-oriented economics.

Secondly, the enterprise funds that the President announced in Poland and Hungary, we think, provide an example of our effort to build viable private sectors in each of these two nations.

We agreed to tackle the problem of Poland's debt without delay, in the Paris Club without waiting for an IMF program. There's participation in the strengthened debt strategy.

We agreed to work together, along with other countries and multilateral institutions, to make our efforts mutually reinforcing and more effective in every way that we possibly can.

And fifth, and very, very importantly, I think, to move the process along without delay, we agreed to speedily convene a meeting, I think, within a matter of weeks to concert our support for Poland and Hungary, working—the summit countries that are members of the EC—alongside those members of the European Community.

The East-West declaration also acknowledges the new policies and the new pronouncements in the Soviet Union. We call for the Soviets to translate those announcements into concrete action. But because the military imbalances in Europe and Asia continue to favor the Soviets, we state the need to remain vigilant and to maintain our strategy of deterrence based upon a mix of adequate conventional and nuclear forces.

The third topic in the political declaration was China. The declaration on China endorses the program which the President led the way in establishing. If you take a look at that, you see that the seven explain their common response to the repression, that each of the seven countries has condemned, and we hold out our common interest in the creation by China of conditions that will avoid its isolation.

We also recognize the concern of the people of Hong Kong, and we look to the People's Republic for steps that could restore the confidence of the Hong Kong people.

The final subject in the political declaration has to do with terrorism. In this, we confirm our commitment to combat terrorism in all of its forms, including, of course, state-sponsored terrorism.

We take special note this year of the murderous attacks on air travelers and commit to prevent, to the extent

that we can, a repetition of last year's tragedy over Lockerbie. Specifically, we refer to seeking international regulations forcing the marking of plastic explosives so as to make them more easily detectable.

Let me say that, in summary, we're very pleased with these four declarations that, together, constitute the political declaration. They reflect our core values and those of our allies and friends. The democratic experiment was conceived in these values. We've sought to preserve, protect, and promote them, and we welcome the support of others who share them.

We had extensive discussions as well in foreign ministers' meetings of other foreign policy subjects and topics, which were covered in an oral presentation by [Foreign] Minister Dumas as the host Foreign Minister. We have not seen a transcript of that yet, so I may be able to answer some questions that you have about other areas, but I'm not exactly sure of specifically what he said. This was the manner in which this was handled last year, and we agreed early on that this is the way we would handle regional conflicts this year.

I'd like to say simply that this is my ninth summit, and this has been, as far as I am concerned, the most harmonious and one of the most productive summits that I have attended. So much so, that I think we might be able to wrap it up a little early. But the French are the host country and, if we do that, they'll have the announcement to make.

Q. I'd like to start on this meeting you're talking about on the subject of Hungary and Poland. At what level will this meeting take place? How will the United States be represented? What are the goals? How specific are the goals for that meeting?

A. The level hasn't been determined, and frankly, where the meeting is going to be held has not been determined, because this decision came during the course of the plenary meeting today. It was, in effect, negotiated in the plenary session itself. It was not worked out by the sherpas. It wasn't something that was preplanned, and you can see in the political declaration what is said about it. What is said about it there is all that has, as yet, been agreed to.

But the idea is we don't want to just let this drop. We want to follow up on it and we want to follow up on it as expeditiously as we can. The President was very anxious to get a commitment from the other countries to do this and, in fact, had written the heads of state prior to coming to the summit, requesting that this action be taken. We feel very fortunate that we were able to get a commitment to this effect.

Q. Are you at all disappointed that the minimum language, minimum level that Gov. Sununu talked about earlier—language he cited was action in concert—is not in the statement? There is no discussion of concerted action—talk about support, but no action.

A. No, that's not correct. If you'll look at paragraph six, I will read it to you.

> We agreed to work along with other interested countries and multilateral institutions to concert support for the process of reform underway in Hungary and Poland, in order to make our measures of support more effective and mutually reinforcing. We will encourage further creative efforts by interested governments and the public and private sectors in support of the reform process.
>
> Concerning concerted support for reform in Poland and Hungary, we call for a meeting with all interested countries which will take place within the next few weeks.

It's clearly in there. Not only is that in there, but there's a followup meeting called for.

Q. Some of us had the impression that the idea of having this conference on Hungary and Poland was promoted by [West German] Chancellor Kohl. Now I guess it's still possible he got it in the communique. Was this an initiative of the President? And, apart from China, what in this communique bears really the strong mark of the United States? Where did the United States take the lead?

A. The United States took the lead I think, with respect, as you point out, to China but also with respect to the East-West portion of the declaration; for that matter, with respect to human rights and terrorism as well, because we've been pushing those two subjects for the political declarations of prior summits for a number of summits now.

But particularly, with reference to the East-West, because, after all, it was the President's trip to Poland and Hungary that emphasized the importance of the homegrown reform efforts that are taking place there and the importance of our supporting those.

To answer specifically your question about who proposed this, I've already said that the President requested this in letters to the heads before he came. The specific suggestion in the plenary was made by Chancellor Kohl but, of course, strongly supported by the United States.

Q. What progress, if any, have you made on the question of Third World debt? And specifically, how much support was there for President Mitterrand's position on rescheduling of Third World debt?

A. There was quite an extensive discussion on debt this afternoon. No particular controversy, I know you'll be disappointed to hear. Everybody was pretty much in agreement that the strengthened debt strategy that the United States has proposed is the course that should be followed.

There was a general recognition on the part of most countries that we are making very good progress with what we determined to do at Toronto about forgiving the debt of some of the poorest of the poor. The United States, as you know, is empowered now to and will be soon forgiving the hundreds of millions of dollars of debt to some of the poorest countries in sub-Saharan Africa. Other countries took note of the fact that they're doing the same thing and everyone generally subscribed to the strengthened debt strategy approach to the debt of middle income debtor countries.

Q. But there was no support for a North-South conference or dialogue among the participants?

A. President Mitterrand briefly referred to the fact that he had been requested to raise with the summit seven the idea of a North-South conference. He said, however, that he had told his interlocuters that it was the view of most summit countries that current organizations were sufficient; that some of the these issues are being addressed in quite some detail in other fora—for instance, development. There will be a special session on development next year. We ought not to divert the focus from that.

Trade, we're working very hard to accomplish a new Uruguay Round. We ought not to complicate that with a North-South dialogue, and so forth.

Now he mentioned this because he had told some of these other countries that he would do so, but it wasn't a matter of debate or controversy or consideration with respect to a decision being taken here at this summit about whether or not we'd have such a conference.

Q. So he didn't argue for it—he just raised it?

A. No, no, it was not—it was only raised.

Q. How long did this discussion last, by the way?

A. Very brief discussion. I would say no more than—I hate to characterize—I don't remember that specifically, but I'd say no more than 10 minutes.

Q. When was that?

A. I think that was this afternoon. I think it was this afternoon, as opposed to this morning.

Q. Both in Poland and in Hungary, when the President announced these enterprise funds, he said that he would seek parallel contributions from his summit partners. He doesn't appear to have gotten those and I wonder if that's a setback for him.

A. I think he has gotten parallel contributions in the form of a commitment for concerted support, rapid movement on rescheduling Poland's debt, participation of Poland in the strengthened debt strategy. Some countries are going to be making specific economic incentives available.

I would argue that he did receive what he was seeking in this connection, and particularly with respect to this follow-on meeting. All the details cannot be wrapped up in a summit like this, but now there will be a follow-on meeting that will deal in detail with the reform efforts in both of these countries and ways in which the summit countries can help.

Q. Did any of them, however, commit to contributing funds similar to the enterprise funds?

A. We never asked anybody to commit for funds. We made it very clear before we got to Paris that this would not be a pledging session. But we believe we've gotten parallel efforts in the form of commitments to support the reform efforts that are being undertaken in Poland and Hungary.

Q. The line in the declaration on China about postponing examination of new World Bank loans—does that significantly hurt China, and if so, by how much? And secondly, what do you think the significance is of saying that in the declaration?

A. I think the significance of saying it is that it's action that has been taken by these countries. They've all agreed with the taking of this action. I'm trying to find my copy of the political declaration—the China portion.

Q. It says the examination of new loans by the World Bank will be postponed.

A. Yes, I'm aware of that, but I can't—I wanted to see the exact language.

Q. That is the exact language.

A. Yes, wait a minute, though. Now I've got it. Yes, you know what it says—each of us has agreed. All of these recitations of actions are actions that have been taken already. I'm not in a position to judge for you the extent to which that action may or may not hurt China. I don't want to make that judgment. I'm not in a position to make that judgment. This is a recitation of the actions that have been taken by the summit seven; all agreed.

Q. Officials in Washington said before we came here that the United States would like a terrorism statement in the section that talked about the Lockerbie bombing to specifically cite Iran as responsible for that incident. But that language is not in this declaration. Did the United States, indeed, seek that?

A. As far as I know, we never sought that. I'm not aware that we sought that.

Q. At any point? Even during the sherpa process?

A. I am not aware that we sought that during the sherpa process. I think we were pretty well pleased with the way the terrorism statement came out in light of some of the battles we fought a year or two ago on this issue. But I'm not personally aware that we asked that Iran be cited.

Q. So you think we did not? That's your understanding?

A. I think we did not, but I don't know everything that was raised in the entire sherpa process. I'm not suggesting that.

Q. On the question of food for Poland; is that supposed to be part of the agenda of the follow-on conference? It's in the same paragraph, but it's not explicitly stated here.

A. It's going to be dealt with in the followup meeting, but it was important to us to make it clear that the followup meeting was not restricted just to the food issue. We did have a little debate about that. We think we have it in such shape that the followup meeting will deal with the general topic of concerted support for Poland and Hungary, including food.

Q. If I could just understand the genesis of that, did Chancellor Kohl bring up the idea of having this followup meeting to discuss food for Poland and then the President said, "Well, let's broaden that to be all"—some sort of—

A. I really can't answer that, not because I'm unwilling to. When we finally got a text back typed, it looked like the followup meeting was going to deal

only with food, and we wanted it to deal with concerted support. We made that case and it carried the day and we were very happy about that. I think the Chancellor was very much with us on that.

Q. But did he mention the food, specifically, when he brought that up?

A. In his proposal, yes.

Q. Among the countries that you would think would attend this follow-on meeting, is it contemplated that Poland and Hungary would be among the participants?

A. That was not discussed. It would be my sense of the discussion that that would not be contemplated, that the meeting would be of EC countries, summit participants that are not members of the EC, and all interested countries, as you see there—interested in concerting their support efforts for these two countries.

Q. But not the recipients themselves?

A. Probably—well, I don't—there was never any discussion of it. I don't know that there would be a reason to exclude them, but I don't think it contemplated that they would be coming.

Q. Since the President left Poland, Lech Walesa has said that a communist president, meaning Gen. Jaruzelski in particular, would be acceptable to him. Is that something that was urged on either Mr. Walesa or other Solidarity leaders by the President or yourself, other U.S. officials?

A. Not to my knowledge. We did not involve ourselves in the internal political situation there in terms of the presidential election.

Q. Do you think it's a good idea, given the realities of today, that Poland continues to have a communist president for the time being—at least in this next election?

A. The way they're moving toward political reform there, they have reserved a certain number of seats in the same for communist party members. So having a communist president is not inconsistent with that, but I'm not going to express a judgment on whether we think that's good or bad.

Q. While we're talking about internal politics, could you clarify what is still a rather ambiguous outcome on sending somebody to Israel to find out what their intentions were? It struck me that you thought it needed some clarification, and now, evidently, it doesn't. What happened?

A. I think we've seen a lot happen in the course of a week; you're right. My view, and the view of all of us, was that we had some genuine concern, frankly, that perhaps as a result of the action by the Likud Party, they were, in a sense, devaluing their own initiative. We still think it might be useful to send someone—not right now—never have had in mind the idea of a presidential emissary, as some had misinterpreted things, I think. I mean, we're not talking—and I think we made it very clear—about shuttle diplomacy or Phil Habib getting on an airplane and that sort of thing—and never have been.

We still think it might be useful at some point, but not right now, because Prime Minister Shamir, himself, has made a number of statements that the initiative has not been changed. I think in one of them he said it has not been changed one iota. The national unity government there appears to be working very hard to reconfirm their commitment to the elections proposal. Israeli Government officials have confirmed to us and to others that they are very much committed to the proposal.

The last thing, I guess, I'd say on it is that we've been working very hard here in Paris to support the election proposal with the summit countries and in meetings with other countries, such as my meeting of yesterday with Foreign Minister Megid of Egypt. I hope that clarifies it for you.

Q. On that last point, may I pick you up, how have you done so far as conversions? It seemed the United States has been pretty much alone in supporting the Israeli initiative. Do you have friends now?

A. No, we had friends before. It's wrong to say how are we doing on converting because we were able, I think, t bring a number of countries—to gain support from a number of countries in Europe of the Israeli elections proposal which previously had not been supportive. We think we still have that support provided that they know that the Israel Government itself is every bit as committed to that proposal as it was when i advanced it. We believe, based on what we've seen during the course of this week and the contacts we've had with I raeli Government officials, that they ar every bit as committed as they were when they advanced it.

Q. Could you tell us what steps you are looking for from China that they could do to restore the confidence of the Hong Kong people? And secondly, could you tell us whether there are any discussions of the inte national government, especially Bri ish Government, commitments to th Hong Kong Chinese during the summit?

A. There were discussions of—but not that I can recall in the plenary session. I've had a bilateral meeting with [British Foreign Secretary] Sir Geoffre Howe in which we discussed the U.K.'s firm commitment to Hong Kong. I thin the steps that are referred to in the cor munique are the steps that many of the summit countries expressed in speakin about the tragic events of Tiananmen Square—the need to reassure the inter national community that the process of economic reform is going to continue ar that political repression is going to cease, as it says here in the declaration.

Q. Was Lebanon discussed at all today, and is there harmony betwee the U.S. position and the French pos tion concerning Lebanon's special—

A. The answer to the last part of that question is, there is harmony between the U.S. position and the French position on Lebanon. And the answer t the first part of the question—was Lebanon discussed today—is no, but it was discussed at quite some length last night at the dinner of foreign ministers.

Q. Are these summits still wort all this trouble?

A. Yes.

Secretary Baker's Interview on "Evans and Novak," Paris, July 15, 1989[3]

Q. The President began his tour in Poland and Hungary, setting the stage for what he wanted to do in Paris. He declared his intentions at Karl Marx University in Budapest. [Film clip from President Bush's speech: "I will propose at the Paris economic summit concerted Western action for Poland and Hungary to back your reforms with economic and technical assistance from the summit partners."]

En route to Paris, Bush was asked whether he would tell his colleagues at the summit that communism is dead. [Film clip of President Bush: "No. I'll tell them that there's dynamic change taking place in Eastern Europe."]

But other summit leaders, especially France's President Mitterrand, are looking south rather than east. About 25 Third World leaders were invited here to help celebrate the French Revolution bicentennial, and they immediately put pressure on the French summit seven to convene a global North-South conference to help the impoverished Third World countries.

Would it be fair to say that the enthusiasm for helping Eastern Europe of President Bush is not quite matched by his summit colleagues here in Paris?

A. No, I really don't think that would be fair to say. There is genuine enthusiasm on the part of, I think, everyone here to assist Hungary and Poland particularly, which are moving toward the West—to assist the process of homegrown reform that we see in these East European countries. They are moving on the basis of Western values, and I don't know any country at this summit that is not very genuinely supportive of them.

Q. Does assisting the East—Eastern Europe and the Soviet Union—mean the United States is now prepared to allow the East to have some of that technology that they so desperately need to move ahead in their economies, or is that not part of the deal?

A. Nonstrategic technology could be a part of the deal, but there will still be normal COCOM [Coordinating Committee for Multilateral Export Controls] restraints on strategic technology, as there should be.

Q. But there are always changes in the definition of what strategic technology is. Some nations in the Western alliance want to ease those restrictions.

A. That's true, and, of course, our whole approach to the countries of Eastern Europe has been one of differentiation. The technology that might be approved by COCOM for transfer to a country like Hungary, for instance, might well be different than what COCOM might approve for transfer to a country like Romania. So you can't generalize with respect to it. It is still important to the United States and to our COCOM partners that we protect our strategic technology.

Q. Are there milestones you are setting up on issues like human rights and so on within the Administration to see how Poland and Hungary come along—and are the other allies in agreement on those—for future steps?

A. They are not milestones in the specific sense that I think your question refers to. But clearly we look at progress in both of those countries—political progress and economic progress—and should there be a reversal of that progress, then it would change the way in which we would recommend approaching those two countries. But not in the specific sense I think you had in mind.

With respect to most-favored-nation treatment for Hungary, for instance, it's only a case of their codifying some laws that they are already debating. Once they do that, they'll get MFN. So there's a good example, though, of a specific guideline or guidepost.

Q. I just want to go back to the original point I made. I just don't hear other people talking with the enthusiasm of President Bush about this whole East European revolution.

A. Then you haven't been attending the meetings that I've spent several hours in yesterday. There is genuine enthusiasm on the part of everyone because this is a great victory for the West. It's a great victory for free markets—they're not there yet, but they are admitting they want to go there; they are acknowledging that the old system has failed. It's a great victory for democracy. They are talking about and holding free elections. There is genuine enthusiasm on the part of all these summit countries.

You may be comparing this to the position of the United States as recently as a year ago, when we were the country that was holding back on movement toward East European countries that were expressing a desire to move toward the West. We were doing that because we were not satisfied then that the movement had gone as far as it should have, but there has been dramatic progress in the last 12 months.

Q. Have you endorsed Lech Walesa's program, the Solidarity leader in Poland, who wants to put parliamentary control over the power of the purse, remove the communist control over the monopolization of the Polish economy? I didn't hear much talk by the President in Poland about that program.

A. There has not been an endorsement of a specific Solidarity program as such. There has been strong general endorsement of the idea that the Poles should move to free-market economics to the extent that they can and that we ought to help in that process—not through funneling a lot of concessionary assistance in there that might or might not be properly used. We did that in the 1970s; it didn't work. What we are talking about is technical assistance and helping them make the reforms that are necessary to get to the Adam Smith-type policies that you and I believe in.

Q. Didn't it give Gen. Jaruzelski quite a boost, following along on that

question? The President almost gushed about what a great man Jaruzelski is, only a few years after he imposed martial law in Poland.

A. It is important that there be stability in the political leadership in Poland. They are making efforts to move toward democracy. It is not yet democracy in the sense that we know it and believe it must ultimately be as far as our Western values are concerned. But the progress they've made in the last 12 months by holding a free election, electing democratically a senate without reserving seats for the party—yes, they reserved some seats for the party in the lower house, but they are making dramatic progress.

Q. Do you want to see Jaruzelski take that official position of president?

A. We don't want to interfere in the internal politics of Poland any more than we are interfering in the internal politics of any other country. But Gen. Jaruzelski has been, recently at least, taking action that permits movement toward the West and toward Western values in Poland. He has been, to some extent maybe, a late comer, but he has, to some extent, been a reformer.

Q. President Mitterrand of France proposed, along with some of his Third World guests, a global North-South conference, and U.S. leaders have just rejected it out of hand. Are you afraid that if you got together with these people from the poor Southern countries, they'd beat up on you, make you feel guilty, ask for money, share the wealth? Is that what you're worried about?

A. No. I think our view is that we are working very hard on these problems that involve North and South. We've got major undertakings going on with respect to debt, for instance. We happen to believe that you can't globalize the debt problem, that the debt problem has to be solved on a case-by-case basis—and you know all the reasons for that.

On trade, we've got the Uruguay Round discussions going. We shouldn't dilute those or change the focus by moving into some other forum. It is very important that we have a successful Uruguay Round. The United Nations itself is going to have a conference just next year on development. We shouldn't have a competing conference on development with that.

The environment is a topic that doesn't lend itself quite as well to political dialogue. It is scientific primarily, and we ought not to just throw that into the political arena without having scientific discussions about what ought to be done.

Q. You didn't quite answer my question, because 8 years ago, at your first economic summit in Ottawa, President Mitterrand was trying to have some kind of a distribution of wealth, from the North to the South, from the rich to the poor. Is that what he's still up to, in your opinion?

A. I don't know that. I'm not sure that he was trying to do that at the 1981 summit in Ottawa. You may recall that there was a North-South summit in the first year of President Reagan's presidency in Cancun, but people could argue with respect to whether or not it was successful.

Q. What do you think? Was it successful?

A. I think that whatever success was achieved was quite limited because what happens is, expectations get built up to unrealistic levels, and it is very difficult to satisfy those expectation at a big North-South conference.

Q. So there will not be a big North-South conference?

A. I don't know that you can say that there will not be. There may very well be one, and it's something that definitely should be considered and debated. I was simply giving you what I think are some very logical reasons why it might not be the best thing to do.

Q. Changing topics for a moment to the Middle East. Don't you feel a little jerked around by what Israeli Prime Minister Shamir has been doing? First, he comes to the United States and says, "We want to have elections," then he goes back to Israel and announces he's got this list of four or five conditions he wants to put on them. You come out and say, "We have to send an envoy to figure i out," and then the Israelis come bac and say, "Don't worry. Everything's okay."

A. We were concerned; we were thinking about sending someone becaus we were genuinely concerned that the Israeli Government was, to some extent devaluing its own elections proposal, something that we had worked very hard to implement. We are continuing t work very hard to implement it, becaus we believe that it has great promise. In fact, we are working hard to implement it right here at this summit, talking to our summit partners about the importance of pursuing the elections proposal talking to the Egyptians about the importance of pursuing it. That's the reason we considered sending a representative.

In the interim, the Government of Israel has made it quite clear that they are totally committed to their elections proposal. They intend to continue to actively and vigorously work it. The national unity Government of Israel is sorting out whatever differences they had with respect to it. So we are quite satisfied that they are as committed to that proposal as they have been, and we intend to continue to work with them to try and advance it.

Q. With all respect, this is new, saying the Israeli Government is committed to it. The last word we had from the Israeli Government is one from Yitzak Shamir himself, and it has got four conditions attached to it

A. No, no, no. The last word we've heard, if I may say so, is from Yitzak Shamir himself saying that his proposal has not changed one iota and that it is still very, very much the proposal that they intend to push and to advance.

We believe that. If we didn't believe that, we would have to then say, "Well, let's sit down and talk about it." That was the original reason we were thinking about sending someone. We are quit satisfied now that they are prepared, ready, willing, and able to continue to push this proposal.

Q. In briefing the press in Warsaw on Monday evening, I believe, yo said that we would send an emissary.

President Bush and French President Mitterrand, who hosted the 15th economic summit of industrialized nations.

Did the President pull the rug out from under you after pressure was put on him?

A. No, and we still may send an emissary. The question is whether or not an emissary is necessary. That was a week ago. Since that time, as I've just explained to you, the Government of Israel has taken a number of steps. Prime Minister Shamir has spoken out. The national unity government is working together to reaffirm their proposal. Those are all significant steps.

We talk to our Israeli allies frequently about many things, and I foresee clearly that we will be talking to them in quite some detail about this elections proposal. Whether that's done in the Middle East or whether it's done in Washington or whether it's done through ambassadors, it will be done.

Q. If you send an emissary, when would it be?

A. If we send an emissary, it would be when we think it is necessary in order to address this question about whether there is any real doubt about their commitment to their own elections proposal. Right now we are satisfied.

Q. Is the United States conducting "proximity negotiations" between the PLO and Israel, essentially negotiating between Israel and the PLO through the United States?

A. No, that's not what we are doing. We do have a dialogue with the PLO, as you know, but we are not conducting negotiations between Israel and the PLO.

Q. You are not carrying positions stated by the Israelis for the PLO and vice versa?

A. No. No, we don't. We don't carry messages from one to the other. We take positions with both that are consistent with U.S. policy. In some cases those positions are not agreed to by either, but they represent U.S. policy. But we are not conducting negotiations by proxy.

Q. You've talked to the Egyptian Foreign Minister. He often talks with PLO officials. What are you hearing from the PLO about the Likud restrictions and the Israeli position on the elections?

A. We haven't heard anything that is different than what you've read in the press, to the effect generally—

Q. We watch television. [Laughter]

A. All right. Let's include television in that. [Laughter]—to the effect generally that they felt that the four conditions that came out of the Likud Party convention, in effect, made it definitely more difficult to get to closure. Now we haven't heard anything different from that, and that's all out there in the public press.

[illegible] OF THE ARCH

It's not dead in the water. We are taking the position—we took the position yesterday with the Egyptians—that in our view, based on the developments in Israel over the course of the past week, we think the proposal is very much alive, and we intend to continue to work to advance it. I think that the Egyptians will continue to work to advance it.

Q. There has been a debate between the two members of the coalition in Israel whether, in fact, there have been *de facto* negotiations between the PLO and Israel. Have there been, in your opinion?

A. I'm not prepared to answer that, because I frankly don't know and I frankly have no intention of inserting myself into an internal political debate in Israel.

Q. Could it be possible that you have an opinion but you'd rather not express it?

A. It would be possible that I was telling you the truth when I said I really don't know, number one; and number two, I don't intend to insert myself into the political debate in Israel.

Q. Okay. I just want to get back to the summit for one thought, and that is that this has been a very unusual economic summit, with the parades and all the Third World leaders—Mexico, the Philippines, African countries. This was supposed to be a get-together session originally for the seven industrialized democracies. Hasn't the purpose really been subverted by President Mitterrand's celebration?

A. No, I don't think it has been subverted by the celebration. I think it has been complemented by the celebration or—let's put it this way—the celebration has been, to a large extent, complemented by the presence and fact that the summit was taking place here in Paris at the same time. I don't see that there is any problem with that.

Q. Do you have any suggestions to make these things a little more substantive and perhaps get down to some of the more serious questions?

A. I think we deal with serious questions at these summits. I do believe that summits have grown in terms of the number of press that cover them, in terms of the presence of the number of people involved from what the original idea was at Rambouillet in 1974 or 1975. People say all the time it would be nice if we could get back to that concept, but I don't know of a host country that's willing to take the heat and move us back to that time.

Q. Why is the United States paying so little attention to what seems to be a major revolution going on in Cuba? Castro is throwing out all these generals, throwing out all these important people, executing them. Why are we saying nothing about it?

A. We are taking note of that, but there are a lot of things that Castro is not doing to change behavior that doesn't meet internationally accepted norms. And that's the reason we're not jumping up and down and clapping our hands when he prosecutes some people dealing in narcotics. He is still shipping weapons—he's still exporting subversion in Central America. We know that—

Q. Yes, but is he crumbling from within? Is his regime crumbling from within here? Are we seeing the demise of the Castro regime?

A. I don't think you could conclude that when you take note of the way in which he handled this recent matter involving some people in his government.

Q. Has the time arrived this year, finally, for a summit meeting between President Gorbachev and President Bush?

A. You know the time will arrive for a summit meeting between General Secretary Gorbachev and President Bush when the two of them decide they are ready to have a summit meeting. We are going to talk some more about that, as President Bush indicated, in my meeting with Foreign Minister Shevardnadze in September when he comes to the United States for the UN meetings. That decision hasn't been made.

Q. Could an arms control agreement on reducing conventional forces in Europe be finished up by the end of this year, perhaps paving the way for a summit?

A. The original timeframe, as you know, that the President expressed when he made his conventional arms proposal at the 40th anniversary summit of NATO was 6–12 months. People said, "That's ridiculous; it's too short; you can't meet it." And here we are, 60 days ahead of the date that we thought we would be tabling, specifically tabling, that proposal in Vienna for the Soviets to consider. And their preliminary reaction to it has been sufficiently positive that I think people are now beginning to say, "Wait a minute. Maybe we could get a conventional arms proposal in 6–12 months."

Q. But do we need a conventional arms agreement to have a summit?

A. You don't need to have any specific agreement to have a summit, no. It doesn't have to rest upon the completion of an arms control agreement or any other specific agreement.

Secretary Baker's Interview on "This Week With David Brinkley," Paris, July 16, 1989[4]

Q. It has been a busy week, and for some time now everybody in the world will be assessing it and trying to decide what it accomplished and whether it was good, bad, or indifferent. Give us your assessment first, before we go into anything else.

A. I, of course, think it has been a good week. For one thing, this is the first of these summits—I think there's been 15 of them—someone said this is the first one that has not had to deal primarily with the threat of communism but with the consequences of its failure, and I believe that's true.

I think the President had an excellent visit to both Poland and Hungary, two Eastern-bloc countries that are moving in the direction of the West, that are subscribing to Western values, that are embracing some homegrown reform that we want to support. So we think it has been a good trip to Eastern Europe, and we think we've had a good economic summit here.

Q. I'm interested in your characterization of the agenda—that is, coping with the failures, not the threat, of communism. While you've been doing that, the Secretary of Defense, Mr. Cheney, has been trying to sell an expensive Defense budget to Congress.

Having seen Eastern Europe now and having looked over the Iron Curtain or what's left of it, how would you characterize the Soviet military threat and what's required of us in responding to it?

A. I think that what is required of us in responding to it is continued resolve. We must maintain our will and we must maintain our strength, and the communique from the economic summit just issued here reflects that fact.

There is still a significant imbalance in favor of the Soviet Union in conventional forces in Europe, so it's important that we maintain our strength and resolve. That's what got us to this point, in our view. That's the reason that the Soviet Union and their East European allies are moving in the direction of the West, because we have been strong. The NATO alliance has been, in the past 40 years, I think it's fair to say, the most successful alliance that we've seen.

I think the threat is there, I think we have to maintain our strength, and all seven summit countries recognize that in this communique here.

Q. You've been in the two East European countries where change has accelerated most dramatically—Hungary and Poland. Both of them have in place bureaucracies reluctant to give up their perquisites. How does the United States plan to condition

ts aid to use it as a lever to get these countries to move toward free-market nstitutions?

A. We made the mistake—not just he United States but other Western nations—in the 1970s of giving concessionalist and subsidized assistance to some of these countries without properly conditioning it, and it was not used to good effect. So I think there's a feeling on the part of all the countries here that we must properly condition any assistance that's offered.

At the same time, these countries are reaching out to us, and we've got to end them a helping hand. We've got to show them, assist them, if you will, in moving toward a free-market economic system. This is something they very much want to do.

Hungary is considerably farther out in front of Poland, we think, economically. Poland has just recently seen some rather dramatic political movement. But we've got to properly condition aid or the effect that we all want and that they want, quite frankly, won't happen.

Q. The summit leaders roundly condemned China's repression of the students and other elements there, and yet are we correctly informed that the Bush Administration now intends to allow American grain farmers to continue to sell grain and wheat to the Chinese?

A. The President has made it very clear that he does not intend, has not intended, to disrupt commercial relations. He doesn't want to; he said from the very beginning, I think, he doesn't want to take action that would hurt the Chinese people. A refusal to sell grain to China would not only hurt the Chinese people, it would hurt a lot of American farmers probably, although that's not the reason he would go ahead and permit grain sales. But he has no plans to prohibit grain sales.

We believe, frankly, that the response of the U.S. Government to these unfortunate circumstances in China has been the right response. It has been a measured response. We have expressed our outrage and sorrow, and we've taken certain specific actions having to do with military-to-military transactions and high-level exchanges politically.

Q. As you know, not as many actions as Congress would have you take, and Congress is moving forward to requiring stronger measures. Will you go along with the congressional intent?

A. We will observe the law as we all take oaths to do. But I should point out to you that in both the House and Senate bills, there are provisions that give the President a considerable degree of flexibility in carrying out those laws. If he finds it not in the national interests to take certain actions, then he doesn't have to take them.

Q. I guess I'm asking about the level of hypocrisy here. You say that you've condemned China in strong terms and words, and yet here just this weekend you confirm now that we'll continue to sell wheat to them because, as you point out rather candidly, it's in the interests of American farmers.

A. No. I really said it would hurt the Chinese people as the primary reason we will continue—if we cut it off, it would hurt the Chinese people, and that's one of the things that the President said right off the bat he didn't want to do. That's not the kind of action we ought to be taking.

Q. There are things we could do that would not hurt the Chinese people or be, as sanctions usually are, futile, particularly with a commodity like grain. That is, we could say we're reexamining, in conjunction with the British reexamining, our policies about the fundamental relationships between our country, their country, and Taiwan and Hong Kong. Have you given any thought to that?

A. What the United States has done here is really lead the way. The President was the first to take action against China in connection with what's happened. He's the one who set the standard of ceasing military exchanges. He's the one who called for postponement of World Bank loans. He's the first leader who basically said, I think, that we're going to cut off high-level political exchanges.

All of these other six Western industrial democracies here at this summit are following that lead. They all believe this is the proper course. They also don't think that we ought to isolate China, that it would not be in the best interests of the West. All seven of these countries feel this way. We think the response is appropriate.

Q. You and the President have been to two Iron Curtain countries which are now emerging to some degree into some level of freedom—Poland and Hungary. Now an interesting development. Lech Walesa said the other day to some visiting Americans that he's very happy about what has happened, of course, but he, as a leader of a labor union, needs for his people—needs employers, and they don't have any. They haven't had any in 40-odd years. The government has been the only employer. It is a difficulty for the emerging central European countries, and I wondered if you have any thoughts on this, how to deal with it.

A. One of the proposals that the President made during the course of his trip to Poland was to set up a $100 million fund to assist in the creation of private sector entities and operations in Poland—an enterprise foundation, if you will. And he's quite right. They do need employers. It's one of the problems that has faced all of these centrally planned, statist economies of the East.

It's their view—it's been their view for a long time—that governments solve all the problems. Governments don't solve economic problems. Many times governments contribute to economic problems. They now realize this. They want to move to free-market economics, and they want our help in getting there.

Q. I want to move you to the Middle East and the increasingly contentious relationship between Israel and the United States. This morning the

Director General of the Prime Minister's office said the following: "We are reaching a moment of truth because there has to be a decision by the parties concerned—primarily by the United States—whether to continue the dialogue with the PLO or proceed with moving the Israeli initiative to fruition. The two are mutually exclusive." Do you think the two are mutually exclusive?

A. No. I don't think the two are mutually exclusive. The policy of the United States is that the two are not mutually exclusive. We are working very hard and have been for quite some time—ever since the Shamir elections proposal was first advanced—to implement that proposal. And we are working with European governments, and we're working with Arab governments, and we're working with the Israeli Government.

We were concerned last week when it appeared to us that perhaps they were in the process somehow of devaluing their own initiative by putting certain conditions on there that were very, very difficult conditions and that were the kinds of issues that needed to be addressed at the very end of a discussion and negotiation, not at the beginning.

We are now convinced, by having talked to them—talked to representatives of the Israeli Government—that they are fully supportive of their original elections proposal and initiative as they originally announced it, and we are going to continue to work very hard to make it happen.

Q. That's the point. I was also going to say—and, obviously, you know more than I do—there's a report this morning that Prime Minister Shamir is prepared to reintroduce to the cabinet his original proposal and drop the Ariel Sharon and company hard-line portions of it. Did you get the same report?

A. I haven't gotten that report over here in Paris. But let me say that we have been reassured, as have other governments, by the Government of Israel that it stands four-square behind its original election proposal. I think Prime Minister Shamir himself said it hasn't changed one iota. And, of course, we deal with governments and not with parties.

Q. When the United States gets irritated with Israel, it periodically resurfaces the idea of invoking, as a kind of club to drive Israel in this direction or that, an international conference. You yourself did it not too long ago. What is the status of your thinking now on an international conference? Can you reassure the Israelis that that's not part of our program?

A. There has been absolutely no change in the policy of the United States with respect to an international conference from what the policy was during the Reagan Administration. And the policy is this: The United States believes that an international conference, properly structured, at the appropriate time, might be useful. But we've spent a number of months in the Bush Administration arguing against an international conference. When the idea has been surfaced to us by foreign ministers and heads of state of other governments, we say that going to an international conference now might well preempt other, more promising possibilities. And we think the Shamir elections proposal is just such a more promising possibility. We're glad to know and glad to hear that that proposal stands as originally submitted and that we and our ally Israel are going to work to implement that proposal.

Q. We're hearing once again for the first time since, I guess, the Carter years that it may be time now to consider the withdrawal—36 years after the end of the Korean war—of some or perhaps all of American forces in Korea. Is there more "give" in American policy now with regard to Korea?

A. You know the President proposed at the NATO summit that there be a reduction in U.S. manpower in Europe, provided that there was a move to parity by the Soviets which would require them to reduce even more.

To the extent that we can see some correlative moves with respect to the status of forces in the Pacific, maybe those kinds of things can be considered in the future. But right now, the U.S. policy remains what it has been.

Q. One of the most expensive—and hence one of the most vulnerable to political pressure—weapons systems in the American inventory is the Stealth bomber which was under review in Congress this week. Is it your view that it is important both for the U.S. deterrent and for, I suppose, our arms control negotiations that that program proceed at full speed?

A. We think that is a very important program. It is in the President's budget. The Secretary of Defense is working very hard to obtain the funding for it, and we think it ought to proceed. It's an important element of our deterrent arsenal.

Q. Even given the fact that the Soviet threat now seems to be very, very hard to define?

A. I don't know that the Soviet threat is hard to define. I'm not sure I would agree with that. The Soviet threat is still very much there in terms of the imbalance of forces that they have both nuclear and conventional.

Now, they are saying the right things, and if we see them taking action to reduce those forces and to get to parity so that the threat is reduced, then we can take a look at the kind of thing you're suggesting. But not until then.

Economic Declaration, July 16, 1989[1]

) We, the Heads of State or Government of even major industrial nations and the Presi-ent of the Commission of the European Communities, have met in Paris for the fif-eenth annual Economic Summit. The Sum-nit of the Arch initiates a new round of ummits to succeed those begun at Ram-ouillet in 1975 and at Versailles in 1982. The round beginning in 1982 has seen one of he longest periods of sustained growth ince the Second World War. These Summits ave permitted effective consultations and ffered the opportunity to launch initiatives nd to strengthen international cooperation.

2) This year's world economic situation resents three main challenges:

- The choice and the implementation of neasures needed to maintain balanced and ustained growth, counter inflation, create obs and promote social justice. These meas-res should also facilitate the adjustment of xternal imbalances, promote international rade and investment and improve the eco-omic situation of developing countries.
- The development and the further inte-ration of developing countries into the orld economy. Whilst there has been sub-antial progress in many developing coun-ies, particularly those implementing sound conomic policies, the debt burden and the ersistence of poverty, often made worse by atural disasters affecting hundreds of mil-ons of people, are problems of deep concern hich we must continue to face in a spirit of olidarity.
- The urgent need to safeguard the en-ironment for future generations. Scientific udies have revealed the existence of seri-us threats to our environment such as the epletion of the stratospheric ozone layer nd excessive emissions of carbon dioxide nd other greenhouse gases which could lead future climate changes. Protecting the nvironment calls for a determined and con-erted international response and for the arly adoption, worldwide, of policies based n sustainable development

nternational Economic Situation

) Growth has been sustained by focusing olicies on improving the efficiency and exibility of our economies and by strength-ning our cooperative efforts and the coor-ination process. In the medium term, the urrent buoyant investment seen during his period should pave the way for an in-reased supply of goods and services and elp reduce the dangers of inflation. The utlook is not, however, without risks.

4) Until now, the threat of inflation in many countries has been contained, thanks to the concerted efforts of governments and monetary authorities. But continued vigilance is required and inflation, where it has increased, will continue to receive a firm policy response so that it will be put on a downward path.

5) While some progress has been made in reducing external imbalances, the momentum of adjustment has recently weakened markedly. There needs to be further progress in adjusting external imbalances through cooperation.

6) In countries with fiscal and current account deficits, including the United States of America, Canada and Italy, further reductions in budget deficits are needed. Action will be taken to bring them down. This may help reduce the saving-investment gap and external imbalances, contribute to countering inflation and encourage greater exchange rate stability in a context of decreasing interest rates.

7) Countries with external surpluses, including Japan and Germany, should continue to pursue appropriate macroeconomic policies and structural reforms that will encourage non-inflationary growth of domestic demand and facilitate external adjustment.

8) All our countries share the responsibility for the sound development of the world economy. Over the medium term, deficit countries have to play a key role in global adjustment through their external adjustment and increased exports; surplus countries have to contribute to sustaining global expansion through policies providing favourable conditions for growth of domestic demand and imports.

9) The emergence of the newly industrializing economies and the initiation of a dialogue with them are welcome. We call on those with substantial surpluses to contribute to the adjustment of external imbalances and the open trade and payments system. To that end, they should permit exchange rates to reflect their competitive position, implement GATT [General Agreement on Tariffs and Trade] commitments and reduce trade barriers.

International Monetary Developments and Coordination

10) Under the Plaza and Louvre agreements, our countries agreed to pursue, in a mutually reinforcing way, policies of surveillance and coordination aimed at improving their economic fundamentals and at fostering stability of exchange rates consistent with those economic fundamentals.

There has been progress in the multilateral surveillance and coordination of economic policies with a view to ensuring internal consistency of domestic policies and their international compatibility. The procedures to be used have been more clearly defined and improved in cooperation with the International Monetary Fund.

11) The coordination process has made a positive contribution to world economic development and it has also contributed greatly to improving the functioning of the International Monetary System. There has also been continued cooperation in exchange markets.

It is important to continue and, where appropriate, to develop this cooperative and flexible approach to improve the functioning and the stability of the International Monetary System in a manner consistent with economic fundamentals. We therefore ask the Finance Ministers to continue to keep under review possible steps that could be taken to improve the coordination process, exchange market cooperation and the functioning of the International Monetary System.

12) We welcome the decision to complete the work on the ninth review of the International Monetary Fund quotas with a view to a decision on this matter before the end of the year.

We note that the question of a resumption of SDR [special drawing rights] allocation remains under consideration in the Executive Board of the International Monetary Fund.

13) Within the European Community, the European Monetary System has contributed to a significant degree of economic policy convergence and monetary stability.

Improving Economic Efficiency

14) We will continue to promote measures in order to remove inefficiencies in our economies. These inefficiencies affect many aspects of economic activity, reduce potential growth rates and the prospects for job creation, diminish the effectiveness of macroeconomic policies and impede the external adjustment process. In this context, tax reforms, modernization of financial markets, strengthening of competition policies and reducing rigidities in all sectors including energy, industry and agriculture are necessary. So are the improvement of education and vocational training, transportation and distribution systems and further policies aimed at giving more flexibility and mobility to the labour market and reducing

unemployment. Within the European Community, the steady progress towards the completion by the end of 1992 of the program contained in the Single Act has already given a strong momentum to economic efficiency.

15) The decline of saving in some of our countries in this decade is a cause for concern. This lower level of saving can contribute to high real interest rates and therefore hamper growth. Inadequate saving and large fiscal deficits are associated with large external deficits. We recommend, within the framework of policy coordination, policies to encourage saving and remove hindrances where they exist.

16) Financial activities are being increasingly carried out with new techniques on a worldwide basis. As regards insider trading, which could hamper the credibility of financial markets, regulations vary greatly among our countries. These regulations have been recently, or are in the process of being, strengthened. International cooperation should be pursued and enhanced.

Trade Issues

17) World trade developed rapidly last year. Yet protectionism remains a real threat. We strongly reaffirm our determination to fight it in all its forms. We shall fulfill the Punta del Este standstill and rollback commitments which, *inter alia*, require the avoidance of any trade restrictive or distorting measure inconsistent with the provisions of the General Agreement and its instruments. We agree to make effective use of the improved GATT dispute settlement mechanism and to make progress in negotiations for further improvements. We will avoid any discriminatory or autonomous actions, which undermine the principles of the GATT and the integrity of the multilateral trading system. We also are pledged to oppose the tendency towards unilateralism, bilateralism, sectoralism and managed trade which threatens to undermine the multilateral system and the Uruguay Round negotiations.

18) The successful negotiation of the Trade Negotiations Committee of the Uruguay Round in Geneva last April, thereby completing the mid-term review, is a very important achievement. It gives a clear framework for future work in all sectors including the pursuit of agricultural reform in the short term as well as in the long term. It also gives the necessary framework for substantive negotiations in important sectors not yet fully included in GATT disciplines, such as services, trade-related investment measures and intellectual property.

Developing countries participated actively in these negotiations and contributed to this success. All countries should make their most constructive contribution possible.

We express our full commitment to making further substantive progress in the Uruguay Round in order to complete it by the end of 1990.

19) We note with satisfaction the entry into force of the Free Trade Agreement between Canada and the United States, as well as more recent initiatives to intensify the close economic relations between the European Community and EFTA [European Free Trade Association] countries. It remains our policy that these and other developments in regional cooperation, should be trade-creating and complementary to the multilateral liberalization process.

20) It is the firm intention of the European Community that the trade aspects of the single market program should also be trade-creating and complementary to the multilateral liberalization process.

21) We note with satisfaction the progress that has been made in strengthening the multilateral disciplines on trade and aid distorting export credit subsidies. This effort must be pursued actively and completed in the competent bodies of the OECD [Organization for Economic Cooperation and Development] with a view to improving present guidelines at the earliest possible date.

General Problems of Development

22) Development is a shared global challenge. We shall help developing countries by opening the world trading system and by supporting their structural adjustment. We shall encourage too economic diversification in commodity dependent countries and the creation of a favourable environment for transfers of technology and capital flows.

We underline the continuing importance of official development assistance and welcome the increased efforts of Summit participants in this respect. We note the targets already established by international organizations for the future level of official development assistance and stress the importance of overall financial flows to development.

We underline simultaneously the importance attached to the quality of the aid and to the evaluation of the projects and the programs financed.

23) We urge developing countries to implement sound economic policies. A vital factor will be the adoption of financial and fiscal policies which attract inward investment and encourage growth and the return of flight capital.

24) We note with satisfaction that there has been substantial progress in the multilateral aid initiative for the Philippines that was given special attention in the Toronto economic declaration.

25) Faced with the worrying economic situation of Yugoslavia, we encourage its government to implement a strong economic reform program that can command bilateral and multilateral support.

The Situation in the Poorest Countries

26) The enhancement of the International Monetary Fund Structural Adjustment Facility, the World Bank special program of assistance for the poorest and most indebted countries and the fifth replenishment of the African Development Fund are all important measures benefiting those countries having embarked upon an adjustment process. We stress the importance attached to a substantial replenishment of International Development Association resources.

27) As we urged last year in Toronto, the Paris Club reached a consensus in September 1988 on the conditions of implementation of significant reduction of debt service payments for the poorest countries. Thirteen countries have already benefitted by this decision.

28) We welcome the increasing grant element in the development assistance as well as the steps taken to convert loans into grants and we urge further steps to this end. Flexibility in development aid as much as in debt rescheduling is required.

29) We attach great importance to the efficient and successful preparation of the next general conference of the United Nations on the least developed countries, which will take place in Paris in 1990.

Strengthened Debt Strategy for the Heavily Indebted Countries

30) Our approach to the debt problems has produced significant results, but serious challenges remain: in many countries the ratio of debt service to exports remains high, financing for growth promoting investment is scarce and capital flight is a key problem. An improvement in the investment climate must be a critical part of efforts to achieve a sustainable level of growth without excessive levels of debt. These improvements of the current situation depend above all on standard and effective adjustment policies in the debtor countries.

31) To address these challenges, we are trongly committed to the strengthened lebt strategy. This will rely, on a case-by-ase basis, on the following actions:

• Borrowing countries should imple-nent, with the assistance of the Fund and he Bank, sound economic policies, partic-larly designed to mobilize savings, stimu-ate investment and reverse capital flight;

• Banks should increasingly focus on oluntary, market-based debt and debt serv-ce reduction operations, as a complement to ew lending;

• The International Monetary Fund and Vorld Bank will support significant debt re-luction by setting aside a portion of policy-ased loans;

• Limited interest support will be pro-ided, through additional financing by the nternational Monetary Fund and the World Bank, for transactions involving significant lebt and debt service reduction. For that urpose the use of escrow accounts is greed;

• Continued Paris Club rescheduling nd flexibility of export-credit agencies;

• Strengthening of the international fi-ancial institutions capability for supporting nedium-term macroeconomic and structural djustment programs and for compensating he negative effects of export shortfalls and xternal shocks.

32) In the framework of this strategy:

• We welcome the recent decisions taken y the two institutions to encourage debt nd debt service reduction which provide dequate resources for these purposes;

• We urge debtor countries to move head promptly to develop strong economic eform programs that may lead to debt and ebt service reductions in accordance with he guidelines defined by the two Bretton Voods institutions;

• We urge banks to take realistic and onstructive approaches in their negotia-ions with the debtor countries and to move romptly to conclude agreements on finan-ial packages including debt reduction, debt ervice reduction and new money. We stress hat official creditors should not substitute or private lenders. Our governments are repared to consider as appropriate tax, egulatory and accounting practices with a iew to eliminating unnecessary obstacles o debt and debt service reductions.

Environment

33) There is growing awareness throughout he world of the necessity to preserve better he global ecological balance. This includes erious threats to the atmosphere, which ould lead to future climate changes. We ote with great concern the growing pollu-tion of air, lakes, rivers, oceans and seas; acid rain; dangerous substances; and the rapid desertification and deforestation. Such environmental degradation endangers species and undermines the well-being of individuals and societies.

Decisive action is urgently needed to understand and protect the earth's ecological balance. We will work together to achieve the common goals of preserving a healthy and balanced global environment in order to meet shared economic and social objectives and to carry out obligations to future generations.

34) We urge all countries to give further impetus to scientific research on environmental issues, to develop necessary technologies and to make clear evaluations of the economic costs and benefits of environmental policies.

The persisting uncertainty on some of these issues should not unduly delay our action.

In this connection, we ask all countries to combine their efforts in order to improve observation and monitoring on a global scale.

35) We believe that international cooperation also needs to be enhanced in the field of technology and technology transfer in order to reduce pollution or provide alternative solutions.

36) We believe that industry has a crucial role in preventing pollution at source, in waste minimization, in energy conservation and in the design and marketing of cost-effective clean technologies. The agricultural sector must also contribute to tackling problems such as water pollution, soil erosion and desertification.

37) Environmental protection is integral to issues such as trade, development, energy, transport, agriculture and economic planning. Therefore, environmental considerations must be taken into account in economic decision-making. In fact good economic policies and good environmental policies are mutually reinforcing.

In order to achieve sustainable development, we shall ensure the compatibility of economic growth and development with the protection of the environment. Environmental protection and related investment should contribute to economic growth. In this respect, intensified efforts for technological breakthrough are important to reconcile economic growth and environmental policies.

Clear assessments of the costs, benefits and resource implications of environmental protection should help governments to take the necessary decisions on the mix of price signals (e.g., taxes or expenditures) and regulatory actions, reflecting where possible the full value of natural resources.

We encourage the World Bank and regional development banks to integrate environmental considerations into their activities. International organizations, such as the OECD and the United Nations and its affiliated organizations, will be asked to develop further techniques of analysis which would help governments assess appropriate economic measures to promote the quality of the environment. We ask the OECD, within the context of its work on integrating environment and economic decision-making, to examine how selected environmental indicators could be developed. We expect the 1992 U.N. Conference on Environment and Development to give additional momentum to the protection of the global environment.

38) To help developing countries deal with past damage and to encourage them to take environmentally desirable action, economic incentives may include the use of aid mechanisms and specific transfer of technology. In special cases, ODA [official development assistance] debt forgiveness and debt for nature swaps can play a useful role in environmental protection.

We also emphasize the necessity to take into account the interests and needs of developing countries in sustaining the growth of their economies and the financial and technological requirements to meet environmental challenges.

39) The depletion of the stratospheric ozone layer is alarming and calls for prompt action.

We welcome the Helsinki conclusions related, among other issues, to the complete abandonment of the production and consumption of chlorofluorocarbons covered by the Montreal protocol as soon as possible and not later than the end of the century. Specific attention must also be given to those ozone-depleting substances not covered by the Montreal protocol. We shall promote the development and use of suitable substitute substances and technologies. More emphasis should be placed on projects that provide alternatives to chlorofluorocarbons.

40) We strongly advocate common efforts to limit emissions of carbon dioxide and other greenhouse gases, which threaten to induce climate change, endangering the environment and ultimately the economy. We strongly support the work undertaken by the Intergovernmental Panel on Climate Change on this issue.

We need to strengthen the worldwide network of observatories for greenhouse gases and support the World Meteorological Organization initiative to establish a global climatological reference network to detect climate changes.

41) We agree that increasing energy efficiency could make a substantial contribution to these goals. We urge international organizations concerned to encourage measures, including economic measures, to improve energy conservation and, more broadly, efficiency in the use of energy of all kinds and to promote relevant techniques and technologies.

We are committed to maintaining the highest safety standards for nuclear power plants and to strengthening international cooperation in safe operation of power plants and waste management, and we recognize that nuclear power also plays an important role in limiting output of greenhouse gases.

42) Deforestation also damages the atmosphere and must be reversed. We call for the adoption of sustainable forest management practices, with a view of preserving the scale of world forests. The relevant international organizations will be asked to complete reports on the state of the world's forests by 1990.

43) Preserving the tropical forests is an urgent need for the world as a whole. While recognizing the sovereign rights of developing countries to make use of their natural resources, we encourage, through a sustainable use of tropical forests, the protection of all the species therein and the traditional rights to land and other resources of local communities. We welcome the German initiative in this field as a basis for progress.

To this end, we give strong support to rapid implementation of the Tropical Forest Action Plan which was adopted in 1986 in the framework of the Food and Agriculture Organization. We appeal to both consumer and producer countries, which are united in the International Tropical Timber Organization, to join their efforts to ensure better conservation of the forests. We express our readiness to assist the efforts of nations with tropical forests through financial and technical cooperation, and in international organizations.

44) Temperate forests, lakes and rivers must be protected against the effects of acid pollutants such as sulphur dioxide and nitrogen oxides. It is necessary to pursue actively the bilateral and multilateral efforts to this end.

45) The increasing complexity of the issues related to the protection of the atmosphere calls for innovative solutions. New instruments may be contemplated. We believe that the conclusion of a framework of umbrella convention on climate change to set out general principles or guidelines is urgently required to mobilize and rationalize the efforts made by the international community. We welcome the work under way by the U.N. Environmental Program, in cooperation with the World Meteorological Organization, drawing on the work of the Intergovernmental Panel on Climate Change and the results of other international meetings. Specific protocols containing concrete commitments could be fitted into the framework as scientific evidence requires and permits.

46) We condemn indiscriminate use of oceans as dumping grounds for polluting waste. There is a particular problem with the deterioration of coastal waters. To ensure the sustainable management of the marine environment, we recognize the importance of international cooperation in preserving it and conserving the living resources of the sea. We call for relevant bodies of the United Nations to prepare a report on the state of the world's oceans.

We express our concern that national, regional and global capabilities to contain and alleviate the consequences of maritime oil spills be improved. We urge all countries to make better use of the latest monitoring and clean-up technologies. We ask all countries to adhere to and implement fully the international conventions for the prevention of oil pollution of the oceans. We also ask the International Maritime Organization to put forward proposals for further preventive action.

47) We are committed to ensuring full implementation of existing rules for the environment. In this respect, we note with interest the initiative of the Italian Government to host in 1990 a forum on international law for the environment with scholars, scientific experts and officials, to consider the need for a digest of existing rules and to give in-depth consideration to the legal aspects of environment at the international level.

48) We advocate that existing environment institutions be strengthened within the U.N. system. In particular, the U.N. Environmental Program urgently requires strengthening and increased financial support. Some of us have agreed that the establishment within the United Nations of a new institution may also be worth considering.

49) We have taken note of the report of the sixth conference on bioethics held in Brussels which examined the elaboration of a universal code of environmental ethics based upon the concept of the "human stewardship of nature."

50) It is a matter of international concern that Bangladesh, one of the poorest and most densely populated countries in the world, is periodically devastated by catastrophic floods.

We stress the urgent need for effective, coordinated action by the international community, in support of the Government of Bangladesh, in order to find solutions to this major problem which are technically, financially, economically and environmentally sound. In that spirit, and taking account of help already given, we take note of the different studies concerning flood alleviation, initiated by France, Japan, the United States and the U.N. Development Program, which have been reviewed by experts from all our countries. We welcome the World Bank's agreement, following those studies, to coordinate the efforts of the international community so that a sound basis for achieving a real improvement in alleviating the effects of flood can be established. We also welcome the agreement of the World Bank to chair, by the end of the year, a meeting to be held in the United Kingdom by invitation of the Bangladesh Government, of the countries willing to take an active part in such a program.

51) We give political support to projects such as the joint project to set up an observatory of the Saharan areas, which answers the need to monitor the development of that rapidly deteriorating, fragile, arid region, in order to protect it more effectively.

Drug Issues

52) The drug problem has reached devastating proportions. We stress the urgent need for decisive action, both on a national and an international basis. We urge all countries, especially those where drug production, trading and consumption are large, to join our efforts to counter drug production, to reduce demand and to carry forward the fight against drug trafficking itself and the laundering of its proceeds.

53) Accordingly, we resolve the following measures within relevant fora:

- Give greater emphasis on bilateral and U.N. programs for the conversion of illicit cultivation in the producer countries. The U.N. Fund for Drug Abuse Control (UNFADC), and other United Nations and multilateral organizations, should be supported, strengthened and made more effective. These efforts could include particular support for the implementation of effective programs to stop drug cultivation and trading as well as developmental and technical assistance.

• Support the efforts of producing countries who ask for assistance to counter illegal production or trafficking.

• Strengthen the role of the United Nations in the war against drugs through an increase in its resources and through reinforced effectiveness of its operations.

• Intensify the exchange of information on the prevention of addiction, and rehabilitation of drug addicts.

• Support the international conference planned for 1990 on cocaine and drug demand reduction.

• Strengthen the efficiency of the cooperative and mutual assistance on these issues, the first steps being a prompt adhesion to, ratification and implementation of the Vienna Convention on Illicit Traffic in Narcotic Drugs and Psychotropic Substances.

• Conclude further bilateral or multilateral agreements and support initiatives and cooperation, where appropriate, which include measures to facilitate the identification, tracing, freezing, seizure and forfeiture of drug crime proceeds.

• Convene a financial action task force from Summit Participants and other countries interested in these problems. Its mandate is to assess the results of cooperation already undertaken in order to prevent the utilization of the banking system and financial institutions for the purpose of money laundering, and to consider additional preventive efforts in this field, including the adaptation of the legal and regulatory systems so as to enhance multilateral judicial assistance. The first meeting of this task force will be called by France and its report will be completed by April 1990.

54) International cooperation against AIDS [acquired immune deficiency syndrome]:

We take note of the creation of an International Ethics Committee on AIDS which met in Paris in May 1989, as decided at the Summit of Venice (June 1987). It assembled the Summit Participants and the other members of the EC, together with the active participation of the World Health Organization.

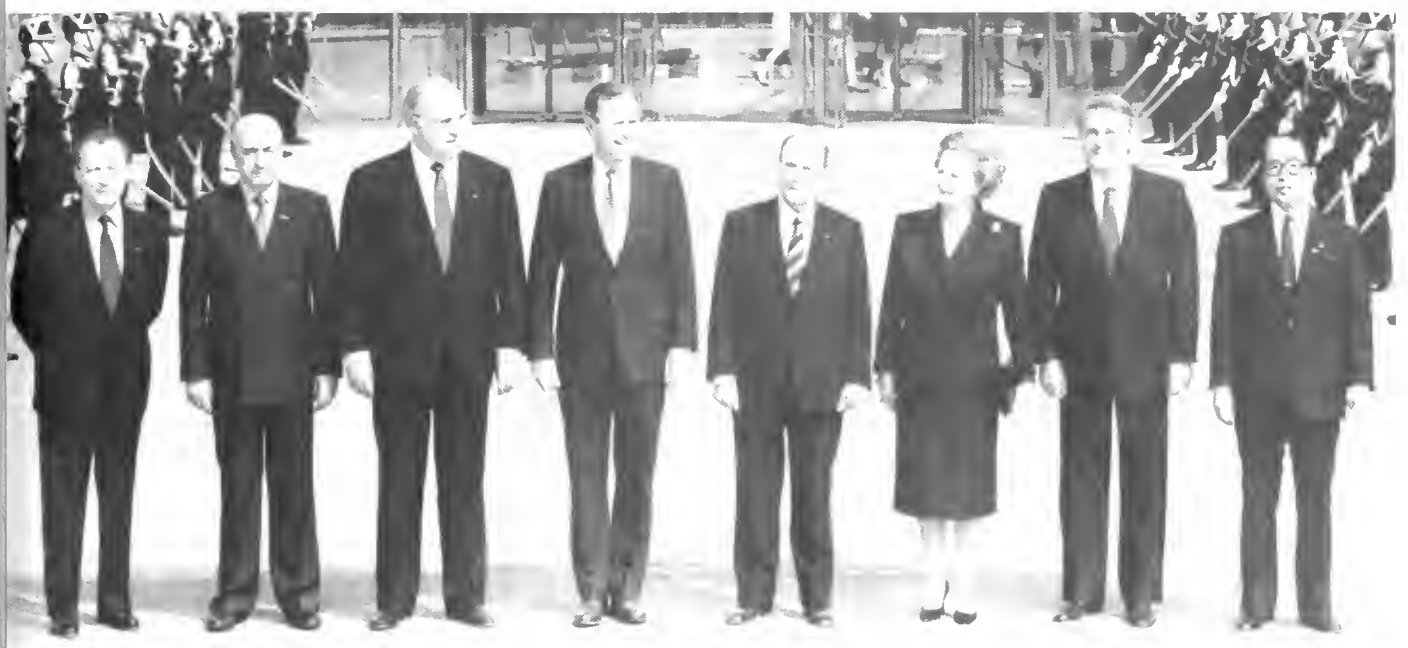
55) We take note of the representations that we received from various Heads of State or Government and organizations and we will study them with interest.

56) Next Economic Summit: We have accepted the invitation of the President of the United States to meet next year in the United States of America.

President Bush's News Conference, Paris, July 16, 1989[1]

We've just concluded 2½ days of intensive and productive meetings with the summit counterparts on economic and political issues. Let me take this opportunity, first of all, to thank President Mitterrand for his most gracious hospitality.

The summit, in my view, was a clear success. We met in a time of sustained economic growth and agreed that the prospects are good for the continued expansion without inflation of that growth. It was against this backdrop that we conducted a wide-ranging



(White House photo by Susan Biddle)

The "Summit of the Arch" participants (left to right): President Delors (EC Commission), Prime Minister De Mita (Italy), Chancellor Kohl (West Germany), President Bush, President Mitterrand, Prime Minister Thatcher (United Kingdom), Prime Minister Mulroney (Canada), and Prime Minister Uno (Japan).

discussion on critical global issues, from East-West relations to the growing environmental challenges that we face.

We came to Paris at a truly remarkable moment. The winds of change are bringing hope to people all around the world. Who would have thought just a few short years ago that we would be witness to a freely elected Senate in Poland or political pluralism in Hungary? I was really touched by what I saw and heard in those two countries—people determined to keep their dreams alive, people determined to see a Europe whole and free. That's why America brought to this summit our determination to support the reform movement in Hungary and Poland. People yearning for freedom and democracy deserve our support, and it's because of the community of values shared by these summit countries that we were able to agree to meet soon to discuss concerted action that will help Poland and Hungary.

Democracy and economic growth go hand in hand, whether in Eastern Europe, the summit seven, or the developing world. And therefore, much of our discussion here in Paris centered on economics. We reaffirmed our international economic cooperation and our whole policy coordination process. Our strengthened debt strategy was firmly supported. We reaffirmed our determination to maintain and improve the multilateral trading system, calling for the completion of the Uruguay Round by the end of 1990 and extending the GATT [General Agreement on Tariffs and Trade] to new areas, including agriculture.

This summit marked a watershed in the environment. And we agreed that decisive action is urgently needed to preserve the Earth. We committed to work together, as well as with the developing world, to meet our responsibility of global stewardship. The measures we've agreed to in Paris are timely, and they lay the groundwork for further specific steps when we meet again next year in the United States.

Finally, I was especially pleased to find that my colleagues share our sense of urgency and sense of the importance of the worldwide fight against drugs. Among other steps, we agreed to establish a financial task force to find new ways to track and prevent the laundering of drug money. I look forward to meeting my summit colleagues in the United States next year as we continue working on these and other priority issues, build on the genuine progress that I think was made here in Paris.

And I might say that I was very pleased that this meeting coincided with the bicentennial here. It was a very moving experience for all of us.

Q. Mr. Gorbachev wants to play a part in the world economic discussions. Would he be welcome at the next economic summit table?

A. I think that's a little premature, but it was very interesting, I found, that a leader of the Soviet Union would address a letter to the French President as head of this year's summit. We talked about that letter a great deal. There's an awful lot that has to transpire in the Soviet Union, it seems to me, before anything of that nature would be considered. We're talking about free-market economies here. But I found fascinating the very fact of the letter. But there was no—there certainly—I don't think any indication that he will be attending the next summit. He'll get a very courteous and very thoughtful reply from Mr. Mitterand.

Q. How about the poor countries——Bangladesh? Would they ever be welcome?

A. This is an economic summit of countries whose economies—drawn together by the free economies of the West, and so, I don't think there's a question at this point of expanding the summit. There is concern about the economies in the world that aren't doing so well. Bangladesh is a country that does need aid, and, indeed, the communique addressed itself to trying to help Bangladesh.

Q. You consulted with the NATO allies on military matters in Brussels, and then you had an economic summit here in Paris. What's left before you sit down with Mr. Gorbachev for a superpower summit?

A. A little more time, I think.

Q. I mean is there any more—don't you have anything to discuss with him now that you've planted this groundwork?

A. Yes. Let me explain, to those who aren't familiar with the policy, that Secretary Baker has met a couple of times with Mr. Shevardnadze [Soviet Foreign Minister]. There will be another such meeting of that nature, and at an appropriate time, I will have a meeting with Mr. Gorbachev. But I don't think anything at the summit influenced that bilateral meeting.

Q. The summit called for decisive action on the environment, but various environmental groups are saying that you did not take decisive action. Could you respond to that?

A. I did see one or two groups. They didn't think I took proper action when I sent a very far-reaching clean air proposal up to the Congress. And so, some have been critical.

Many have been supportive on the broad—the very fact—I'll tell you where we got a lot of support is the very fact that the communique addressed itself with some specificity to various environmental goals: the whole concept of cooperation on research, technology, and transfer to the LDCs [less developed countries]; the prevention of pollution; the idea of setting up monitoring stations so we can better predict and, thus, avoid environmental disaster.

There was a lot of common ground. In fact, I would say that on that and perhaps antinarcotics there was the most fervor. And so, I think many environmental groups see the very fact that this matter was on the front burner as being very positive. The summit did make strong enough statements to commit all of our members, and hopefully others around the world, to sound environmental practice. So you get criticized; but I think, generally speaking, it's been very, very forward-looking.

Q. You promised in Poland and Hungary that you would seek concerted action on the part of the countries meeting here to help those countries. There seems to have been a pledge that there would be concerted consideration of action—no dollar figure attached and no specified action promised—and a meeting apparently planned. And do you feel you got what you wanted?

A. I think so. And you'll notice that in both Poland and Hungary I stopped well short of setting dollar figures or of challenging others to meet dollar figures. But on this one, let there be no doubt there was unanimity that we should adress ourselves to the problems of Poland and Hungary. And so, I was not disappointed. I didn't go in there with a specific package with dollar figures on it, and I think that an early meeting to do just that is good. It called for food aid to Poland. That's specific. Doesn't have a figure on it, but—no, I think we got what we sought. There was no rancor on that question and no division on the question. But there was unanimity that we have to move on it.

Q. Since you've said that you spent a lot of time last night talking about Mr. Gobrachev's letter, can you tell us a little bit about those discussions, and can you tell us what your view is? What is an appropriate response from the West to such an extraordinary request by Mr. Gorbachev to become part of the economy of the Western democracies?

A. We would welcome any movement by the Soviet Union toward market-oriented, or Western, economies. There's no question about that. And there's nothing begrudging about our saying that I don't expect Mr. Gorbachev to sit as a member at next year's summit. But the discussion was—it started off by: What do you think he means by this? And a lot of discussion—we'll get the experts to analyze it. All of that took place. People concluded that it was just one more manifestation of the changing world we're living in. That, I think, was the main message.

Then, where we go from here—some of that has been addressed in the communique, because we talked in there about help for the Third World. Some of his letter, as you know, was on that very subject. When it came in, Mr. Mitterrand read it off to the group there and then said, "Well, what will we do?" And my suggestion was—which he had intended to adopt anyway—that he, as the man to whom the letter was addressed, would reply to it.

That's the way it was. And the fact that it's happening, is taking place—the President of the United States can go to Eastern Europe and witness the very kind of change we're talking about.

I'll tell you that almost the most dramatic for me was when Mr. Németh, the Prime Minister of Hungary, handed me that piece of barbed wire—tearing down the Iron Curtain between Hungary and Austria. Now who would have thought that possible? And this letter—just one more manifestation of the exciting times we're in of change. They're moving toward our open system, our free system, our system of free elections. And that's the way I would look at the letter in that context.

Q. In connection with next year's summit, there's been some talk among some of your people about possibly having it in your home State of Texas, possibly in San Antonio. And I wondered whether you'd like to see that.

A. I'd have to run that by the *Dallas Morning News* and see how they felt about it. But that's a distinct possibility. However, it's too early; no decision has been made. The fact that Jim Baker is from Houston and I'm from Houston and [Secretary of Commerce] Bob Mosbacher's from Texas should have nothing to do—[laughter]—with where the next summit's going to be, and there had been no decision.

Q. That wouldn't mean some discrimination against Dallas because of your roots?

A. No, none whatsoever. Get that down. The fall elections are up in 19—

Q. Let me follow on the question about summits. These things have gotten a lot bigger than they were originally planned to be—hundreds of your people, thousands of us. It's your first summit, but you've got to host the next one. Have you given any thought to how you want to do it in terms of style?

A. No, but I'll tell you, the part—and I'm the new boy, the new kid in school—but the part I found most interesting was the unstructured part, the part where you sit with these other leaders, tell them what you think, listen carefully to what they think. And that happens sometimes in the corridors or sometimes at a meal. I would like to think that the more emphasis we've placed on that kind of interaction, the better it would be.

But there was no discussion by the summit interlocutors on how to restructure it. Indeed, it went smoothly. I will again say that Mr. Mitterrand handled the formal part very well. But for me, I'd like to see more just plain unstructured interaction between the leaders, where you don't just have to talk on the agenda items.

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Q. How much change would the Soviet Union have to make before they could earn an invitation to next year's economic summit? If you can't answer that specifically, at least could you give us some sense of scale?

A. One, as you know, I have welcomed the reforms that are taking place in the Soviet Union. This concept of the Soviets coming to a G–7 summit has never been, to my knowlege, thought much about until this letter appeared, so there's no standards for entrance into the G–7.

The Soviet economy needs a lot of work. And I say that not to be critical, but certainly that's an objective judgment. The economy is in bad, bad shape—far worse shape than the Western economies. I think what we ought to do is to encourage the kinds of economic changes in Eastern Europe and—to the degree the Soviets would not consider that an intervention into their internal affairs—in the Soviet Union. Those should be the next steps.

Welcome the interest that was shown by this letter. This wasn't an application for admission to the G–7. It was saying, Let's do something in a common

way about solving problems around the world. And so, I wouldn't set a standard right now. I'd simply say: Let each of us try to get our economies in order. As soon as that happens and as soon as we see the manifestations of freedom break out there, in terms of demonstrably free elections all over, then we start talking about democratic change, and then the day approached. I think it's very premature to start laying down guidelines from here as to what we need to do on that.

Q. You've talked about a whole and united Europe, and Mr. Gorbachev has talked about a common European home. Are they the same concept, or what is the difference? Is there a difference between the role of the United States in those two statements?

A. Europe whole and free is our concept. His common European home is fine, so long as—as I said earlier—you can move from room to room. That means coming along further on human rights. That means much more openness. It means support them when you see them move toward *perestroika* and *glasnost*. But it means an evolution in Eastern Europe. And we've begun to see it.

A Europe whole and free does not visualize a Europe where you still have barbed wire separating people, where you still have human rights abuses in one or two of the countries that are egregious. It is whole and free, and the common home theme is a good one. I mean, that's a very good theme, and we should encourage it. But we want to see these countries continue to move toward what works, and what works is freedom, democracy, market economies—things of that nature.

Q. In the meeting of the G–7, did you sense the countries want U.S. leadership or they want the United States to be a coequal partner?

A. You mean with the Soviets? No, I sense that those colleagues feel that we have disproportionate responsibility. I think there's a keen interest in how I will work with the Soviets. There's no question about that. I felt that very clearly.

Q. At the risk of seeming fixated by Mr. Gorbachev, when you discussed his letter, was there a suggestion from anybody that it might have been a bit of mischief or an attempt to get some publicity out of a Western summit?

A. I can't say that never occurred. [Laughter] But I don't think that, after people thought about it rationally, that anyone was prepared to say that and that alone was what motivated this letter.

There is change taking place. I think for some time people really wondered whether I was a little begrudging in recognizing that change and encouraging that change. But I think now that has been laid to rest. So when you see something of this nature, you take a look at it, and you assess it, and then you—but you don't discount it in a cynical fashion.

But I think there was the timing. The summit has been planned for a long time, and this letter might have come in earlier on far more serious sherpa consideration, as every other issue was subjected to marvelous work by the sherpas—who incidentally did a superb job—and this one didn't. So, I think people would excuse a reasonable degree of cynicism, but don't think the conclusion was cynical.

Q. Going back to the other day in Poland, an elderly man said that when people talk to you folks about change, just remember that the communists still have the bayonets. Do you believe that countries like Poland and Hungary are really going to have serious and permanent change, or is there a line that their leaders and that Moscow just won't go past?

A. No, I think that you've already seen serious change. I think you see the political situation in Hungary, for example, is absolutely amazing compared to the way we used to view Hungary. If the Soviet Union, instead of taking their troops out of Hungary, had tried to tighten down, I don't expect we'd see the kind of change in Hungary that we're seeing today.

I'd say that we're a long way from what Gorbachev has spelled out as a common European home, but it's moving. Let's encourage the progress.

Maybe I missed the nuance of your question.

Q. That there is a course that's going to lead to a permanent change, or, again, the question is: Are the Soviets going to step in and pull the rug out from under at some point?

A. I would quote Mr. Gorbachev's words back to him on that, what he told me in New York, and what Jim Baker has heard from Shevardnadze, and what everybody who interacts with the Soviets hear, and that is that *perestroika* is for real. You cannot set the clock back. It is going to go forward. And so, I would see that as what guides now.

However, I have said as long as there are enormous imbalances in conventional forces and in certain categories of strategic forces, the West should keep its eyes wide open. Indeed, there was some reference to that in this communique. There was unanimity on the part of the NATO allies that we ought to be cautious and that we—and so to answer your question, it's not a done deal; and that's, I think, what was being reflected there in Poland.

Q. I wonder, as you put all of this together, what you said about Poland and Hungary and Gorbachev asking to join the world economy. As a matter of policy, do you see the cold war over, and do you think the West has won it?

A. I don't like to use "cold war." That has a connotation of worse days in terms of East-West relationship. I think things have moved forward so that the connotation that those two words conjure

up is entirely different now. And yet I don't want to stand here and seem euphoric—that everything is hunky-dory between the East and the West on arms or on differences in the economy or on how we look at regional problems. We have some big differences, still. But let's encourage the change. And then I can answer your question in maybe a few more years more definitively.

Q. The summit seven leaders are celebrating a gathering that was so successful it went 2½ days instead of 3. Could you not find another half day's worth of problems to discuss and maybe resolve? [Laughter]

A. We're kind of running out of gas. I'll tell you, it's been a vigorous experience in physical fitness for me, and I try to stay in pretty good shape. But this one—when you couple the summit with the bicentennial and then tack on Poland and Hungary, I wasn't about to argue we needed more time, and nor was anyone else. I think the fact that this rather complex agenda was completed in harmony is the fact that ought to really carry the spotlight, not the fact that we finished in advance.

There's going to be plenty of opportunity to discuss a lot more problems that exist around the world. But we had an agenda. We addressed it. We finished it on time. And it was done harmoniously. I think that's why it worked out. And that is exactly what happened. We did complete it. And we had a lot more opportunity because of the bicentennial to have interaction with the other leaders, more so than at any other summit.

Q. Do you feel you accomplished all you could?

A. We accomplished what we set out to accomplish.

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Q. —in Eastern Europe you talked about two themes constantly: one, encouraging democracy and moves to a market economy, and two, that you weren't there to try to raise tensions with the Soviet Union or challenge them in any way. But my question is: If what you want is carried out—moves to democracy and a market economy—aren't you really talking about the dissolution of the Soviet empire? And is that what you mean when you call for a Europe that's whole and free?

A. Soviet empire? If you mean the imposition of a Marxist system or a socialism in their definition—system on others—yes, I'd like to see Europe whole and free. But with the Soviet moving toward market—and they're not there—toward more freedom, toward more openness, they themselves have recognized that their system doesn't work. So, you don't run the risks or have the same tensions that we might have 10 years ago talking about the very same themes I talked about in Poland and Hungary.

I went to—some of you were on this trip—Vienna several years ago and gave a speech, and a man in—the speech was on differentiation. And I will spare him identification. But a Hungarian official told me that he personally—he befriended us, and we talked carefully—had gotten a lot of grief over the fact that we had singled out Hungary as a country that was moving. Even then, even those short year ago, moving in a way that their changes could be accommodated by closer relationships with the West. And that conversation I had on this trip showed me how dynamic the change.

So, I don't think there's a risk of—if we're right in our assessment that change is going forward—I don't think there is this risk.

Q. Is Mr. Mitterrand free to reply to the Gorbachev letter himself, or will it be circulated, or would you like to see the letter? How would you like that to go?

A. No, I think that he should reply to it himself. He has a good relationship with Mr. Gorbachev. Gorbachev was here. They've had some followup, I believe, and the letter was addressed to him, albeit as the president of the summit. I think it's fitting that he simply use his good judgment and reply to it in any way he wants. That's exactly what he's going to do, incidentally. That was discussed.

Q. And if next year's summit is in Texas, can it be very early? [Laughter].

A. Parting—walking shot.

[redacted]

Q. In this summit, you achieved all your goals. Do you have the feeling of being the winner number one of this summit?

A. I pointed out before we came over here that something of this nature ought not to be judged in terms of winners and losers. Your question sounds very much like some that we engage in at home of who's up, who's down, who's ahead, who's winning, who's more popular, who's ahead in the poll—Bush or Gorbachev—in Eastern Europe or Connecticut. [Laughter] And it doesn't really have much to do with that.

Q. Are you satisfied—

A. I am very satisfied. I am very satisfied that the summit achieved its goals. Every other summit leader tells me that it was the best summit they have attended, and I again would salute the President of the French Republic for the way in which he conducted the meetings. But, yes, I am very, very satisfied, and there aren't any winners or losers or who is up or who is down. We're together is how we approached the environmental questions. I didn't take a question here on Third World debt, but there was a strong endorsement for the Brady plan. And there was not dissension on that approach. So, it came together very, very well.

And if the Brady—and I shouldn't say this. I know this is going to get me in real trouble. But if the Brady plan looks like it's going to be successful, we may call it the Bush plan. [Laughter]

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[1] Text from Weekly Compilation of Presidential Documents of July 24, 1989.
[2] Press release 137 of July 17.
[3] Press release 138 of July 17.
[4] Press release 139 of July 17.■

President Bush Visits Europe

President Bush departed Washington, D.C., July 9, 1989, to visit Poland (July 9–11), Hungary (July 11–13), France (July 13–17), and the Netherlands (July 17–18). He returned to the United States on July 18.

President's Departure Remarks, Andrews Air Force Base, July 9, 1989[1]

This morning, I depart for Europe, my second visit in 2 months to a continent in the midst of change, a time of unprecedented opportunity for peace, prosperity, and freedom. I'm especially pleased to make my trip at this time. Just 5 days ago, we celebrated the birth of our nation. Just 5 days from now, France will celebrate its rebirth as a modern nation, the 14th of July. This year, it's a special celebration: the bicentennial of Bastille Day.

Two hundred years ago, the democratic revolution that began here in America crossed the Atlantic. The gates of the Bastille opened onto a new era, the era of the rights of man. In Europe, as in America, an idea was unleashed that would change the face of history, an idea that is still shaping our world today. That idea is democracy.

Then and now, freedom finds its allies everywhere. Lafayette and Rochambeau, Kosciuszko and Pulaski—these names are engraved in American history, patriots not only in their own countries but in America as well. And the Revolution of 1789 had its roots in the Spirit of 1776. Remember what James Monroe said about the French who fought at our side for America's independence: "They caught the spirit of liberty here and carried it home with them." Today that spirit of liberty remains strong, and the United States remains the friend of any nation, any people, who love freedom and cherish the rights of man.

This morning I begin a journey that will take me to Europe—East and West—a journey that underscores the tremendous changes, challenges, and opportunities ahead of us. I travel first to Poland and Hungary, nations on the threshold of a new era, nations where the spirit of freedom is strong. In both countries, we're witnessing remarkable changes, welcome developments no one would have thought possible even a year ago. New voices are shaping the course of national affairs, and both countries are on the path toward economic rebirth and political pluralism. My visit underscores the growing importance our nation sees in the changing face of central Europe.

I will travel from Poland and Hungary to France, to join leaders from the six major industrial democracies in my first economic summit as President. Together we are working to spread the benefits of political freedom and economic prosperity around the world. The summit is a unique opportunity to assess our progress. It's also an opportunity to show that we can forge a common response to new challenges, such as the need to protect the global environment.

Our agenda at the economic summit will include both political and economic issues of global impact. We will review the international economic scene, and we'll identify where we can improve coordination. We'll focus on the problem of debt in the developing world. I expect summit leaders to mak a firm commitment to complete the Uruguay Round of trade negotiations by December 1990.

And we will discuss ways of dealing with a number of critical environmental issues that affect us all—problems including global warming, de forestation, and the pollution of the world's oceans. We know there are no easy solutions. Provided we work together, I'm confident we can find common solutions to problems none of us can solve alone.

Finally, before returning home, I will visit an old and honored ally: the Netherlands. Our friendship with the Dutch is older than our own Constitution, with a nation whose long tradition of union and liberty shaped and inspired our own. Today our two nations are partners in commerce and common defense, and the common values that bind us have never been stronger.

Europe is at a turning point. A continent cruelly divided for more than four decades now dreams of being whole and free. Our task is clear: to se that we mend old divisions, that we ful fill the decades-old dream, and that th new Europe emerges secure, prosperous, peaceful, and free.

President's Arrival Remarks, Warsaw, July 9, 1989[2]

Thank you, Mr. Chairman [Wojciech Jaruzelski, Chairman of Poland's Council of State], for your hospitable and gracious words of welcome. To you and to the people of Poland, friends and cousins of so many in my homeland, we extend the heartfelt best wishes of the American people. Here in the heart of Europe, the American people have a fervent wish: that Europe be whole and free.

In my first moments as President, I told my countrymen that a new breeze was blowing across the world. And the winds of change have surely touched the land here, where so much has happened since my last visit. It is wonderful to be back at such an exciting time. History, which has so often conspired with geography to deny the Polish people their freedom, now offers up a new and brighter future for Poland.

I listened carefully to your words of welcome, and yes, Poland has started along an ascending path of change—democratic change. This climb is exhilarating, but not always easy, and will require further sacrifices. But, if followed, it will lead to a renaissance for this remarkable nation.

These are great days for Poland. Solidarity is legal. The beginnings of a free press now exist. A new Parliament is in place. The Polish Senate has been restored through free and fair elections. And Poland is making its own history. America, and the whole world, is watching. The Government of Poland and you, Mr. Chairman, have shown wisdom and courage in taking the path of those roundtable accords. The world is inspired by what is happening here.

We do look forward to our talks with you and other representatives of the Polish Government, with the democratic opposition as well. While in your country, I want to hear the many voices of the people of Poland.

As we begin these discussions, I carry with me many happy memories of my first visit to Poland. And my thoughts turn on this Sunday to the memory of another Sunday outside Warsaw, when we attended morning mass at St. Margaret's Church in Lomianki. The cracks of its historic walls were filled with flowers, and the church itself was filled to overflowing with your countrymen, their devoted faces touched by tears of joy. It reminds me of other churches that I've visited since that morning at St. Margaret's, churches like St. Adalbert's in Philadelphia, St. Hyacinth's in Chicago, churches built by Polish hands and nurtured by Polish dreams. In America and in Poland, those dreams are as ancient and as fundamental as the courageous spirit of the Polish people. As we meet this evening in Warsaw, the sun still shines on those churches across the sea. It's still Sunday afternoon there, and America's churches are filled with people in prayer. As we begin these discussions—and as your country continues its hard journey up the path it has chosen—my prayers and the prayers of the American people remain with Poland, as they have throughout its long struggle.

Yes, there is a good deal of work to be done, and we will work together to gain new ground, to expand our common ground and U.S.-Polish ties.

(White House photo by David Valdez)

President Bush and Chairman Jaruzelski exchanged dinner toasts at Radziwill Palace.

White House Statement, Warsaw, July 10, 1989[3]

President Bush and Gen. Jaruzelski talked for more than 2 hours this morning, from 9:45 to 12:05, and discussed a full range of bilateral and international issues. President Bush outlined the economic program that he will make to the Polish Parliament this afternoon.

The President also discussed his conventional arms proposal made at the NATO summit. Gen. Jaruzelski said the Warsaw Pact applauded the President's proposal and felt the timetable was achievable. General Jaruzelski spent a good deal of the time discussing the internal political situation in Poland. President Bush reiterated the United States desire to be helpful in Poland's reform efforts without being intrusive.

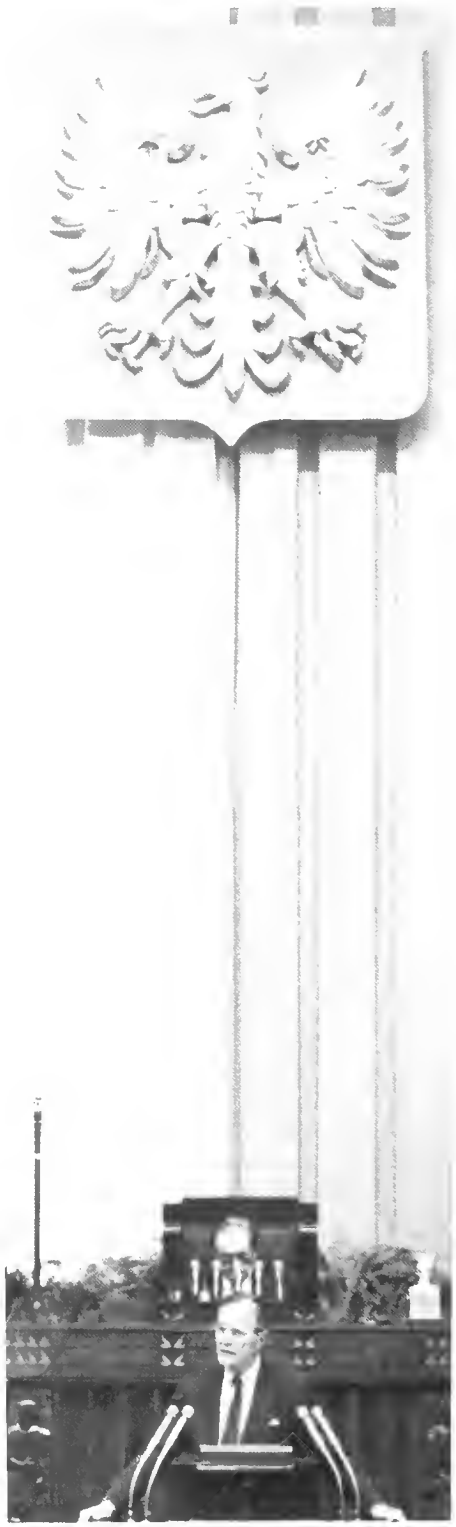
In the plenary session, Secretary of State Baker and Poland's Foreign Minister Olechowski amplified these same themes. Secretary Baker referred to the close and historic bonds between the two peoples. The Secretary outlined in some detail the President's economic incentives. The two ministers discussed the full range of bilateral issues, including increased dialogue between U.S. and Polish officials, technical and scientific exchanges, trade increases, environmental improvements, international fishing clarifications, and various economic prospects.

President Bush felt the meeting was quite productive and friendly.

President's Address Before Polish Parliament, Warsaw, July 10, 1989[1]

On behalf of the people of the United States, I am honored to greet the newly elected representatives of the Polish Parliament. To be here with you on this occasion is proof that we live in extraordinary, indeed, thrilling, times.

The power and potential of this moment was first made clear to me when I saw a photo—a worldwide photo—flashed all around the world, a photo of Gen. Jaruzelski, Solidarity leader Lech Walesa—shoulder-to-shoulder at the opening session of this Parliament,



(White House photo by Susan Biddle)

committed to new progress in Poland. Believe me, that sent a wonderful signal all around the world.

Poland and the United States are bound, it is often said, by ties of kinship and culture. But our peoples are linked by more than sentiment.

The May 3rd Constitution of 1791 set Poland ahead of its peers—ahead of its time—in the pursuit of freedom and democratic ideas, just as our Constitution—the American Constitution of 1787—set new standards for protection of the rights of the individual.

For decades, beginning with the Versailles peace conference, the United States has stood for Polish independence, freedom, prosperity. And we are proud of our early and long-standing commitment to Polish self-determination. As America's President, I am here today to reaffirm that proud commitment.

I understand something of the work you are commencing, for I began my own public service in the American Congress. Democratically chosen legislatures are among mankind's greatest forums for debate and dialogue. While I've been to Poland before, I did not expect to return so soon—nor to such altered circumstances. And so, too, perhaps many of you didn't expect to be here, serving in this, or any, Polish Parliament. Your achievement has surpassed all expectations and has earned all our admiration. Our meeting today bears witness to the character of our age.

Some 450 years ago, when the Polish astronomer Copernicus came to understand the natural order of the planets and—had the courage to question accepted wisdom—the world was changed forever. From this year forward, as Poland works to reaffirm the natural order of man and government, so too will Poland be changed forever.

For today the scope of political and economic change in Poland is, indeed, Copernican: A fundamental change in perspective that places the people at the center; a new understanding that the governed are the true source of lasting social peace and economic prosperity, around which government revolves and exists to serve.

Poland has a rich democratic heritage. The May 3rd Constitution was a stroke of genius. Today, at the dawn of the document's third century, you're called upon to match its genius with contemporary action—to make a peaceful transition toward political and economic renewal—through representative government that expresses the will of the people.

I said a few weeks ago here in Europe that East and West have arrived at the end of one era and at the beginning of another. Chairman Jaruzelski recently said of Poland that "the light of the nation has undergone deep changes, society has the full right to ask when a ray of sun will shine over Poland." In truth, this applies not just to Poland but to the entirety of relations between East and West.

A profound cycle of turmoil and great change is sweeping the world from Poland to the Pacific. It is sometimes inspiring, as here, in Warsaw. And sometimes it's agonizing, as in China today. But the magnitude of change we sense around the world compels us to look within ourselves and to God to forge a rare alloy of courage and restraint.

The future beckons with both hope and uncertainty. Poland and Hungary find themselves at a crossroads: each has started down its own road to reform, without guarantee of easy success. The people of these nations—and the courage of their leaders—command our admiration. The way is hard. But the moment is right, both internally and internationally, for Poland to walk its own path.

On the day Solidarity was restored, I spoke of my support and admiration for the political experiment just getting underway in Poland. You have since proceeded further along that road, including holding the remarkable elections that produced this Parliament. And let us consider what your experiment may mean, not just for Poland but for Europe and for the entire world.

A Europe Divided; A Europe United

The divided world of the modern age began right here—right here in Poland—50 years ago this summer. Your country, and then nearly all of Europe, was first besieged and then occupied by totalitarian despotic forces. A courageous Poland was our ally. In that fearful time, Franklin Roosevelt and Winston Churchill devised the Atlantic Charter which outlined principles on which we hoped to build a better world, including freedom from want and fear and the right of peoples to choose the form of government under which they will live.

But as you know better than anyone, the world that we sought then was not to be. Stalinist systems were imposed over a third of a continent. The cold war began. The countries of the West organized themselves in defense of democratic principles. And we proposed that the Marshall Plan include Eastern Europe. But again, that was not to be.

The Western strategy—our strategy of containment—was a means but was never an end in itself. And we did not forget the frustrated and lost hopes of 1945 nor the promise of a better world. Neither did the Polish people. You've been a crucible of conflict. You're now becoming a vessel for change.

Poland is where the cold war began, and now the people of Poland can help bring the division of Europe to an end. The time has come to move beyond containment to a world too long deferred—a better world. And now, at long last, two developments have allowed us to redeem the principles of the Atlantic Charter for which the United States and Poland fought as allies. One is the manifest failure of the classic Stalinist system. And the other is the indomitable will of the people—through leaders in Poland and Hungary, who are working to overcome the mistakes of the past with honesty, creativity, and, yes, courage. The world watches in admiration.

And now, in part because of what you're doing here, the genuine opportunity exists for all of us to build a Europe which many thought was destroyed forever in the 1940s. That Europe—the Europe of our children—will be open, whole, and free. We can make it so in two ways.

First, a new East-West relationship must rest on greatly reduced levels of arms. I notice what Gen. Jaruzelski said on that point, and I support him. We in the West have proposed dramatic reductions in conventional armed forces in Europe, reductions that promise to transform the military map of Europe and diminish the very threat of war. The new willingness in Moscow to accept this Western framework for reductions in troops and tanks and aircraft and other categories of weapons gives us hope that the negotiations in Vienna will succeed. A good beginning has been made. Constructive proposals are being offered on both sides. We are determined to push hard for an early and successful conclusion to these talks.

Second, reductions in military forces will go further and be more sustainable if they take place in parallel with political change. Excessive levels of arms, we believe, are the symptom and not the source of political tensions. In Europe, those tensions spring from an unnatural and cruel division.

Poland's decision to embrace political reform—and Hungary's movement in the same direction—thus have great importance beyond their borders: by creating political structures legitimized by popular will—by that, your reforms can be the foundation of stability, security, and prosperity, not just here but in all of Europe, now and into the next century.

Mikhail Gorbachev has written, "Universal security rests on the recognition of the right of every nation to choose its own path of social development and on the renunciation of interference in the domestic affairs of other states. A nation may choose either capitalism or socialism. This is its sovereign right." In principle, I agree. But I might well have said that the people of

a nation may freely choose either a free-market economy or socialism. That is their right.

And so the West works not to disrupt, not to interfere, not to threaten any nation's security but to help forge closer and enduring ties between Poland and the rest of Europe. As a result of the roundtable accords, Poland's fate lies more than ever in Polish hands. And there it must ever remain.

Your responsibility for your country's future is immense. Poland's friends, including the American people, want Poland to be free, prosperous, democratic, independent—true to the best tradition of your nation's past. And this regime is moving forward with a sense of realism and courage, in a time of great difficulty and challenge. Lech Walesa's Solidarity is deeply committed to institutions in Poland that will serve all its people. This Parliament, by its very existence, is advancing pluralism. And the church has served as a source of spiritual guidance and unity of Poland—people who are steadfastly working toward productive change.

Yet, even under the best circumstances, representative government has its own challenges. It requires patience, tolerance, and give-and-take between political opponents. But its virtue is that it grants legitimacy to leaders and their policies. It gives governments and societies the mandate to make hard choices. And through their involvement, it gives the people a stake in the choices that are made.

For over 200 years, Americans have wrestled over political and economic interests, over individual and civil rights, and the role of a loyal opposition. Democracy is not a conclusion, it's a process, and perfecting it never ends. But history has taught Americans one very clear lesson: Democracy works.

We understand in my country the enormous economic problems you face. Economic privation is a danger that can threaten any great democratic experiment. And I must speak honestly. Economic reform and recovery cannot occur without sacrifices. Even in an economy as productive as ours, we still debate the roles and limits of government—how to regulate the private sector without discouraging innovation, how to reduce our own enormous budget deficit, how to balance workers' needs and industrial efficiency, how to handle the painful disruptions of change—for the sake of prosperity.

The reform of the Polish economy presents a historic challenge. There can be no substitute for Poland's own efforts. But I want to stress to you today that Poland is not alone. Given the enormity of this moment, the United States stands ready to help as you help yourselves.

U.S. Support for Polish Reforms

In Hamtramck, Michigan, 3 months ago, I outlined a policy of support for the reforms then just beginning in Poland. I proposed specific steps, carefully chosen, to recognize the reforms underway here and to encourage reforms yet to come. It is a policy built on dynamic interplay of progress in Poland and Western engagement, and not on unsound credits made without regard to necessary reforms. That was the record of the 1970s. Poland and the United States need not repeat that.

We've made progress on the steps announced at Hamtramck, and this is where we stand.

Legislation is well underway that will help Polish exporters compete more effectively in the U.S. market through the generalized system of preferences, and that will authorize our Overseas Private Investment Corporation to operate in Poland, providing investment insurance and setting up missions to stimulate U.S. investment in joint ventures here.

The United States is proposing a private business agreement that will promote contacts between Poland's growing private sector and its American counterparts. We hope to conclude an agreement soon, to build on what promises to be an unprecedented opportunity.

There is great interest and excitement in the United States about what you're doing in Poland and a clear-cut desire to help the reform process. I hosted a White House symposium on July 6 to bring together citizens of my country interested in promoting investment, trade, and academic exchange with Poland and Hungary. I can assure you that, more than ever before, the American people will be involved in your democratic experiment.

I've said that as Poland reforms itself, the United States will respond. Much has happened even in the short time since Hamtramck. Today I'm pleased to announce that we plan to do more and go farther for the sake of a stable and prosperous Poland.

First, I will propose at the upcoming economic summit in Paris that the nations of the summit—the summit seven—intensify their coordination and concerted action to promote democratic reform in Poland and Hungary and to help manage compassionately the process of change. We will work with our partners at the summit, moving quickly with increased Western aid and technical assistance. This concerted action will complement existing institutions like the World Bank, the Paris Club, and IMF and address needed economic reforms, credits, management and training initiatives, social safety nets, housing, and other issues important to Poland.

Second, I will ask the U.S. Congress to provide a $100 million fund to capitalize and invigorate the Polish private sector, and we will encourage parallel contributions from other nations of the economic summit.

Third, I will encourage the World Bank to move ahead with $325 million in economically viable loans to help Polish agriculture and industry reach the production levels they are so clearly capable of.

Fourth, I will ask my counterparts in the West to support an early and generous rescheduling of Polish debt. This could provide deferral of debt payments amounting to about $5,000 million this year, if our allies and friends

in the Paris Club agree to join us in offering liberalized terms. I plan to discuss this issue with my colleagues at the Paris summit.

Fifth, economic progress should not come at the expense of our common heritage—our common inheritance—the environment. In fact, sound ecology and a strong economy can and must coexist. Air and water pollution know no boundaries. And this concern is worldwide. Almost 2 years ago, I visited Krakow, and your formal royal capital, a city recognized by UNESCO as an international treasure. Today, Krakow is under siege by pollution; its precise monuments are being destroyed. Krakow must be reclaimed. And the United States will help. I'll ask the Congress for $15 million for a cooperative venture with Poland to help fight air and water pollution there.

Sixth, and finally, when I began my remarks, I mentioned the shared cultural heritage of our two nations. Today I'm proud to announce that the United States will establish a cultural and information center in Warsaw and will ask Poland to establish a similar center in the United States. This will be the first time that either of our two countries will be able to conduct educational and cultural programs outside of our embassies and consulates.

The elections which brought us—all of us—together here today mean that the path the Polish people have chosen is that of political pluralism and economic rebirth. The road ahead is a long one, but it is the only road which leads to prosperity and social peace. Poland's progress along this road will show the way toward a new era throughout Europe, an era based on common values and not just geographic proximity. The Western democracies will stand with the Polish people, and other peoples of this region.

Democracy has captured the spirit of our time. Like all forms of government, though it may be defended, democracy can never be imposed. We believe in democracy. For without doubt, though democracy may be a dream for many, it remains in my view, the destiny of man.

Two hundred years ago, democratic constitutions were adopted by three nations, embodying the powerful influence of the Enlightenment, as a testament to ideas that endure.

The American Constitution was first, and has stood the test of history for the over 200 years of our existence as a republic. Constitutional democracy in France began two centuries ago this summer. And in a few days, leaders from all over the world will be in Paris to celebrate the anniversary of its birth.

On May 3rd, 1991, the Polish Constitution will also be 200 years old. Your Constitution of 1791 was crushed but never forgotten. And now, this generation's calling is to redeem the promise of a free Polish republic. Poland has not been lost so long as the Polish spirit lives.

America wishes you well as you face the tough problems today. I salute Gen. Jaruzelski for his leadership and his extraordinary hospitality to me. I salute the leaders and members of these two great legislative bodies. God, in His infinite wisdom and love, is with us in this chamber. May God bless you and your efforts. Long live Poland. Long live Poland.

Action Plan for Poland

WHITE HOUSE FACT SHEET, JULY 10, 1989[1]

In his speech today to the Polish Parliament, the President presented a comprehensive package of six measures to help Poland meet the historic challenges of the 1990s. The measures take into account the ongoing hopeful democratic change in Poland.

The measures recognize that successful market economic reform and democratization in Poland, and elsewhere in East central Europe, can lay the basis for European stability and security.

Concerted International Efforts. The President is proposing that nations of the summit seven intensify their concerted action to support economic reforms based on political pluralism in Poland and Hungary. Complementary efforts by leading industrial democracies will provide a powerful impetus to economic recovery and progress in these nations as they face a turning point. Other interested countries could contribute to this process as well.

Efforts will involve work with the Polish and Hungarian Governments, and with other official and independent organizations in those countries, to gather information and provide feedback on issues of mutual concern. Involved governments will also work as appropriate with representatives of the IMF, World Bank, EC Commission, and other multilateral and private-sector institutions.

Specific issues addressed could include needed economic reforms; timing and conditions for new credits; and concrete support for privatization and private business, environmental projects, management and training initiatives, social safety nets to accompany restructuring, housing, etc. These efforts would not undercut or replace existing institutions such as the World Bank, Paris Club, or IMF.

The President will discuss this proposal in Paris with the leaders of the other summit seven nations—the United Kingdom, West Germany, France, Japan, Italy, and Canada.

Polish-American Enterprise Fund. Poland's economic recovery will require a strong entrepreneurial sector, growing fast and generating wealth to benefit the whole nation. To support this process, the President has proposed that the United States and Poland establish a "Polish-American Enterprise Fund." The President is asking Congress to provide $100 million for this initiative. The fund will be managed by a board of distinguished U.S. and Polish representatives.

The fund will promote development of the private sector in Poland. It will be empowered to disburse hard currency loans or venture capital grants for approved projects, including private-sector development (business loans/grants, possible establishment of a private-sector development bank); privatization of state firms (e.g., provide funding for entrepreneurs to buy into state firms); technical assistance or training programs in support of or run by Poland's private sector; funding of export projects partly or wholly private; and joint ventures between private Polish and American investors (e.g., encourage participation of private Polish firms in joint ventures).

World Bank Loans. The President will encourage the World Bank to approve two economically viable project loans for Poland totaling $325 million. The loans for industrial restructuring and agricultural industrial development are intended to improve the competitiveness of Poland's exports.

The industrial restructuring loan ($250 million) is to be used for the import of technology and equipment used in restructuring projects in plants producing chemical fibers, petrochemicals, polypropylene for packaging, particle board and nitrogen and the foreign currency costs associated with outside technical assistance for these projects. The agricultural industrial development loan ($75 million) would be used for the purchase of equipment and technology licensing abroad and foreign exchange costs for technical assistance for plants engaged in frozen fruit and vegetable processing, meat, and other food processing. The loans are for 17 years, with a 6-year period of grace before repayment begins.

A Polish bank will relend the money to individual firms. These loans to and repayment by sub-borrowers will be in dollars, facilitating repayment of the overall loan to the World Bank.

Debt Rescheduling. The President will ask his counterparts in the Paris Club to support an early and generous rescheduling of the Polish debt.

(White House photo by Carol Powers)

The President and this Polish Little Leaguer share a love of baseball.

Poland's foreign debt of nearly $40 billion is owed mainly to Western government creditors. The U.S. share of this debt is about $2.2 billion, mostly in the form of credit guarantees extended by the Commodity Credit Corporation and the Export-Import Bank.

The Paris Club agreed to reschedule Poland's debt service to official creditors four times in the past 8 years. However, until March 1989, Poland has not proceeded to negotiate and sign the bilateral agreements from the last two reschedulings, in late 1985 and 1987. Negotiations on the two outstanding bilaterals were revived earlier this year when the Government of Poland sought to resolve this issue with its creditors.

On July 10 the United States and Poland signed the two pending bilateral agreements covering the 1985 and 1987 reschedulings. This paves the way for further agreements between Poland and its creditors on rescheduling the country's official debt.

A Paris Club rescheduling on debt service obligations falling due in 1989 would allow Poland to defer payments of about $5 billion. A new Paris Club rescheduling agreement would normalize Poland's financial relations and would provide export credit agencies a legal basis for resumption of credit if governments decide such credits are warranted.

Environmental Initiative. The President has stressed the need for fresh international efforts to preserve and improve the environment, humanity's common heritage. Following up on his Mainz speech [May 31, 1989], which singled out East-West cooperation on the environment, the President has proposed three environmental initiatives for Poland totaling $15 million concentrated in the magnificent medieval city of Krakow. This splendid city, designated by UNESCO as a world monument, is suffering from severe pollution.

One proposal is for a $10 million initiative to retrofit an existing coal-firing plant in the Krakow area with advanced clean coal technology. This retrofit will reduce sulphur dioxide emissions from a 100 MW plant by 60–65%. Nitrogen oxide emissions will also be reduced.

The initial phase of the project will include an assessment of the major coal-fired plants in the Krakow region to determine the best control strategies for these facilities. A specific plant would then be selected and the optimal technology(s) for installation at this facility would be chosen.

Following selection, the project will proceed into the design phase. This would involve the fabrication and installation of the equipment. The final phase of the project would include operation and analysis of the data. It is assumed that Poland will take over responsibility for the operation of the project and that the data would be made available to the United States. The United States will provide technical support to Poland as needed.

The second project is for a $1 million air quality monitoring network in the Krakow metropolitan area as part of Poland's national air monitoring network to include monitors and related equipment for measuring sulphur dioxide, nitrogen dioxide, particulate, carbon monoxide, ozone, and lead and for data storage/processing equipment.

The third project is a $4 million initiative to improve water quality and availability in Krakow. Using the city's 1986–2010 program of environmental protection and water economy as a guide, Environmental Protection Agency and Polish experts will perform a comprehensive assessment of Krakow's current and future drinking water and wastewater needs to select and test treatment methods best suited to local conditions. To determine the optimal, least-cost engineering solutions, the program will examine streamflow records and data on the health of a variety of aquatic species, test for stream and drinking water purity, and identify water quality standards according to use. The program will emphasize recycling, pollution prevention, and low-cost approaches such as land treatment of effluents.

Cultural Center. The United States will expand its exchange programs to reach out to the increasingly open society in Poland. An agreement signed on July 10 will allow the United States to establish a Cultural and Information Center in Warsaw and allow Poland the right to establish a similar center in the United States.

This will be the first time either country will be able to conduct public information and cultural programs at a site physically removed from the embassies or consulates. The centers still will be considered an integral part of the diplomatic services of the two countries.

The American center in Poland will be under the direction of the U.S. Information Agency, which operates similar centers in many countries around the world. A site in Warsaw still must be identified and renovated for the new American center, but we would hope to open it sometime in early 1990. First-year construction and operational costs are expected to be $1.1 million.

The centers will serve as focal points for a wide range of cultural and information activities, including operating a full-service library including reference use and lending of books, periodicals, films, videocassettes, and other materials; sponsoring of concerts, recitals, exhibits, film, television, and video showings; seminars featuring professionals, scientists, and cultural personalities from various fields; and courses of English and Polish languages.

Secretary Baker's News Conference, Warsaw, July 10, 1989[4]

The general theme of this trip is basically a continuation of the message from the President's NATO visit; that is, overcoming the division of Europe on the basis of Western values, seeking a Europe that is whole and a Europe that is free. I think it's fair to say that we want to convey our support for the process of building democracy in Poland and freeing the private sector to grow.

The President has expressed at each of the stops his thanks to the Polish people—to the representatives he's met with—for the warmth of the greeting, the crowds from last night and today, the American flags, the Statue of Liberty that we saw at the Tomb of the Unknown Soldier—the symbol, for instance, of what the United States stands for.

During the course of this visit, it's our feeling that we are supporting a homegrown reform process. The President has made it very clear—just finished making it clear in his meeting with Prime Minister Rakowski—that there is no effort here to divide or to disrupt, no hot rhetoric or exhortations. As to the fact that this is a homegrown reform process, Prime Minister Rakowski said in his meeting with the President, "In your speech, Mr. President, you said we're ready to help you if you're ready to help yourself." And he said, "We agree to that, and I'd like to put that slogan on the walls with your name on it and mine, too, if you would agree."

I think it's fair to say that the President recognizes that there will be some trying times ahead, but as was symbolized by a number of the stops that the President made today—the Tomb of the Unknown Soldier, the *Umschlagplatz*—the Polish people have faced trying times before and, with their courage and resolve, the Polish nation has triumphed. For the future, a democratically and economically free Poland will be a stable Poland.

Q. In the six-point package, there's a reference to a $100-million capitalization fund, let's call it, and he says we will encourage parallel contributions at the economic summit. Literally, do you mean the same amount or all six nations proportionally? Could you spell that out a little bit?

A. We'd be pleased to see other nations contribute more if they felt so inclined in order to assist Poland, but we'd like to see other nations make the same kind of an effort toward stimulating free enterprise in Poland, as we're making with that initiative.

Q. I know the spirit behind it, but would you like each of the countries to provide $100 million or is it a little looser than that?

A. We would be very pleased if each would provide $100 million. We'd be pleased, in fact, if some of the surplus countries wanted to contribute more than $100 million. There's no specific set amount.

Q. I don't think that there was any reference to conditionality in the President's mention of the six-point program. Does that remain the principle guiding the U.S. economic relations with Poland?

A. It does, indeed, and in several of the meetings, the comments were made by representatives from Poland that they full-well recognized the need to help themselves if they're going to receive help from the West. The point was made by the President as well that we don't want to repeat the mistakes of the 1970s where we funneled a lot of concessionary and subsidized lending when there wasn't the necessary reform effort undertaken.

Q. Could you tell us a little about the meeting with Gen. Jaruzelski and, in particular, were there any assurances given the President about specific further economic reforms—steps in the works—any specifics?

A. There was a discussion of the need for economic reform, a recognition, I think, on the part of Gen. Jaruzelski that Poland needed, as I've just mentioned, to help itself if it was going to be effectively helped by others. There was a discussion generally by the General of the challenges facing Poland at this very delicate time.

The President talked about his overall approach to the trip, making many of the points that I've just outlined to you in my opening statement—making the point that he doesn't come with hot rhetoric or an effort to divide or disrupt in mind. The President outlined the various elements of the economic assistance package with respect to which you've received fact sheets.

Q. Do you have any feedback from the Poles, either from the government or from the Solidarity people you met today, such as Mr. Geremek, about the size of the package you proposed? Are they disappointed in the scope of it or pleased?

A. I think they're pleased. I outlined in my meeting with the Foreign Minister the package in some detail. The President mentioned it perhaps more generally in his meeting with Gen. Jaruzelski, and I thought that the reaction from Prime Minister Rakowski, in the meeting just concluded an hour or so ago, was positive.

Much of this, of course, will come from reschedulings in the Paris Club, but it will be relief that will be of value to the Polish economy.

Q. Are your definitions of reform the same as theirs, and what might those be? I don't have any specifics here as to what reforms mean.

A. The reforms would be basically those things that they have been talking about with the International Monetary Fund and some of their official creditors as well. It will mean taking action with respect to an inflation rate that is entirely too high. It will mean dealing, or certainly trying to deal, with subsidies. It will be moving to the extent that they can move judiciously toward a free market economy from an economy that has been a statist model and centrally controlled. They'll have to make a lot of reforms. But I think that they are very well aware of this.

Q. Can you tell us why [Deputy Secretary] Larry Eagleburger is being dispatched to the Middle East?

A. That's a rumor that I won't confirm here because it may very well be that he is not being dispatched to the Middle East. Don't believe everything you read in the paper. But somebody will go to the Middle East in order to determine the extent to which the Israeli Government is still committed to their elections proposal in the aftermath of the Likud Party convention.

Q. Why is that necessary? Why is there a question raised in your mind after the Likud Party meeting?

A. The four elements that were outlined in the party meeting give rise, at least in our minds, to a question about the seriousness of purpose. We've already characterized those, I believe, as unhelpful, so we really want to make certain that they are as committed to this proposal as we have been if we're going to continue to strongly support it, as we do.

Q. Before this trip, a number of American officials briefing us about the trip and a number of American officials in Europe have said that they expected an emotional outpouring when President Bush arrived in Eastern Europe and several people spoke of tens of thousands of people. Are you disappointed with the rather small crowds today—3,000 or 4,000 people? Do you have any explanation of what I think many people would describe as a rather muted reaction?

A. I'm not sure I would agree with your characterization of it. As I said in my opening remarks, I think the reception has, indeed, been warm. I don't think that we've been disappointed at all by the size of the crowds. It's not some election campaign where we've gone out here and tried to turn out crowds. We're not making efforts to do that, and we're pleased by what we see as a rather spontaneous outpouring of support for a visit by a U.S. President. I thought the crowds coming in last night at whatever it was—11:00 p. m. at night—there were quite a few people out spontaneously. So we're not at all disappointed with the size of the crowd or the enthusiasm of the crowd.

Q. As you know, the general pattern of visits here has been to meet with the official Poles and the leaders of the opposition when Western leaders have visited Poland. President Bush seems to have broken that pattern by having what could be characterized as a unity lunch. How much weight would you put on the effort that you've made to bring the two sides together as part of American diplomacy here?

A. I think the two sides pretty well came together during the roundtable process. They didn't come together because of our efforts; they came together before we got here. And I think it's rather remarkable, quite frankly, when you look at the situation as recently as 3 months ago that there could be that unity lunch today.

Q. Whoever you send to the Middle East, are they going to see the PLO [Palestine Liberation Organization], and are they going to see [PLO leader Yasir] Arafat?

A. No, they will not see any Arab countries or representatives. They would be going solely to determine the extent now of the Israeli Government's commitment to the election proposal.

Q. Can you tell me who is going to—

A. We haven't decided who's going yet. We'll make that decision during the course of the next week, because the trip wouldn't be made, in any event, until sometime around the middle of July.

Q. The President has spoken more than once of the need for the Polish people to be prepared to accept additional sacrifice in their national life as this restructuring gets underway. Lech Walesa has warned that the society is in clear and present danger of chaos and upheaval. How much time do you estimate that the Polish system, in its transition, has before something serious does break out?

A. I'm not going to concede that something serious will break out. I do think that in accomplishing the reforms—particularly the economic reforms—the political situation has to be kept in mind. One of the things that the President's package contemplates, quite frankly, is assistance, to the extent that we can render it, with the IMF and with the World Bank in formulating the elements of conditionality that will be embraced in the package.

Q. Lech Walesa tomorrow apparently is going to hand to the President the Solidarity request for Western aid, which, as you know, amounts to $10 billion. People from Solidarity have said that they have communicated some details of that and that roughly $6 billion of it is multilateral debt relief, but $4 billion is their estimate of the kind of private capital that might come in. And they don't quite understand why it's been dismissed in the capitals of the West. What kind of reaction do you think you can have tomorrow to the Solidarity plan?

A. I think you're quite right that over half of it would be money that would come from additional World Bank lending or a standby agreement with the IMF and some $400 million of it is probably already in the pipeline as far as the World Bank is concerned.

The additionality would be—we hope there would be some additionality generated through our enterprise foundation. The point here is that it is important for Poland to deal with its debt management problem and its macroeconomic policy problem on the one hand, but it also has to build a private sector. And in the medium and long term, that is what is important. That is why we have directed our attention and our energies toward the types of things that we have directed them toward.

No one that we've met with so far has intimated that they expected the President of the United States to show up here with a big wheelbarrel full of dollars.

Q. Gov. Sununu [Chief of Staff to the President], in a television interview this morning, said that it was important not to give the Poles too much aid because, he said, "it would be like putting a child in a candy store." I was wondering if this was also your view and whether you fear that this characterization might be insulting to Poles.

A. I haven't seen the interview, and so let me not react to something I haven't even seen, or I haven't seen quoted. But let me remind you that we made a mistake in the 1970s—all of us—the international financial community and the Polish Government and the Polish people—when we shoveled a lot of money into this country without any condi-

(White House photo by Susan Biddle)

Escorted by Poland's Chief of Protocol, Ambassador Janusz Switkowski, and two military officers, President Bush placed a wreath at the Tomb of the Unknown Soldier.

tionality whatsoever and with no requirement for reform. I rather suspect—and now, I might say that the international financial community and the Government of Poland and the people of Poland, I think, I understand that it's those reforms that are going to make the difference in the long run. And I'll bet you that's what John was talking about.

Q. In this package, only about $150 million is direct U.S. aid to Poland. The rest is a lot of multilateral actions and encouragement. Has the United States basically decided that the bulk of this action should be taken by the Europeans, that the burden of funding reform in the Polish economy should fall on West European nations and not the United States?

A. No, not at all. The United States will be very active in that multilateral effort, and we will share—I don't know what the exact percentages of the overall Paris Club debt we hold, but it's not insignificant—and the United States will be sharing substantially in the multilateral effort.

Beyond that, I might say that in the past it has been the United States that has been the biggest obstacle or bar to getting reschedulings in the Paris Club for Poland in advance of an IMF program. One of the things the President is saying that is very significant in this package is, we're going to be pushing for—we're going to be in the lead—trying to get this rescheduling accomplished even before you have a standby agreement with the IMF.

Q. One more on the Middle East, if I may. Do you still feel as strongly about not moving toward an international conference now after the Likud decision last week?

A. The policy of the United States toward an international conference has not changed. Our policy is, as it has been, that an international conference might be appropriate at the right time; the right time is not now. We think we should continue to pursue the Israeli Government's elections proposal. We think it's important to determine what changes, if any, have been accomplished in the official Israeli Government position by virtue of the Likud Party conference.

Q. When is the first test of the rescheduling that you signed today? When does the first payment toward that need to be made and what happens if they don't? How do you test whether they meet the commitment?

A. That rescheduling, in effect, extends maturities out into the future. I don't have in the top of my head here exactly what those maturity dates are. I think we rescheduled interest and principal in those, but I'd have to check on that to be certain.

Q. But to be sure that we don't make a mistake like the 1970s, when is the first test of whether they make their payments?

A. I'll get you the maturity date. I don't know what the rescheduled maturity date is. I'll have to find that out for you.

Q. What kind of message is the President sending to those countries that are not accepting reforms, especially in the case of Cuba? Cuba has been sending messages to get the embargo lifted from the United States and is flatly refusing any kind of reforms.

A. Cuba is refusing any kind of reform?

Q. What kind of message is the President trying to send to those countries in the communist world that are not accepting reforms?

A. Who are not? The message is the embargo stays in force.

Q. In connection with this economic fund that the President proposed today, is this a form of this consortium proposal that Mr. Brzezinski has been talking about?

A. It could be compared to that. It's basically a concerted effort that we hope to be able to put together with the Group of Seven with the major industrialized—

Q. Some kind of a structure behind it, presumably, to—

A. Yes, but not as formal as a consortium would be.

Q. Can you tell us at this point how soon you expect a Paris Club agreement on rescheduling? And how soon did the Poles indicate they could be moving and eligible for an IMF standby program?

A. I can't answer the last part of that. I don't know when they think they might be eligible for a standby program. I think they are already in discussions with the IMF.

As far as Paris Club rescheduling is concerned, we're going to try and push for that at the economic summit in terms of getting our colleagues interested in moving forward expeditiously with a rescheduling on very liberal terms, but we will have to make sure that they're on board.

Q. So when do you think they'd have an agreement? September?

A. Oh, I'd just be guessing, and I don't want to do that. We want to do it as soon as we can. I can't tell you when that would be—whether it would be September, October, November.

Q. What do you expect $15 million to accomplish in terms of cleaning up problems in the environment? And can we expect the President to come up with a similar set of proposals when he goes to Hungary?

A. Let me refer you to the fact sheet that has been distributed that will give you the exact detail and here it is right here on what could be accomplished with that $15 million. Ten million of it is to retro-fit an existing coal-fired plant in the Krakow area with advanced clean coal technology; $1 million would be for an air quality monitoring network in the Krakow metropolitan area; and $4 million would be spent on water quality and availability.

(White House photo by David Valdez)

President's Remarks at Solidarity Workers' Monument, Gdansk, July 11, 1989[1]

Poland has a special place in the American heart and in my heart, and when you hurt we feel pain, and when you dream we feel hope, and when you succeed we feel joy. It goes far beyond diplomatic relations; it's more like family relations. And coming to Poland is like coming home.

This special kinship is the kinship of an ancient dream, a recurring dream, the dream of freedom. "They are accustomed to liberty," wrote a Byzantine historian about the Slavic people more than 1,000 years ago, and the spirit of the Poles has been conveyed across the centuries and across the ocean, a dream that would not die.

That dream was severely tested here in Gdansk 50 years ago this summer. The predawn quiet of this peaceful Baltic harbor was shattered by the thunder from the 15-inch guns of Nazi warship *Schleswig-Holstein*. Within the hour, iron panzers rolled across the Polish frontier, and Europe was plunged into darkenss that would engulf the world.

For Poland the choices were few—surrender to tyranny or resist against impossible odds. In the brutal fighting that followed, you set a standard for courage that will never be forgotten. In World War II, Poland lost everything except its honor, except its dreams.

Before Poland fell, you gave the Allies Enigma, the Nazi's secret coding machine. Breaking the unbreakable Axis code saved tens of thousands of Allied lives, of American lives, and for this you have the enduring gratitude of the American people. Ultimately, Enigma and freedom fighters played a major role in winning the Second World War.

But for you, the war's end did not end the darkness. The cold war brought a long and chilly night of sorrow and hardship and the dream was again denied.

And yet, there were glimmers of the long-awaited dawn. In the summer of 1980, you occupied the shipyards where we stand, and a patriotic electrician clamored over these iron gates and emerged as one of the heroes of our time, Lech Walesa. Above your streets a graceful monument rose in the tradition of our own Statue of Liberty to become a symbol recognized around the world as a beacon of hope.

(White House photo by David Valdez)

Solidarity trade union leader Lech Walesa and President and Mrs. Bush at the shipyard workers' monument outside the main gate to the Lenin Shipyard. The monument commemorates fellow workers killed by government security forces during strikes in Gdansk, Gdynia, and Szczecin in December 1970.

But the hope, like the dawn, proved fleeting, for under cover of darkness, the electrician was arrested and your movement outlawed. In the icy cold of a savage winter, a modern nation was sealed off from the outside world.

But still, the dream would not die. In the wintry darkness, candles appeared in silent protest, lighting the windows of your villages, of your cities. As the years unfolded and as the world watched in wonder, you, the Polish people and your leaders, turned despair into hope, turned darkness into dreams.

Hope and hard work were the foundations of Poland's resurrection as a state in 1918. Against enormous odds, confidence and determination made that dream a reality. And these same qualities have brought you to this new crossroads in history. Your time has come. It is Poland's time of possibilities, its time of responsibilities. It is Poland's time of destiny.

A time when dreams can live again—Solidarity reborn; productive negotiations between the Government of Poland and the Polish people; and the first fruits of democracy, elections. At another time, in another city, where the human spirit was being tested, a great American President spoke eloquently about the struggle for liberty. Today the world watches the inevitable outcome of that struggle.

Today, to those who think that hope can be forever suppressed, I say let them look at Poland. To those who think that freedom can be forever denied, I say let them look at Poland. To those who think that dreams can be forever repressed, I say let them look at Poland. For here in Poland, the dream is alive.

Today the brave workers of Gdansk stand beside this monument as a beacon of hope, a symbol of that dream. And the brave workers of Gdansk know Poland is not alone. America stands with you.

Because Americans are so free to dream, we feel a special kinship with those who dream of a better future. Here in Poland, the United States supports the roundtable accords and applauds the wisdom, tenacity, and patience of one of Poland's great leaders, Lech Walesa. We share a movement that has touched the imagination of the world. That movement is *Solidarnosc*. We applaud those who have made this progress possible, the Polish people. We recognize, too, that the Polish Government has shown wisdom and creativity and courage in proceeding with these historic steps.

Poles and Americans share a commitment to overcome the division of Europe and to redeem the promise that is the birthright of men and women throughout the world. Poles and Americans want Europe to be whole and free.

A more democratic Poland can be a more prosperous Poland. The roundtable provisions, as they continue to be carried out, can liberate the energy of a dynamic people to work together to build a better life.

We understand the legacy of distrust and shattered dreams as Poles of all political complexions travel together down the path of negotiation and compromise. Your challenge is to rise above distrust and bring the Polish people together toward a common purpose. Speaking before the new Parliament and the Senate—your freely elected Senate—I outlined steps that America is prepared to take to assist Poland as you move forward on the path of reform.

It will not be easy. Sacrifice and economic hardship have already been the lot of the Polish people, and hard times are not yet at an end. Economic reform requires hard work and restraint before the benefits are realized,

and it requires patience and determination. But the Polish people are no strangers to hard work and have taught the world about determination.

Follow your dream of a better life for you and your children. You can see a new and prosperous Poland—not overnight, not in a year, but, yes, a new and prosperous Poland in your lifetime.

It's been done by Polish people before. Hopeful immigrants came to that magical place called America and built a new life for themselves in a single generation, and it can be done by Polish people again, but this time it will be done in Poland.

A few days ago, I was asked in my office in the White House by one of your journalists if I would leave Poland and go to America were I a young Pole. I answered that in this time of bright promise, of historic transition, of unique opportunity, I would want to stay in Poland and be a part of it—to help make the dream come true.

The magic of America is not found in the majesty of its land—and, yes, our country has been blessed—but Poland too is a land of natural beauty, ample timber, and ore and water and coal, abundant agriculture potential and talented, creative people who are determined to succeed.

No, the magic of America is in an idea. I described it in my first moments as President: "We know what works: Freedom works. We know what's right. Freedom is right. We know how to secure a more just and prosperous land for man on earth."

Today you can rediscover a new land, a land of your dreams, a land of your own making, a Poland strong and proud.

Poland is where World War II began, and Poland is where and why the cold war got started, and it is here, in Poland, where we can work to end the division of Europe.

It is in your power to help end the division of Europe. I can think of no finer or more capable people with whom to entrust this mission. Just as the son of Poland has shown the world

(White House photo by David Valdez)

The President and Mrs. Bush with Bishop Tadeusz Goclowcki at Oliwa Cathedral, a 600-year-old Gothic cathedral located in a suburb of Gdansk.

Danuta and Lech Walesa hosted a lunch in their home for Barbara and George Bush. Standing is U.S. interpreter Wiktor Litwinski.

(White House photo by David Valdez)

the heights of spiritual leadership in the Vatican, so the people of Poland can show the world what a free people with commitment and energy can accomplish.

A new century is almost upon us. It is alive with possibilities. In your quest for a better future for yourselves and for those wonderful children that I saw coming in from the airport, in that quest America stands shoulder-to-shoulder with the Polish people in Solidarity.

Americans and Poles both know that nothing can stop an idea whose time has come. The dream is a Poland reborn, and the dream is alive.

White House Statement, Gdansk, July 11, 1989[1]

The President today announced a decision to provide technical assistance to Polish independent trade unionists, government officials, and employers to ease the burden of adjustment during the period of economic transition and reform. The workers of Poland will ultimately benefit from their country's reform efforts, but the difficult transition period could jeopardize the reform process, with unemployment possibly being a particularly acute problem.

The Department of Labor, working with the AFL–CIO and American business, will assist Poland in eight areas: training and retraining; job search and employment services; unemployment insurance; entrepreneurial development, self-employment, and employee ownership; labor-management relations; labor statistics; worker safety and health, including mine safety; and women in the workforce.

The Department of labor will provide a mix of in-country technical assistance and U.S. domestic activities and, along with other U.S. Government agencies, will help develop policies and programs to set up an effective labor safety net in each of the eight priority areas. The cost of the initiative is approximately $4 million.

President's Departure Remarks, Gdansk, July 11, 1989[5]

This has been the first visit of an American President to Poland in almost 12 years. That, in itself, is something of a milestone. And it has been a great honor to be here. But what has made this visit most noteworthy, in my mind, are the extraordinary opportunities and challenges now faced by Poland and its people. In my 2 days here, I met with leaders of a government that is both responsive and responsible and determined that Poland shall find its own road to recovery.

I met with the chairman of the Free Solidarity Trade Union, Lech Walesa, whose courage and moral guidance have carried Poland's people from the dark of night to the threshold of a brilliant future. I met with senators and parliamentary leaders of a democratic opposition, now legalized. We discussed their new and weighty responsibilities as Poland enters a new era. And I met with Polish citizens, from all walks of life, including the citizens of the great city of Gdansk, at a monument to courage and freedom.

Poland is blazing its own path to a better life for all of its people. With every meeting, with every conversation, we have had meaningful discussions about the possibilities and challenges of Poland's unique experiment in reform. I have explained that the United States will respond with specific, appropriate measures designed to encourage future economic and political reform, reform that is crucial to Poland's long-term economic health. But the real work begins now, as Poland joins the community of nations committed to open elections and open markets and the open exchange of ideas.

I add my voice to those of so many around the world who are impressed with Poland's courage and committed to help a great nation fulfill its destiny. Poland's wisdom and strength will be tested. But such a nation, fully engaged in such an enterprise, need only summon the will of its people to succeed. The world watches, confident that they will triumph.

President's Dinner Toast, Budapest, July 11, 1989[6]

I'm delighted to have this opportunity to visit Hungary once again, to see firsthand the remarkable changes taking place here.

We live at a great moment in human affairs, an era when change is shaking the existing order. From Beijing to Budapest, from Tiananmen Square to the long-delayed day of healing in Heroes Square less than a month ago, we're witnessing the expression of democratic idea whose appeal is universal, whose impact is worldwide. Here in the heart of central Europe, Hungary is at the heart of central Europe, Hungary is at the center of change. Your nation is involved in an unprecedented experiment: a communist system seeking to evolve toward a more open economy, toward a more open and pluralistic political system.

No one now denies that reform is the path of the future. In nation after nation, decades of experience have proven beyond any doubt the poverty of an idea: the idea that progress is the product of the state. On the contrary, progress is the product of the people.

And state control simply cannot provide sustained economic growth, nor can it provide a regime the political legitimacy it needs to govern. Most of all, the state is in constant conflict with human liberty.

In Hungary today, there is a deepening consensus on the direction that reform must take—on a new model for state and society—in economics, the competitive market; in politics, pluralism and human rights.

The key to economic success is letting the market do its work, and that means an end to inefficient government intervention in the marketplace, an end to the dead weight that drags down overall economic growth. It means factories and enterprises of all kinds playing by the rules of the marketplace, according to the laws of supply and demand: in other words, rules that work for the individual and the common good.

Economic competition has a parallel in the political sphere. Pluralism is nothing more than an open and honest competition between parties, a competition between points of view. Pluralism is what we in the West call the marketplace of ideas. The open elections that Hungary has promised will mark a great advance and allow your great nation to enjoy the benefits of pluralism.

The hopeful process of Helsinki points the way to the enhancement of freedom in central Europe, to a new basis for security and cooperation in all of Europe.

All Hungarians should look to the future with confidence in what Hungary can be. This is only the beginning. I see in Hungary's future a country of hundreds of thousands of small enterprises—sources of innovation, productivity, and prosperity. I see in Hungary's future new voices speaking out, shaping the course of national affairs. I see a Hungary at peace with itself, a Hungary assuming its rightful place as a vital part of an emerging Europe—a Europe whole and free.

(White House photo by David Valdez)

Across the table from President Bush and Secretary Baker (foreground) are Karoly Grosz, General Secretary of the Hungarian Socialist Workers' Party (left), and Rezso Nyers, Chairman of the Hungarian Socialist Workers' Party.

The road ahead will be difficult; there's no denying that. But I believe in Hungary. I believe in its ability to meet and master the challenge: to make reform succeed. The key is Hungary's most precious resource: its people. Each individual is an infinity of possibilities, and in the capacity of those individual talents lies the future of your nation.

Now let us raise our glasses: to the future of Hungarian reform; to friendship, the genuine friendship, between the American and the Hungarian people. Thank you for this warm welcome.

President's Address at Karl Marx University of Economics, Budapest, July 12, 1989[1]

It is a great pleasure for Barbara and me to be back in Budapest. I am very proud to be the first American President to visit Hungary. Some might find it ironic that I am speaking at a university named after Karl Marx. If you don't find it ironic in Hungary, try it on for size in the United States. But the fact that I am here today is less a cause for surprise than proof that America welcomes the unfettered competition of ideas. I understand that 50 or so of the faculty from this great university have

The President addressed the students and faculty of Karl Marx University of Economics, Hungary's premier economics school with an enrollment of about 2,100 full-time and 1,300 evening and correspondent students. (White House photo by David Valdez)

been either students or teachers in the United States of America. That is a very good thing for my country, and I'm glad you came our way.

The university's principal task is to promote a competition—an unfettered competition—of ideas. That is the spirit that brings us together—a spirit that guided a great teacher at Karl Marx University whose name was Imre Nagy.

As his funeral proceeded in Heroes Square a few weeks ago, the rising voice of Hungary was heard reciting the *szozat*. In this simple, somber ceremony, the world saw something more than a dignified act, an act of reconciliation; we witnessed an act of truth. It is on this foundation of truth, more solid than stone, that Hungarians have begun to build a new future—a generation waited to honor Imre Nagy's courage; may a hundred generations remember it.

While Hungary rediscovers its natural role in the affairs of Europe, the world again looks to you for inspiration. A popular nonfiction book in my country today is entitled *Budapest 1900*. Dr. John Lukacs lovingly describes the Budapest of memory, with its proud stock exchange and great opera; a time when Europe's first electric subway ran underneath the handsome shops of Andrassy Avenue. A city that rivaled Paris in its splendor, Vienna in its music, London in its literature. A center of learning that enlightened the world and gave America one kind genius in Joseph Pulitzer, another in Bela Bartok. But for four decades, this great city, this great nation, so central to the continent in every respect, has been separated from Europe and the West.

Today Hungary is opening again to the West—becoming a beacon of light in European culture, and I see people in motion—color, creativity, experimentation. I see a new beginning for Hungary. The very atmosphere of this city, the very atmosphere of Budapest, is electric and alive with optimism.

Your people and your leaders—government and opposition alike—are not afraid to break with the past, to act in the spirit of truth. And what better example of this could there be than one simple fact: Karl Marx University has dropped *Das Kapital* from its required reading list.

Some historians argue that Marxism arose out of human impulse. But Karl Marx traced only one thread of human existence and missed the rest of the tapestry—the colorful and varied tapestry of humanity. He regarded man as hapless—unable to shape his environment or destiny. But man is not driven by impersonal economic forces. He's not simply an object acted upon by mechanical "laws" of history. Rather, man is imaginative and inventive. He is artistic, with an innate need to create and enjoy beauty. He is a loving member of a family, and a loyal patriot to his people. Man is dynamic, determined to shape his own future.

The creative genius of the Hungarian people, long suppressed, is again flourishing in your schools, your businesses, your churches. This is more than a fleeting season of freedom. It is Hungary returning to its normal, traditional values. It is Hungary returning home.

Voices long stilled are being heard again. An independent daily newspaper is now sold on the streets. Commercial radio and television stations will broadcast everything from the news to the music of Stevie Wonder. And Radio Free Europe is opening its first East European bureau right here in Budapest.

Along your border with Austria, the ugly symbol of Europe's division and Hungary's isolation is coming down, as the barbed wire fences are rolled and stacked into bales. For the first time, the Iron Curtain has begun to part, and Hungary, your great country, is leading the way.

The Soviet Union has withdrawn troops, which I also take as a step in overcoming Europe's division. As those forces leave, let the Soviet leaders know they have everything to gain, and nothing to lose or fear, from peaceful change. We can—and I am determined that we will—work together to move beyond containment, beyond the cold war.

One of the key steps in moving beyond containment is easing the military confrontation in Europe. To this end, the NATO allies joined, at the May summit meeting, in my proposal of a comprehensive conventional arms control initiative—an initiative that would cut the number of tanks, armored troop carriers, artillery, combat aircraft, attack helicopters, as well as U.S. and Soviet troops stationed on foreign soil in Europe, all to lower, equal levels.

The issues may be complex, but we're working, day and night, to get a solid, historic agreement to strengthen stability in Europe and reduce the risk of war. And we are determined to get it soon.

No, there is no mistaking the fact that we are on the threshold of a new era. There's also no mistaking the fact that Hungary is at the threshold of great and historic change. You're writing a real constitution, and you're moving toward democratic, multiparty elections.

This is partly possible because brave men and women have formed opposition parties. This is possible because Hungarian leaders are going to show the ultimate political courage—the courage to submit to the choice of the people in free elections.

But to succeed in reform, you'll need partners—partners to help promote lasting change in Hungary. And I am here today to offer Hungary the partnership of the United States of America. Three vital spheres stand out in our partnership—economics, the environment, and democratic and cultural exchanges.

The United States believes in the acceleration of productive change, not in its delay. So this is our guiding principle—the United States will offer assistance not to prop up the *status quo* but to propel reform.

Of course, the weight of the past still burdens Hungarian enterprise. There are remnants of the Stalinist economy—huge inefficient industrial plants and a bewildering price system that is hard for anyone to understand—and the massive subsidies that cloud economic decisions—all of this slows what you could otherwise achieve. It's an economic Rubik's cone that defies solution.

To make the transition to a productive economy will test your mettle as a people. The prices of some commodities may rise. Some inefficient businesses and factories will close. But the Hungarian Government is increasingly leaving the business of running the shops to the shopkeepers, the farms to the farmers. The creative drive of the people, once unleashed, will create momentum of its own. This will bring you a greater treasure than simply the riches you create. It will give each of you control over your own destiny—a Hungarian destiny. As I said, the United States will be your partner in this transformation to a successful economy.

Last Thursday [July 6] at the White House, I invited leaders from business, education, labor, and other fields to come to the White House and discuss the new private-sector opportunities opening up in Hungary. Their response was enthusiastic. This was especially true of Hungarian-Americans, so proud to be building a bridge between their new country and their motherland. As long as our two governments ease the way, the people of America and Hungary can do the rest—the people can do the rest. It is in this spirit that I want to announce the following measures.

First, as I said in Warsaw, I will propose at the Paris economic summit concerted Western action for Poland and Hungary, to back your reforms with economic and technical assistance from the summit partners. Of course, our efforts for Hungary will be targeted to your needs.

Second, I will ask the U.S. Congress to authorize a $25 million fund as a source of new capital to invigorate the Hungarian private sector. I'll also encourage parallel efforts from the other nations of the economic summit.

Third, once your Parliament passes the new emigration legislation proposed by your Council of Ministers, I will inform our Congress that Hungary is in full compliance with the Jackson-Vanik amendment to our 1974 trade law. No country has yet been released from the restrictions of this amendment. So I am pleased to tell you that Hungary will be the first. This action will give Hungary the most liberal access to the American market for the longest terms possible under our laws.

Fourth, America is prepared to provide your country with access to our generalized system of preferences, which offers selective tariff relief. Simply put, these last two measures will allow you to take advantage of the largest single market in the entire world.

Fifth, we've concluded a draft agreement to authorize the Overseas Private Investment Corporation to operate in Hungary. Once our Senate passes the enabling legislation, OPIC will be able to provide insurance to encourage American investment in private enterprises in Hungary. Through OPIC, American business executives will see first hand the great opportunity of Hungary.

Private investment is critical for Hungary. It means jobs, innovation, progress. But most of all, private investment means a brighter future for your children; a brighter future for Hungary.

Yet economic progress cannot be at the expense of the air we breathe and the water we drink. Six weeks ago, in Mainz, I proposed cooperation between East and West on environmental issues. That is why I will ask the U.S. Congress to appropriate $5 million to establish an international environmental center for central and Eastern Europe, to be based right here in Budapest, which will bring together private and government experts and organizations to address the ecological crisis. After all, our shared heritage is the Earth, and the fate of the Earth transcends borders; it isn't just an East-West issue.

Hungary has led Eastern and central Europe in addressing the concerns of your citizens for cleaner air and water. Now you can do even more, working with the West to build a bridge of technical and scientific cooperation.

Along these lines, I'm also pleased to announce that the United States has proposed an agreement between our two countries to establish scientific and technical cooperation in the basic sciences and in specific areas, including the environment, medicine, and nuclear safety.

It is my hope that this visit will also lead to a wider exchange between East and West, so our scientists, our artists, and our environmentalists can learn from one another, so that our soldiers and statesmen can discuss peace, and our students—God bless them—can discuss the future.

But to discuss anything requires a common language. The teaching of the English language is one of the most popular American exports. As students, you know that English is the *lingua franca* of world business, the key to clinching deals from Hong Kong to Toronto. To open the global market to more Hungarians, I am pleased to announce that the Peace Corps will, for the first time, operate in a European country. Our Peace Corps instructors will come to Budapest and all 19 counties to teach English.

In such exchanges, we want to help you in your quest for a new beginning as a democratic Hungary. The United States is also committing more than $6 million to cultural and educational opportunities in Eastern Europe. We will make available funds for a series of major new U.S.-Hungarian exchange programs—among congressmen and legislative experts; among labor and business leaders; among legal experts; among community leaders, educators, and young people. We are creating dozens of fellowships to enable Hungarians to study at American universities. And we will fund endowed chairs in American Studies at your universities, and books—many thousands of them—to fill the shelves of your new International Management Center and the libraries of schools and universities across Hungary.

The United States will also open, within the next several years, an American House in the center of Budapest. Today the celebrated American architect, Robert Stern, is releasing his design for this center, which will be an open house of books, magazines, and video cassettes—an open house of ideas.

In conclusion, in economic reform and democratic change, in cultural and environmental cooperation, there are great opportunities and great challenges. Hungary has a lot of work ahead; and so do the United States and Hungary, working together to build this better future, a dynamic future.

Your challenge is enormous and historic: to build a structure of political change and decentralized economic enterprises on the ruins of a failed Stalinist system.

Given the opportunity to show your characteristic initiative, creativity, and resourcefulness, I believe that the Hungarian people will meet the challenge. You stand on the threshold of a new era of economic development and, yes, political change.

I believe with all my heart that you are ready to meet the future. I see a country well on the way. I see a country rich in human resources—rich in the moral courage of its people. I see a nation transcending its past and reaching out to its destiny. I congratulate you for having come so far. Let us be equal to the opportunity that lies before us. Let us have history write of us that we were the generation that made Europe whole and free.

U.S. Program in Support of Hungarian Reform

WHITE HOUSE FACT SHEET, JULY 12, 1989[1]

Hungary has entered a period of dynamic political and economic change. President Bush announced several measures to support Hungary's already considerable efforts to develop private enterprise and a freer political system.

Concerted Western Action. The President is proposing that nations of the summit seven intensify their concerted action to support economic reforms based on political pluralism in Hungary and Poland. Complementary efforts by leading industrial democracies will provide a powerful impetus to economic recovery and progress in these nations as they face a turning point. Other interested countries could contribute to this process as well.

Efforts will involve work with the Hungarian and Polish Governments, and with other official and independent organizations in those countries, to gather information and provide feedback on issues of mutual concern. Involved governments will also work as appropriate with representatives of the IMF, World Bank, EC Commission, and other multilateral and private-sector institutions.

Specific issues addressed could include needed economic reforms; timing and conditions for new credits; and concrete support for privatization and private business, environmental projects, management and training initiatives, social safety nets to accompany restructuring, housing, etc. These efforts would not undercut or replace existing institutions such as the World Bank, Paris Club, or IMF.

(White House photo by David Valdez)

President Bush purchased fresh fruit from a private vendor at a Budapest market.

The President will discuss this proposal in Paris with the leaders of the other summit seven nations—the United Kingdom, West Germany, France, Japan, Italy, and Canada.

Hungarian-American Enterprise Fund. Hungary has taken a number of steps to enlarge its private sector, which can produce wealth that will benefit the entire nation. At the President's initiative, the United States and Hungary will jointly establish a "Hungarian-American Enterprise Fund." The President is asking Congress to provide $25 million for this initiative.

The fund will support the development of the growing private sector in Hungary. It will be empowered to disburse hard currency loans or venture capital grants for approved projects, including private-sector development (business loans/grants, possible establishment of a private-sector development bank); privatization of state firms (e.g., provide funding for entrepreneurs to buy into state firms); technical assistance or training programs in support of or run by Hungary's private sector; funding of export projects partly or wholly private; and joint ventures between private Hungarian and American investors (e.g., encourage participation of private Hungarian firms in joint ventures).

Most-Favored-Nation Status. The President has announced that upon enactment of the new law on emigration by the Hungarian Parliament, he will inform the Congress that Hungary is in full compliance with the Jackson-Vanik amendment to the 1974 Trade Act. Hungary will be eligible to receive most-favored-nation (MFN) status for the maximum period allowable under our legislation without any need of annual waivers.

On June 26, 1989, Hungary's Council of Ministers approved the final draft of a new law on emigration to be submitted to the Hungarian Parliament for adoption. The approved draft incorporates the provisions considered necessary to satisfy the free emigration requirements of Section 402 of the Jackson-Vanik amendment.

Under the Jackson-Vanik amendment to the Trade Act of 1974, the President is empowered to waive the prohibition on the granting of MFN tariff treatment to a country which substantially restricts emigration, if such a waiver would further the goals of the amendment. The President has taken this step annually with respect to Hungary since 1978. Hungary is now approaching total compliance with the provisions of the Jackson-Vanik amendment and will be the first Warsaw Pact country to have legalized and implemented free emigration, thus satisfying the requirements of the amendment.

Regional Environmental Center. The President has proposed the establishment of a $5 million regional environmental center, located in Budapest. This is a substantive followup to the President's initiative in Mainz [May 31, 1989] to help Eastern and central Europe overcome its environmental problems.

The center will provide a facility for cooperative research and activities between governmental and nongovernmental experts and public interest groups from the United States, Western Europe, and Eastern Europe concerned with the environment, including energy and nuclear safety.

The center would be an independent organization supported by both private and government funds. It would focus on developing the broadest human resource base for comprehensive environmental improvement and protection activities in the region. It would facilitate loans of lab equipment and organize workshops and other exchanges. Specific emphasis would be placed on transboundary pollution problems; toxic waste disposal; alternative sources of nonpolluting energy; and promotion of nuclear safety technology and practices. Although located in or near Budapest, the center's objectives would be to attract funding and direct participation by both governmental and private entities and groups from East and West.

Exchanges With East-Central Europe. The President has called for expanded and imaginative exchange initiatives. The U.S. Information Agency (USIA) will allocate up to $6.1 million from 1990 resources in order to implement this new initiative to strengthen the trends toward democratic values and institutions through significantly expanded academic, cultural, and people-to-people contacts.

The principal emphasis of this initiative will be in Hungary and Poland, but other countries in the region will also be involved. Hundreds will participate in the new government-sponsored exchanges in both directions over the next year. The initiative has the following elements:

- Visits to the United States by more than 50 legal scholars, judicial, and parliamentary officials to examine the U.S. jurisprudence and legislative system (John Marshall Study Program in the Rule of Law);
- Visits by congressional experts to consult with new democratic legislatures in Hungary and Poland;
- Consultations for representatives of East-central European political parties with U.S. party organizations to learn the mechanics of democratic electoral politics;
- Travel and study programs for trade unionists in the United States (Samuel Gompers Labor Leader Exchanges);
- Translation and distribution of up to 100,000 books, magazines, and videocassettes in local languages on the U.S. political and economic systems;
- Placement of U.S. specialists in law and public administration at East-central European academic institutions;
- Visits to the United States by East-central European "future leaders" under the age of 30. Approximately 100 participants are projected for this program;
- Internships and educational and training programs for at least 50 entrepreneurs and enterprise managers (Alexander Hamilton Fellowships in Management);
- Consulting visits by U.S. executives and management specialists to advise private and cooperative enterprises;
- Support of management training programs and institutes through U.S. instructors, curriculum materials, and short-term seminars. Hundreds of East-central European management specialists would benefit from this expanded effort;
- Establishment of Noah Webster Chairs in American Language and Literature at central and East European universities;
- Assistance to the U.S. private sector in developing youth and other people-to-people exchange activities in Eastern and Central Europe. Several hundred American and European citizens would be involved in this intensified two-way exchange initiative; and
- Two-way exchanges with specialists in the fields of environmental protection and cultural preservation.

Science and Technology Agreement. The President has announced the U.S. intention to conclude an umbrella science and technology agreement with Hungary. We envision a broad program of scientific and technological cooperation in such areas of joint interest and expertise as basic sciences, the environment, agriculture, medicine, energy, geology, and nuclear safety.

The agreement would develop and implement high-quality cooperative research programs. Science and technology cooperation recognizes Hungary's first-rate scientific establishment. The agreement also complements the President's East European environmental initiative by coordinating research activities, providing core funds, and encouraging contacts in the environmental area.

We expect to send a technical delegation to Hungary shortly to negotiate the final terms of the agreement and work out detailed arrangements for funding.

Annual contributions of approximately $1 million or the equivalent of Hungarian currency from each side

would implement the agreement. The United States can expect reasonable and tangible returns that far exceed U.S. costs because such core money often returns much larger dividends in terms of scientific innovations and by stimulating additional funding by participating technical agencies. This program will complement other existing and valuable U.S. science and technology programs with Poland and Yugoslavia.

Peace Corps Program. The United States and the Government of Hungary have agreed in principle to establish a Peace Corps program, centered on assisting Hungarian efforts to develop and expand English-language teaching. The Peace Corps entry into Hungary represents a new era for American volunteers serving overseas. The Hungarian program, which could begin as early as the fall of 1989 with training for assignment in early 1990, eventually will involve teaching English in Budapest and all 19 of the country's counties.

There are now nearly 6,000 volunteers and trainees in 65 nations in the Americas, Africa, Asia, and the Pacific. Hungary will be the first European country where U.S. volunteers are assigned. Around the world, these Peace Corps volunteers offer skills in a wide variety of programs (e.g., maternal and child health, family nutrition, fresh water fisheries, agriculture extension, teacher training, small business consulting, public administration, natural resource development, energy, engineering, and industrial arts). A volunteer must be a U.S. citizen at least 18 years old. There is no upper age limit, and currently nearly 500 volunteers are over 50.

All volunteers will receive language and cultural training within Hungary before being assigned to schools. Strong emphasis will be placed on learning Hungarian. Cultural studies include Hungary's history, customs, and social and political systems.

(White House photo by David Valdez)

Premier Miklos Nemeth (center) presented President Bush and Secretary Baker with plaques bearing an inscription and a piece of barbed wire that had been removed from the Hungarian-Austrian border.

Secretary Baker's News Conference, Budapest, July 12, 1989[7]

I've two brief opening statements. First, I would like to read you the inscription which was on the gift that Premier Nemeth gave to me and to President Bush. The inscription reads as follows:

> This piece of barbed wire is a part of the Iron Curtain alongside the Hungarian-Austrian border that palpably represented the division of the European Continent into two halves. Its dismantling was made possible by the will of the Hungarian people and the recognition of peaceful coexistence and mutual independence. We believe that the artificial, physical, and spiritual walls still existing in the world some day shall collapse everywhere.

The second statement has to do with the President's conventional arms proposal. At the NATO summit in late May, the allies committed themselves to tabling a detailed conventional force proposal by the opening of round 3 of the CFE [conventional armed forces in Europe] discussions in Vienna in September. Tomorrow in Vienna, almost 2 months ahead of schedule, the NATO alliance will table specifics of that proposal. This proposal will implement President Bush's initiatives to extend limits to include aircraft and helicopters and to seek lower, equal levels of stationed U.S. and Soviet forces.

As the President said earlier today, one of the key steps in moving beyond containment is easing the military confrontation in Europe. By tabling this new proposal, we are taking a step toward ending the military division of Europe. Our presence here in Hungary, and in Poland earlier this week, is part of an effort to end the political and

economic divisions of Europe. These efforts complement each other, and we think, together, advance the cause of a Europe which is whole and a Europe which is free.

Q. The Soviet chief disarmament spokesman said today that the Soviets do not think they can meet President Bush's timetable for conventional forces reductions by 1993. Do you have a comment?

A. Let me see if I have the question right. You said the Soviets have said today that they don't think they can reach the timetable on conventional.

Let me say to you that the Foreign Minister of Hungary told us today that at the recent Warsaw Pact meeting, there was general agreement that they should not let conventional arms control get bogged down in the details. So, I suppose, maybe there's a difference of opinion between the political side and the military side—maybe. I don't know; I'm just surmising that perhaps that is the case.

The Soviets did say, however, that the Administration was slow in getting its arms control act together. I think we've proven that was wrong. They said—or some people said—that NATO would not be able to meet the deadline that it set for itself. As I've just indicated to you, we've not only met that deadline, we're going to be 2 months ahead of it.

I would discount statements or arguments to the effect that the timetable called for in our conventional forces proposal was unreachable or unrealistic.

Q. Could you tell us, how did the alliance resolve the question of whose aircraft would be reduced? Will the British aircraft be reduced under this initial proposal and will the French?

A. There was a commitment early on not to involve the dual-capable aircraft of France and the United Kingdom. And I assume, without having the exact numbers right here before me, that that commitment was kept. Let me give you the numbers of aircraft, though, because I didn't announce that.

If you recall, the President's proposal was that combat aircraft and helicopters in the Atlantic-to-the-Ural-zone area be at a level 15% below the current NATO total. Those numbers come out to a total of 5,700 combat aircraft and 1,900 combat helicopters for each side.

There will, of course, be definitional problems as between the alliance and the Warsaw Pact when we start talking about aircraft and helicopters.

Q. Do you think that the President's objective of an agreement in 6 months to a year is still viable, having looked at the details of it?

A. I think it's more viable if we exceed by 60 days almost our own original timetable for when we might have a specific proposal tabled in Vienna. And that is what we have done. So I think it would argue forcefully that the President's 6-months-to-a-year timetable was not unreasonable.

Q. I think you said "specifics," but you didn't say "all specifics." Is there something that hasn't been resolved yet, or is everything going on the table?

A. Everything is going on the table, as far as I know, in terms of our proposal. I just could not answer the question about whether there would be *any* French or British aircraft involved. I'm quite confident there will be no dual-capable French or British aircraft.

Q. The Soviets seem taken with the idea of some advance work on verification for START [strategic arms reduction talks] and I wondered if that pleased you and surprised you, and what does it say to critics who thought perhaps you were finding a ploy to put off START?

A. As we've tried to explain at the time that we came with our verification proposal, it was in no way designed to slow down arms control negotiations. It was not foot-dragging. We felt then and we feel now that to confront some of the serious questions of verification in advance might well move arms control forward rather than retarding it—because some of the knottiest problems we've faced in the past when we had treaties that we've sought to be ratified have been verification problems. We think it is very good that the Soviets have responded positively to those proposals we made about advance verification.

Q. Gen. Scowcroft [Assistant to the President for National Security Affairs] referred today in an interview to a small exchange between the President and Gorbachev last week. Was there some message that went on or—

A. The President is in communication with other heads of state fairly frequently, and we frequently don't comment on those communications.

Q. This isn't another head of state; this is the leader of the Soviet Union. And it obviously must have been in reference to this trip. Was it—don't worry, we won't rock the boat—

A. We don't comment on communications between heads of state—

Q. He commented.

A. He didn't comment on the substance of it or the specifics of it. He may have commented on the fact that it took place, but I'm not going to take it any further than that.

Q. What kind of preliminary reaction do you have from the summit countries about the proposals that the President has got for Poland and Hungary, and do you know of any specific commitments that other countries are going to make to these two countries?

A. I think that there's a general view on the part of the summit seven that there are, indeed, dramatic changes taking place in Poland and Hungary, changes that move these countries in the direction of the values that the West has always embraced and holds dear. And, I think, there will be support on the part of summit countries for supporting the political and economic reforms that are taking place in these two countries.

In terms of specific commitments—how many dollars country X is going to commit and that sort of thing—no, we do not have that yet. But we will have some substantial discussions about this when we get to the summit.

Q. Do you expect more from some countries, such as Japan, West Germany? Do you expect them to put up more—

A. Some countries are in a better position to contribute than other countries are.

Q. I would like to go back to your answer to [a previous] question. I'm not quite sure if you were referring to the Soviet statement when you said, "I discount statements that timetables are unreachable." What I'd like to ask is, do you have some basis on the private rather than the public side to give you reason to think that the Soviets can meet the timetable? Have they given you any indication?

A. No, I'm not referring to any private indication. I was answering a question that I think referred to an article that appeared today in *The Washington Post*, the headline of which says, "Soviet Says Bush's Goal Unreachable; More Time Sought For Military Cuts."

What I'm saying is that a somewhat similar criticism was leveled at our ability to get NATO, in fact, to agree to table this proposal within the timeframe that we had suggested. The same criticism was leveled at the 6-month-to-1-year time proposal that we put out there. What this is referring to, I think, is that they do not think—even if we got an agreement within 1 year—that they could implement it by 1992 or 1993. As you know, their proposal is to implement their reductions by 1996 or 1997. But it's based on the article; it's not based on any private communications.

Q. During your talks here, have the Hungarian officials indicated to you that they feel that the success of their reform process is closely linked with what Mr. Gorbachev is doing in the Soviet Union?

A. There have been discussions about the reform process in those countries in which it is taking place. Some of the Hungarian leaders that we have met with have indicated that, in their view, reform is taking place in the Soviet Union, in Poland, in Hungary, and in Yugoslavia. They have not tied—and I do not believe they do tie—the success of their reform efforts to success in the Soviet Union. I think it's their view that the reform efforts that they're making stand a reasonably good chance of success, both political reform and economic reform.

(White House photo by David Valdez)

As a token of his esteen for George Washington, the Marquis de Lafayette sent him the key to the bastille in 1790; it has been on permanent display at Mount Vernon since 1797. To help commemorate the 200th anniversary of the French Revolution, the key was loaned to France for public view by the Mount Vernon Ladies' Association. Shown here are Mrs. Robert Channing Seamans, Jr., Regent of the association; President Bush; Eliza Burnham, the interpreter; and President Mitterrand.

Q. Before this trip, there was a lot of talk about how the President's trip to Eastern Europe would compare with Gorbachev's trips to Western Europe. I realize that this isn't the reason you're taking this trip, but now that you are about to leave Eastern Europe, could you tell us how you think they compare?

A. As the President has indicated, we're really not in the business of gaining this thing or competition or comparing these trips or counting the crowds.

I must say that the warmth of the reception here in Hungary, though, I think is very, very clear and quite substantial. I, for one, thought the crowds were pretty good, pretty terrific, as a matter of fact in Poland and particularly in Gdansk.

But the point is, it's important if you believe that your objectives should be to do what you can to see Europe become whole and free, that we become engaged—more actively engaged—with these countries in Eastern Europe that are making these very, very fundamental and dramatic reform efforts. And that's why we're here; not out of any idea that we need to compete with General Secretary Gorbachev.

Q. Since the President talked to Gorbachev before he took this trip, should we assume that he will also have some kind of exchange with him once this trip is over?

A. He talks frequently to heads of state and corresponds with them frequently.

Let me say one other thing. The President has been very careful to say here, I think, and to point out to you that he is not here to disrupt or create division or to in any sense create problems with respect to the relationship between the United States and the Soviet Union, or the Soviet Union's relationship with these two countries. That's not the purpose of our trip. It is to encourage continued home-grown reform and continued movement on their part to those values that we hold dear.

Q. With establishing a $25 million investment fund here and $100 million in Poland for this year, is there any mechanism or intention to continue incentives in following years?

A. We are doing more than that, of course. I mean, I suppose you've been briefed on the legislation that's moving on OPIC [Overseas Private Investment Corporation] and GSP [generalized system of preferences] and what we can do for Hungary by way of MFN [most-favored-nation] the minute they codify these proposed legislative changes they've got in mind for immigration. So, there's a lot more there than just saying, "Well, if things go well next year, we'll add another few million to that fund." It's the reforms in their economies that will make them eligible for assistance from the United States. It's those reforms that are really important. If you are asking me if there are any specific plans here, right now, today, to add to those next year, there are no such plans, but there are no plans not to.

Q. Apparently in the meeting today with the government leaders, the President repeated, or said for the first time, what you just said now, which is that, "We're not here to challenge Gorbachev—we don't want to be destabilizing." You repeated it here. Did you get messages from these governments, both in Poland and here, that they were concerned that the President was going to do that, and did they ask him not to, and are you restating this to be assuring on that point?

A. No, we got no such messages from these governments. No one asked the President to make those statements. It simply lays out the way we feel about the trip. That is not the purpose of the trip.

Q. He did say some things before the trip—for instance, pulling troops out of Poland—that may have left that impression, though. Why the need, do you think, to keep repeating that you are not here to do that?

A. I don't know that it's being done out of any sense of need. The point is, that's not the reason we're here and that's one of the things that the President told the officials that he met with. I said it—I didn't raise it voluntarily—in response to a question that suggested otherwise.

Q. If we could look ahead to the economic summit. The Japanese are supposedly prepared to pledge $43 billion in new money to the less developed nations. It seems to almost dwarf what the United States is apparently prepared to do in that context. Can you give us a little bit of a look ahead as to the kinds of things, maybe in general numbers, that the United States is going to be doing at the economic summit? And can you comment on what Japan is apparently—

A. Let me say that I'm not totally familiar—I saw that article, but I haven't really analyzed it in detail, and I'm not sure that all the details have been fleshed out by the Japanese Government. But this is a good example, I think, of what we have been referring to as "creative responsibility-sharing."

The United States is carrying a very large share of the cost of defending freedom in the Pacific. There are limitations on what Japan can do—constitutional limitations on what they can do militarily. This is one way—that is, through assistance with the third world, cooperation in the international financial institutions, overseas development assistance—that they can share responsibility with us and with other Western industrialized democracies.

Q. Do you think that since both President Bush and General Secretary Gorbachev favor quick agreement on conventional arms and believe it can be done in 6 months to a year, that it would be useful for them to meet within 6 months to help prod along this process?

A. There will be some further talking about that at the ministerial that I'll be having with Foreign Minister Shevardnadze in September, close to the time that the United Nations has the General Assembly. I don't want to speculate out here with you now about when that meeting might or might not take place.

Q. That meeting being a summit meeting?

A. I thought that was the thrust of your question. That was certainly the thrust of my answer. [Laughter]

President's Departure Remarks, Budapest, July 13, 1989[8]

I was the first Vice President of the United States to visit your country 6 years ago, but now I'm especially honored to be the first American President to come to this beautiful land. During the past 2 days, we've met with Hungarians from every walk of life. I saw many thousand wet Hungarians turning out there at Kossuth Square, that square a reminder of the sacrifices of Hungary's past. At Parliament, I met with the political leaders of the present—leaders who have the courage to call for a historic election. And at Karl Marx University, I saw the hopeful face of Hungary's future and announced a series of American actions to engage my country more deeply in the future. But throughout, at every single event, I felt a deepening of the friendship between the American and Hungarian people.

In just a moment, we're going to leave for Paris for an economic summit with Western leaders. This will be a historic moment for Europe, for the nations of the economic community are moving steadily toward economic integration in 1992. This should mean more than just a vast trade opportunity for Hungary. As your economy modernizes, you will play an even greater role in the evolution of a new Europe, a Europe that is whole and free.

While in Paris, we shall also celebrate the independence of that nation and the declaration of the rights of man. But these rights are not French, nor are they American. You are proving here in the heartland of Europe that the rights of man are the proper birthright of us all.

Thank you for a wonderful visit, for an unforgettably warm welcome. God bless you, and God bless Hungary.

(White House photo by Susan Biddle)

The President addressed the residents of Leiden at Pieterskerk (St. Peter's Church). Dating back to the 12th century, it is the oldest parish church in the city and the site of the annual Thanksgiving service for the American community in the Netherlands.

President's Remarks to Residents, Leiden, July 17, 1989[1]

The Netherlands is an old friend, an honored ally of the United States. The friendship between our nations is older than the American Constitution—and the United Provinces were one of the models that our founders looked to in creating a nation from 13 sovereign states.

It's a pleasure to visit Leiden, a city whose very name has symbolized for centuries Dutch determination and the struggle for freedom against the forces of occupation. For Americans too, Leiden is a special city, a place where we trace our origins. So many of the individuals who shaped the modern world walked the cobbled streets of Leiden.

It was here that Hugo de Groot, known to the world as Grotius, the father of modern international law, studied in the nation that is today the home of the International Court of Justice. It was here that Rembrandt lived and worked and created a world of beauty that moves us still today. It was here to Leiden that the Pilgrims came to escape persecution; to live, work, and worship in peace. In the shadow of Pieterskerk, they found the freedom to witness God openly and without fear. Here, under the ancient stones of the Pieterskerk, the body of John Robinson, the Pilgrims' spiritual leader, was laid to rest.

And it was from this place the Pilgrims set their course for a new world. In their search for liberty, they took with them lessons learned here of freedom and tolerance. The Pilgrims faced the dangerous passage, but, carried on the winds of hope, they arrived. On the rocky coast of New England, at the edge of a wild and unsettled continent, they planted the seeds of a new world, a world that became America.

Today, as when the Pilgrims left this city, a new world lies within our reach. Our time is a time of great hope and a time of enormous challenges. The new world we seek is shaped by an idea, an idea of universal appeal and undeniable force—that idea is democracy. The power of the democratic idea is evident everywhere—in the halls of government, in the hearts of people around the world. In the words of Victor Hugo, "No army can withstand the strength of an idea whose time has come." Freedom's time has come.

We, the people of the United States and the people of the Netherlands, are fortunate. The freedoms that others are struggling for are freedoms that we enjoy. But freedom never comes without struggle, and no struggle is without sacrifice. The Americans and the Dutch both know that the cost of freedom is high, and that's why both of our nations are partners in an alliance of free nations that spans the ocean that the Pilgrims crossed. Our alliance—the NATO alliance—connects two continents, unites a hemisphere. But what connects us isn't merely a fact of geography. Ours is an alliance forged on common values, rooted in a shared history and heritage; it's a common kinship and culture, as well.

We are part of the commonwealth of free nations. Almost 2 months ago, I came to Europe to celebrate the fruits of our alliance; four decades of peace and prosperity and freedom. At the time of NATO's founding, amid the airlift to a besieged Berlin, few would have predicted a peace so strong and lasting. Here in the Netherlands and elsewhere, some people expected war to come again within their lifetime. Instead, the NATO era has brought the longest period of peace that Europe has known in the modern age. Let me assure you, Americans know that to keep the peace in Europe is to keep the peace for America.

Today the Atlantic alliance, formed to contain the threat of Soviet expansionism, is creating new opportunities to ease tensions, to build a new world, to build an enduring peace. Thanks to NATO's strength and unity, we now

have the opportunity to move beyond containment, to integrate the Soviet Union into the community of nations.

Thanks to NATO's steadiness of purpose and its commitment to maintain strong deterrent forces, the way is now open to real reductions in the level of arms that has long cast a shadow over this continent, the most heavily militarized on Earth.

In seizing these opportunities, reaching that new world depends on the unity and strength of the entire alliance, not on the actions of one nation alone. The revival of the Western European Union, in which the Netherlands played a vital role, the growing cooperation on security issues between West Germany and France; British and French resolve to modernize their own nuclear forces—each of these developments is a sign that Europe sees the wisdom of sustaining the collective strength that has kept the peace.

The lesson of our postwar experience is this: Strength has kept us safe and has created opportunities for change, and from these opportunities, we can create a new era of enduring peace.

Let me say clearly a stronger Europe, a more united Europe, is good for my country. It's good for the United States of America. It's a development we welcome, a natural evolution within our alliance, the product of true partnership 40 years in the making.

This trend toward closer cooperation isn't limited to collective security alone. Around the world, countries are now recognizing that no nation, no nation can prosper in economic isolation, and that's why we look forward to the single European market and a more integrated European Community. The world's major industrial democracies must work to maintain an open trading system to preserve sustained economic growth. Our progress at this recently concluded economic summit in Paris brought us closer to a more coordinated and common approach across a wide spectrum of critical global issues.

The key is concerted action, bringing the collective strength of the West to bear on our common concerns. Concerns like the environment, global warming, acid rain, and pollution of the world's oceans—these are problems that know no borders, that no line on a map has the power to stop. Pollution crosses continents and oceans. And it's time for nations to join forces in common defense of our environment.

The United States of America will do its part. A little over a month ago, in the United States, I announced a series of sweeping changes to our Clean Air Act, changes meant to ensure that every American, in the space of one generation, will breathe clean air. Shortly after I get back to the United States, after I return home, we will send our clean air legislation to Congress. Last week in Poland and Hungary, I announced initiatives to work with those two countries to combat their pollution problems. The next step is clear; we must work together—take concerted action to combat this common problem—to clean up our environment for ourselves and for our children.

The summit underscored the fact that it's time we take the next step in solving the debt problem, to encourage conditions for global growth that will benefit the industrialized nations and the developing world alike. We must make progress on this because it's more than a matter of economic development; democracy is at stake. Freedom can nourish the barren soil of poverty, just as the Pilgrims landed upon a desolate rock and laid the foundations of the freedom and prosperity that we know today.

Economic and democratic development go hand-in-hand. The steps we've taken toward a common strategy on debt will sustain a favorable climate for growth and for the flourishing of democracy in the developing world.

And there's Eastern Europe. Let me explain the approach that I take toward reform in Eastern Europe. We will never compromise our principles. We will always speak out for freedom. But we understand, as well, how vital a carefully calibrated approach is in this time of dynamic change.

The Soviet Union has nothing, nothing to fear from the reforms that are now unfolding in some of the nations of Eastern Europe. We support reform in Eastern Europe and in the Soviet Union. And we're seeing dramatic changes. General Secretary Gorbachev's letter 2 days ago to the economic summit is only the latest example of the Soviets' moving in our direction, coming our way. I've said it many times, that I want to see *perestroika* succeed. I want to see the Soviet Union chart a course that brings itself into the community of nations.

My visits these last 2 months demonstrate how closely the United States is linked to Europe. For half a century, America has been deeply involved in the future of this continent, and U.S. involvement will be a strategic fact in the next century as it has been for this one.

We will play a constructive role in Eastern Europe's economic development—in the development of political pluralism and in creating an international climate in which reform can succeed, and that is why America's relations with the Soviet Union are so important.

Improved relations with the U.S.S.R. reduce pressure on the nations of Eastern Europe, especially those on the cutting edge of reform. The new world we seek is a commonwealth of free nations working in concert—a world where more and more nations enter a widening circle of freedom.

In the pulpit here at Pieterskerk, 1 year after peace was restored in Europe, Winston Churchill spoke to the people of Leiden. The Allies had triumphed over tyranny. The occupation was over. After 6 years of war and devastation, Churchill said, "The great

wheel has swung full circle." Europe then stood at the threshold of a new era—an era whose hope Churchill expressed in a single, simple phrase, "let freedom reign." We all know what followed. Half of Europe entered that new era and half of Europe found its path blocked, walled off by barriers of brick and barbed wire.

The half of Europe that was free dug out from the rubble, recovered from the war, and laid the foundations of free government and free enterprise that brought unparalleled prosperity and a life in peace and freedom.

The "other Europe"—the Europe behind the wall—endured four decades of privation and hardship and persecution and fear.

Today that "other Europe" is changing. The great wheel is moving once more. Our time, the exciting time in which we live, is a time of new hope, the hope that all of Europe can now know the freedom that the Netherlands has known, that America has known, and that the West has known. Our hope is that the unnatural division of Europe will now come to an end; that the Europe behind the wall will join its neighbors to the West, prosperous and free.

Poland and Hungary are on the cutting edge; they're on the forefront of this reform. They've traveled far these past 12 months, farther than any of us once would have thought possible. In Warsaw I spoke to the new Polish Parliament that includes 100 new, freely elected senators, elected to office in Eastern Europe's first truly free election in the postwar era. In Hungary, I addressed the students and faculty of Karl Marx University, a university where the lessons of the free market are replacing the old teachings of *Das Kapital*.

At the shipyards of Gdansk and at the statue of the great Hungarian hero, Kossuth, tens of thousands of people—literally tens of thousands—filled the streets, new voices full of new hope. And theirs were the faces of pilgrims on a journey—fixed on the horizon, on the new world coming into view. They

(White House photo by Carol Powers)

Her Majesty Queen Beatrix and President Bush reviewed the honor guard at Schiphol Airport in Amsterdam.

know, as we do, that ultimately, whatever the odds, freedom will succeed.

It's a lesson the world has learned several times this century, a lesson that you know so well, that the Dutch know so well. The Netherlands will never forget the nightmare of occupation. Some of you here today suffered through those long years. Even then, freedom endured.

Pieterskerk—behind these walls above the rafters, resistance fighters, university students, took refuge from the forces of occupation and found safe haven in this church. Daily acts of heroism: the church sextant who brought them food; the neighborhood grocer who collected extra ration stamps—kept them alive, kept the spirit of dignity and human decency alive throughout the Netherlands' dark night.

And why? Why would people endanger themselves to save others? They did it for the simplest, most human of reasons. In the words of Jan Campert, poet of the Dutch resistance, they acted because "the heart could not do otherwise."

Freedom can never be extinguished—not then, not now. Even in Europe behind the wall, the dream of freedom for all of Europe has never died. It's alive today—in Warsaw, in Gdansk, in Budapest, and, yes, across the Soviet Union.

So the challenge that we face is a very clear one: We must work together toward the day when all of Europe, East and West, is free of discord, free of division; a day when people in every city and every town across this continent knows the freedoms that we enjoy.

Here in Leiden, where the Pilgrims dreamed their new world, let us pledge our effort to create a new world in Europe, whole and free, a new world now within our reach.

Secretary Baker's and Foreign Minister Van den Broek's News Conference, The Hague, July 17, 1989[9]

Foreign Minister Van den Broek. Let me say, on behalf of the Dutch Government, how extremely pleased and gratified we are with the President's visit and with his party, and for me, of course, in particular also for Secretary Baker being here these days.

Needless to say, how welcome the President and his American delegation are here, given the fact that the friendly relations between our two countries have endured, one can say, uninterruptedly for over 200 years.

I know that many journalists in the past days have put the question to me how to explain that it is now the very first time that an American President in office visits this country. I must say I've never asked myself that question. But what I do know is that this visit certainly sets another marker on the longstanding friendship between these two countries. And it's not necessary to say how welcome it was; how fortunate also it was, at exactly this point in time where, apart from discussing bilateral relations where we don't have any really significant problems.

The world is changing so much. And it is a great privilege to have a world leader among us giving his impressions on a very important meeting that took place in the past days in Paris between the seven industrialized—top industrialized—countries, having visited Poland on a historical visit, being so committed to further working, improving East-West relations, and making the world, in fact, a safer place.

I don't know whether you all had the opportunity this afternoon to hear the President's speech in Leiden and how strong he signaled the fact to us over here the commitment of the United States for the security of Europe; and needless to say, how badly we need this ally. But there's more than that. There's more than containment. There is shaping the peace constructively in the coming era. And again, it's extremely gratifying to hear directly from the American President his views in this respect.

We spoke this morning in the delegations meeting about the very important subject of environment. We very much welcome the U.S. commitment to such a vigorous approach of the environmental problems that threaten our planet. We are talking about problems on a planetwide scale that need a global approach, and American leadership certainly also is extremely welcome. We hope to receive a high-level American representative at the November conference on atmospheric pollution and climate change, a conference that is being organized in the Netherlands in November next.

We talked, of course, about the other problems that were also under consideration at the G–7, like the important debt problem. I don't think that the views of the United States and the Netherlands run very much apart in this field—not very much, in fact, not at all.

We discussed, of course the international trade situation, prospectives for the GATT negotiations, where I think, again, that our minds run to a great extent parallel where we both want the counterprotectionist tendencies.

We further spoke, of course, about the further integration process in Europe and, we found it extremely worthwhile over lunch to have this very open and informal discussion and where the Prime Minister and myself and the colleagues—De Korte [Minister of Economic Affairs] and Ruding [Minister of Finance] and Nijpels [Minister of Housing, Physical Planning, and Environment]—had the opportunity of explaining somewhat more of the background that motivates us to continue with this European integration—what it means to us, but also what it means to the broader construction of Europe, between East and West. I found that myself a very interesting exchange.

Some political issues were, of course, on the agenda—not only East-West relations. We had a few words about China; we had some words about what was discussed in Paris on the common endeavor to combat terrorism.

Secretary Baker. Let me just say that I think that was a very good summary of the discussions that we had in the meetings just before lunch and at lunch with the Prime Minister and his party.

I should say as well, though, on behalf of the President, that we are very pleased and gratified with the reception that the President has received here in the Netherlands, the warmth of the greeting. The President took particular note of the fact that the Queen returned and personally greeted him at the airport.

I should expand a little bit on what Hans has said about the close cooperation between our two countries, particularly in the area of trade where the Netherlands and the United States more often than not find themselves on the same side of most all issues—trade issues. There are no bilateral irritants of any substance between our two countries.

The Netherlands and the United States are actively pushing for a successful Uruguay Round, actively pushing, in fact, for the inclusion and coverage of agriculture, which is a very difficult trade topic—[the] most important, and I think, significant trade problem the world knows today.

The close cooperation that I'm talking about was evidenced particularly at the NATO summit, where the gentleman sitting to my left chaired what turned out to be an all-night meeting of foreign ministers to resolve the very difficult question of short-range nuclear weapons and resolve it in a manner that was satisfactory, I think, to all of the NATO countries and which recognized the reality of changing conditions in Europe at the same time that it preserved the deterrent structure and strategy of the NATO alliance.

I think that the summary which has been given is quite complete and accurate, and I would have nothing further to add.

Q. Things are going so well here, perhaps I could ask you about a part of the world where things aren't going so well—Afghanistan. Has the Bush Administration decided to increase weapons and other aid to the rebels? And what is the response to the Afghan Government's request to the United States to put pressure on Pakistan to back off?

Secretary Baker. Let me answer the last part of that first by saying that the policy of the United States in Afghanistan has not changed. Our policy is to seek and support self-determination for the Afghan people. We support that quest for self-determination in a number of ways. The nature and character of that support has not changed.

Q. May I ask about the other part—about Afghanistan's request that the United States try to influence Pakistan to ease off.

Secretary Baker. To ease off what?

Q. We both know they're the conduit to keep the war going, to keep the rebels armed to try to bring down the Afghan Government.

Secretary Baker. I think I answered your question by saying that we support the Afghan people in their quest for self-determination in a number of different ways, and the nature and character of that support has not changed.

Q. Did the American side raise the problem of burdensharing in the alliance?

Foreign Minister Van den Broek. No, that was not discussed today, which doesn't mean that we don't realize that this is still an issue which will be on the agenda for the time to come. You know full well what the Dutch opinion is—the opinion of the Dutch Government in this respect—that it needs careful consideration, and certainly, also in view of the very gratifying progress we are experiencing in conventional arms control, and also the contribution that results there may give to also the problem of burdensharing.

Secretary Baker. I didn't understand the last part of the question. I think the first part of the question was, could I say what was discussed, if anything, about the longstanding Dutch grievance that they are excluded from the seven?

Q. Yes.

Secretary Baker. I don't recall that being specifically discussed or raised, to be very honest with you, although there were perhaps some indirect references to the fact that the Netherlands would appreciate it if the summit seven—if they're going to participate in followup actions flowing from the summit, it would be a lot easier for the Netherlands to do that in every case if they were in on the take-off as well as the landing.

We understand that. At the same time, I am quite certain that the Government of the Netherlands understands the function of the Group of Seven, why it exists and what it does and what it does beneficially.

There are no plans, as the President told you yesterday, to expand the Group of Seven at this time.

Q. In fact, it was the same question. I wanted to have the reaction of Mr. Baker to know—if you think that the role of the Netherlands, and its economic role in particular, justifies the Netherlands being admitted into the Group of Seven—

Secretary Baker. If you did that, you would have about 15 or 20 other applications immediately. It would present you with very difficult problems and decisions. And as I just said, quoting the President from yesterday with respect to another nation, specifically the Soviet Union, there are no plans to expand the Group of Seven. I would hasten to add here that we clearly recognize the commitment of the Netherlands to democracy and free market economic policies in contrast to the Soviet Union.

Q. Do you foresee a time when the Soviet Union will be integrated into the European Community?

Foreign Minister Van den Broek. I think that time is still well off. But what we do welcome very much is increasing openness from the Soviet Union, the willingness which was clearly stated, I think, also by the letter to the seven of yesterday, not dwelling on whether that means wanting to be invited as a member. But what it does show is that things are changing there very fast too, and that there is a very great need in the Soviet Union to intensify the international economic cooperation and to become more and more, but gradually, a member of the free-market system. And we all know that that's not for tomorrow.

Q. Why is the United States invited for the next—The Hague conference—conference about environmental questions, as the United States wasn't invited for the last Hague conference? And, especially, this question because the United States didn't subscribe to the results of the last conference.

Foreign Minister Van den Broek. If you ask Secretary Baker why he was not invited, you'd better ask us why we didn't invite the United States. But that question, in fact, has been addressed many times so you know full well what the setup was of the conference in The Hague at the time of the 24 countries then. Neither of the superpowers was invited then. It was representatives from all the continents. We said we are not institutionalizing a group dealing with atmospheric pollution or what have you. No, we are trying to establish a group which can catalyze developments in order to retake this problem in the international fora.

That is why now, in fact, the United States is being invited to the November conference that will deal with atmospheric pollution and climate change in order to bring the whole issue further into the institutionalized international fora like UNEP [UN Environment Program]. And I think that both the United States and the Netherlands share the feeling that we should try to reinforce those organizations to deal with these global problems as such.

Q. In the Dutch presentation of the President's speech today, the commentator mentioned that there had been longstanding irritation on the

part of the Dutch about trade barriers to their products that the United States imposes. Since Mr. Baker said that you all are in sync on trade, I wondered, did I get bad translation or is there some irritation along these lines?

Foreign Minister Van den Broek. I don't feel any irritation, to be quite frank. I think that in trade, and thinking about the importance of the GATT negotiations and making headway and advancing the liberalization of trade in general, which is to the benefit of all, that there the United States and Holland are very much like-minded. We are free trade countries. That doesn't mean that on certain specific subjects, we may not have a difference of opinion from time to time.

We know what the preoccupations of the United States are as far as Europe 1992 is concerned, at least what could derive from 1992 of more protectionism, etc., which we say we don't want. The United States knows full well that there are preoccupations in Europe about the bill 301, in fact, which we consider to imply certain risks of more protectionism, etc. What I think is very positive is that these types of disputes or imminent disputes can de discussed open and freely and in a very friendly and constructive atmosphere.

Secretary Baker. And if I might add to that, the point is, I think, that our two countries are in the forefront of efforts to see a successful Uruguay Round and to see a Uruguay Round that is as comprehensive and broad as it can be in terms of subject matter. That's the point I think.

Q. The Netherlands is often involved in Middle Eastern affairs in many, many ways, and we don't even review them. I'd appreciate your assessment of Israel's current position on the elections proposal and specifically to ask your reaction to a speech delivered today by Ariel Sharon in which he calls for the eliminating of the leadership of the PLO.

Foreign Minister Van den Broek. As far as the speech is concerned, you are referring to, I'm sorry, I haven't had an opportunity to read that, so that's somewhat difficult to comment.

In general, the Netherlands Government, like the 12 of the EEC, want to support a peace process where both the safe and secure existence of Israel, within recognized borders, is guaranteed and by the same token, the legitimate rights which we translate into the right of self-determination of the Palestinian people are being respected.

As far as the latest proposals from Mr. Shamir are concerned, notably where he has proposed elections as such, that was welcomed by the 12. Although we said it depends, of course, under what conditions those elections can be held. And we spelled out a number of, let's say, elements which we thought would have to be complied with to make those elections acceptable and also for the Palestinians and to make these elections successful.

As far as the statement of Mr. Shamir is concerned, or rather the Likud Party specifying, more or less, a number of other conditions which could not be met in the case of the elections, quite frankly, we felt they were not exactly helpful. On the other hand, I think we must also recognize that Mr. Shamir until now, and publicly, takes the stand that the government statement on the elections in Israel still stands and that the other thing is a party issue.

Don't ask me how this would work out in practice. Our line is a clear one. We feel as the United States does—we know that—very much committed to trying to be conducive to further progress in these peace negotiations because the people in the area—and that goes for the Israelis, but that also goes for the Palestinians—really by now deserve peace over there.

Secretary Baker. Let me answer it by saying, I think that the minister gave you an answer with which we would agree with respect to the question of elections. There may be one or two nuances of difference. It would take me a while to go back through exactly what he said and—but you are very familiar with the position—view of the United States with respect to the Shamir elections proposal. We support it, we have supported it, we are continuing to support it.

We were concerned when the Likud Party adopted its four priniciples that perhaps they were, in a sense, devaluing their own initiative. We have since been satisfied that they remain committed to it as a government, and we will continue to support it. And we support it in our discussions with our counterparts. In fact we have discussed it today, as you could tell from the minister's answer.

Q. Looking back on the President's whole trip in the last week—the kind of changes he's talked about, especially Eastern Europe, have come relatively quickly compared to 40-years' time since the war. What kind of timeframe does the President see in the coming, say, 2–4 years? Does he think that kind of pace of reform will be sustained, and can you do anything to keep the pace of reform moving?

Secretary Baker. I think he has spoken very clearly to what we would like to do to maintain the momentum of reform, so I won't go into all that again. With respect to whether or not the pace of reform will equal what it has in the last 12 months, I don't know that anybody could give you a definitive answer on that. It has been, in the words of some—the minister on my left, as a matter of fact, when we were discussing it on the way in from town—breathtaking.

It really has been, over the course of the past 12 months. Will that continue? We don't know. Will it slow down? It could. We hope it will continue, because significant progress has been made. And we will be encouraging a continuation of both the political reform and the economic reform in every way that we can in both of those countries, and in, if I may say so, in the Soviet Union as well. As the President said very clearly today in his speech, yesterday in his press conference—we really want *perestroika* to succeed. We think that will result in a more stable, a more secure, and a more open Soviet Union.

Q. The United States has been trying to broker an agreement between Mexico and its creditors. Has that agreement come any closer in recent days?

Secretary Baker. They're still talking; we're still hopeful. I don't have a report over the course of the last 8 hours myself. I think the bank advisory committee and representatives of the Mexican Government are still meeting perhaps as we spread here. And we're very hopeful that they will arrive at a satisfactory conclusion.

President's Arrival Remarks, Washington, D.C., July 18, 1989[10]

Thank you for this warm welcome home. Barbara and I are delighted to be back, and we thank you for this warm welcome back. I know you've seen some of what we experienced during this trip, but let me just share with you some of the memorable moments of the last 10 days that will certainly stay in my mind: the open arms of the people in Poland; American flags waving in the square at the Lenin Shipyard in Gdansk; the faces of the people who lined the streets, greeting us with such joy; the thousands who endured a driving downpour in Budapest to welcome us to Hungary; the students I spoke to there, the hope of Hungary's future; and images we won't foget. The warmth Barbara and I felt is a reflection of the warmth the people of Poland and Hungary feel for America and for our ideals.

Then there was Paris, celebrating the bicentennial of the revolution that brought forth the Rights of Man. And how satisfying it was to witness the unity of purpose that emerged from the summit, ranging from East-West relations to the environment.

Finally, the Netherlands and that church at Leiden, spiritual home of the Pilgrim Fathers and American ideals.

But of all these special moments, I want to share one with you that is truly special in its message. It's a story told by a Polish woman at a luncheon meeting that I hosted in Warsaw. Around the table sat members of Poland's Communist Party and members of Solidarity—in some cases, men and women who had been imprisoned on the party's orders not so long ago and who were now elected members of the Polish Parliament. It was remarkable proof of how far Poland had come. But in Poland and in Hungary as well, progress hasn't come without heroic efforts—a heroism that comes from deep within the heart. And this woman, who'd worked at personal risk for the release of many who had been jailed, was asked: How is it possible, after such a short time, to break bread with the men who ordered those imprisonments? Why the absence of the bitterness? And she said, "Our joy at what is now happening is more powerful than memory." Those are the words of someone who means to build a better future—the desire to move forward toward a better life, a life of freedom. It's a source of tremendous strength.

It's the strength that enabled the government and Solidarity to sit down at the roundtable to negotiate new political progress for Poland, the strength that enabled Lech Walesa and Gen. Jaruzelski to sit side-by-side at the opening of the new Polish Parliament. It's a strength that in Hungary is enabling the government and an emerging opposition to find a common ground in reform, to sit together in writing a new constitution and in planning truly free elections. We must not forget that it was the strength and cohesion of our Western alliance that has helped make these dramatic changes possible.

Everywhere in Warsaw, Gdansk, and Budapest, among the leaders of the summit nations in Paris and then in the Netherlands—I found an enormous amount of excitement, excitement at the times in which we are living and the possibilities they offer: the chance we have in our lifetimes to move beyond containment to end the division of Europe, to make that continent truly whole and free. Everywhere people seem to sense that we live at a moment when positive change is possible.

As I said yesterday in the Dutch city of Leiden, history's great wheel is turning once again. Just as the wind of hope carried the Pilgrims to a new world, we, too, now find a new world within our reach, a world where the yearnings for freedom overcomes discord and confrontation, where freedom and democracy flourish for others, as they have for this great country of ours.

Thank you for this welcome home. It is good to be back. And God bless the United States of America. Thank you very much.

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[1] Text from Weekly Compilation of Presidential Documents of July 24, 1989.

[2] Made at Okecie Airport (text from Weekly Compilation of Presidential Documents of July 24).

[3] At their meeting, President Bush and Chairman Jaruzelski signed agreements rescheduling Poland's debt (text from Weekly Compilation of Presidential Documents of July 24).

[4] Press release 133 of July 11.

[5] Made at Gdansk Airport (text from Weekly Compilation of Presidential Documents of July 24).

[6] Made in Hunters' Hall at the National Parliament building (text from Weekly Compilation of Presidential Documents of July 24).

[7] Press release 135.

[8] Made at Budapest Airport (text from Weekly Compilation of Presidential Documents of July 24).

[9] Press release 140 of July 18.

[10] Made on the South Lawn of the White House (text from Weekly Compilation of Presidential Documents of July 24).■

News Conference of June 27 (Excerpts)

President Bush held a news conference in the Briefing Room at the White House on June 27, 1989.[1]

. . . .

Q. When you were last with us, you said that you had tried to contact the leaders of China, and the line was busy; you were unable to get through. In light of the fact that there's now a new party secretary, have you renewed that try? And also in light of what you just said, do you plan to ask Prime Minister Li Peng to return the Texas cowboy boots with the American flag on them that you gave him in China?

A. I have no such plans, and I hope he doesn't ask for his bicycles back either. In terms of contacts, we are trying, through our Embassy, to have contacts. We have contact. Their Ambassador has access to, and contact with, our officials here; and so there has been some exchange of views. But I have not renewed a phone call request, if that was your question.

Q. Do you intend to go ahead and send a Peace Corps team to China in the fall to teach English, or will you go along with the Chinese request that that be delayed?

A. You have no choice; if the Chinese say they're not welcome, they can't come in. And it's too bad, because one of the things that moved forward the reforms was contact with Americans. I don't want to see those contacts cut off, and I'm sorry that the Chinese have made that decision.

I would like to have seen those young volunteers go to China and help teach English to the Chinese, and I like these student exchanges. I don't want to hurt the Chinese people. I have expressed my concern about what went on in China. I reiterate my concern here today. But I reiterate also my desire not to do damage to the people themselves, because I believe that it was contact with the United States and others in the West that has moved the process of economic reform forward and, hopefully someday, will move the process of political reform forward.

. . . .

Q. You're going to Poland in a few weeks, and I wonder—a lot's happened since your Hamtramck [Michigan, April 17] speech. We've had the free elections. Solidarity now may have a much bigger role in what happens in Poland. When you go, are you interested in bringing some expanded debt relief, financial aid? Walesa [chairman, Independent Free Trade Union of Solidarity] has been saying to the world that he really needs help now. Do you think you are in a position to bring it?

A. Yes, I'm in a position to discuss it; inasmuch as some of what I want to do will require legislation, that will not have been completed. But I called [Senator] Lloyd Bentsen, the chairman of the Finance Committee, to thank him over the weekend for his stance in the Finance Committee in terms of support for Poland. We will have a package that I'm not prepared to discuss now in detail that I hope will help.

I know this will be a subject of great concern after the visit to Poland in our economic summit meeting. But the problem is, we would like very much to help Poland. I am very encouraged with what's happened in Poland. But I want to be sure that when we do offer the specifics and the specific plan to help Poland, that Poland itself will have taken the steps necessary to have the money well-spent. I don't want to just push money down the drain. I think along with what we can offer will have to come from their side some reforms. And that I want to talk to Gen. Jarulzelski [Chairman, Council of State] about and, obviously, Lech Walesa, and we'll see where we go.

Q. Both there and in Hungary, you're entering countries that are in a transition and in a very delicate situation politically and *vis-a-vis* their own allies. What cautions do you take and do you exercise going in there so as not to be a negative catalyst?

A. I think being there is the significant thing. It is important that the United States shows its interest in these countries that are undergoing change. You don't want to overexhort. You don't want to overpromise. You don't want to rally people to levels of political activity that might cause repression. What I want to do is make clear where the United States stands in terms of our respect for freedom; encourage reform as much as possible; and then, back to [an earlier] question, offer some specifics where we can help on the economy.

My views on differentiation have not changed over the last few years. We will differentiate. We will support those that move toward us—economically, politically, and in terms of human rights. It's more on those general themes that I will be talking to the Hungarian leaders and the Polish leaders.

Q. Do you send any signal at the same time to the Soviet Union, or have you had any communication to them about the purposes of your visit?

A. No, but I would not expect them to be uptight about it. Mr. Gorbachev goes to Western Europe and is well received; and I will go to Eastern Europe, and I will be well received. I think it was a good thing, his trip to Germany. I've talked to Chancellor Kohl about it personally, and I don't get into some state of competition when I see Mr. Gorbachev get a good, warm response in Germany.

The NATO alliance is together. One of the things that came out of the Brussels NATO summit meeting was the fact that there is strong unity there. And so it's a good thing for him to go to Western Europe, and it's a good thing for the President of the United States to go to Eastern Europe. I want to see us move beyond containment. I want to see a much more open Europe. The importance of this visit is along that line, and it's not going to be we're going to solve the problem of the Hungarian economy or the Polish economy.

. . . .

Q. You and Mr. Gorbachev are touring each other's backyards in Europe. Now that you've finished your foreign policy reviews with regard to the Soviet Union, have you moved any closer to perhaps meeting with the General Secretary?

A. I wouldn't say closer. That matter will be discussed again—its having been discussed once by the Secretary [of State] and Foreign Minister Shevardnadze. I guess I'd leave it right there. There will, obviously at some point, be a meeting, but I still feel I'd like the meeting to be seen as productive rather than just the meeting itself.

But let me say this: I feel comfortable about the wave length we're on with the Soviet Union now, and I think they feel comfortable in the sense that I think they know we want to move forward with START [strategic arms reduction talks]. They know that we're prepared to move swiftly forward with rectifying the con-

ventional force imbalance. And, indeed, I got the feeling from talking to Chancellor Kohl that Mr. Gorbachev was not hung up on the timetable that we set.

We're coming closer on some of these broad-scale objectives. And then there are some very nice, smaller things: that Soviet ship helping with the cleanup, and our kids from Brooke [Institute of Surgical Research, Brooke Army Medical Center] going over to help with the burn—our specialized burn unit, really qualified people, the best in helping with burns—going to the Soviet Union. And then the outreach at the time of Yerevan.

There are some atmospherics that I think are very, very important and harmonious that will help when we sit down to hammer out the details on the strategic arms talks or on these other matters.

Q. Could I ask you to perhaps define a little bit more what useful or progress would be, in terms of a meeting? Are you setting a precondition, as President Reagan did, that you need something to sign, or is there—

A. No, I don't think it should be something to sign, but I would like to think that the governing criterion would be so that the world would see the meeting as having been successful, something good happening out of it. It doesn't have to be signing, necessarily, although I've been around this track long enough to know that you can always whip out something to sign—a fishing agreement or something of this nature. [Laughter]

We could have that, but I'm not saying that it should be hung up on a major treaty of some sort before I would sit down with Mr. Gorbachev. Maybe we'll do it like this: say, "Hey, let's get together." And I'm interested in what he thinks about it. We've had some communication back and forth, but all I want to say is, I think the relationship is going in the right general direction, albeit we have tremendous differences with the Soviet Union still. I still have—guided by a certain sense of caution.

Q. You made much during the campaign and after your election of your relationship with China's leaders, and yet for the past several weeks you've been unable to contact them. China appears to have ignored our calls for clemency and for dialogue. Do you not think the relationship was oversold?

A. No, I don't think it was oversold.

Q. Then tell us what benefit we've gained from it.

A. What we've gained is China has a much more open economic system than when the Shanghai communique was signed quite a few years ago. What we've gained is 30,000 students right this minute, I think the figure is, studying in the United States—Chinese kids who are going back there with a sense of what freedom and democracy are all about. What we have gained is helping China move out of a period of cultural revolution isolation. This relationship is important. I can continue to express my outrage about what happened in Tiananmen Square, and I will. But I am determined to do my level best to keep from injuring the very people that we're trying to help, and I'm talking about the Chinese people generally.

We've gained a lot from this relationship, and so have they. I still think that it is in the strategic interest of the United States. I'm not talking about the old adage of playing the "China card" or something of that nature—playing the "Soviet card." But if you look at the world and you understand the dynamics of the Pacific area, good relationships with China are in the national interest of the United States. It's hard to have them. It's impossible at this moment to have what I would say normalized relations, for very obvious reasons. But I am going to do my level best to find a way to see improvement there that will help the Chinese people.

Q. It's the personal relationship with China's leaders that I'm speaking of. I'm looking for the benefit when you cannot even complete a phone call to Deng Xiaoping. I'm wondering if the personal—

A. The benefit is I understand the situation; that's the benefit. Leaders are changing all the time over there—I mean recently. We've got to deal with who is there. We don't dictate to China about their leaders. We express our concerns as other leaders have.

But let me be very clear: In my view, the United States has been out front. We've been out front on the steps we've taken, and I am very pleased that there has been broad support for the position I've taken.

I heard it just today from the Prime Minister of Australia [Robert Hawke], one of the most knowledgeable men about China. The Australians have always had a—they've been a little out front. They've had relations before we did, and they have almost a unique standing in China. They've done a lot of business with China. They've had a lot of exchanges with China. Bob Hawke feels that he knows most of the Chinese leaders, the ones that we had been dealing with. And to be as supportive as he was today was very reassuring to me.

Q. How concerned are you that the political retreat that we've seen in China in recent weeks could be duplicated in the Soviet Union?

A. I did not predict what would happen in Tiananmen Square, and I don't know of any China expert, scholar or otherwise, who predicted that. I guess the lesson is: Go forward as best you can. Keep your eyes open. Hold high the banner of values that we believe in—the United States. We have a special responsibility around the world in terms of human rights and democracy, freedom. But keep your eyes open. That's what I've learned from this.

Q. Have you had any communications with Secretary Gorbachev on the situation in China?

A. Not on China. Maybe others in the Administration—not Gorbachev personally. But I followed carefully the statements out of there and obviously the Soviet Union has tried to—with Gorbachev's visit to China—improve relations. But I think that's on a little bit of a hold, although maybe they're more accommodating than we are right now.

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Q. Are you concerned that a deterioration in the U.S. relations with China would disrupt the strategic balance between the United States and the Soviet Union? And is that of overriding importance in your reaction to events there?

A. As you look at the whole Pacific area, you have to consider that. I have never been one who thinks that the relationship with China ought to be based on playing the "Soviet card" or playing the "China card." I will not overlook fundamental abuse of the human rights because of a strategic concern. But, of course, when you look at all your relationships, a President must be concerned about the strategic importance of the relationships. Not only is our relationship

with China of strategic importance, it has this whole cultural and educational and art and, hopefully someday, human rights side of it.

You look at it in what is right between China and the United States, but, of course, I'm concerned about the strategic implications. It's not just the strategic implications *vis-a-vis* the Soviet Union. Take a look at what Deng Xiaoping used to call encirclement and look at what he means. Just take a look at China on the map, and you'll understand why the Chinese leaders still, as recently as 3 months ago, talked about encirclement. That gets you into the questions of the ASEAN [Association of South East Asian Nations] countries. It gets you into the question of what's happening in Cambodia today. It gets you into the question of, obviously then, Vietnam, the Korean Peninsula. There's a lot of strategic interests involved here.

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[1] Text from Weekly Compilation of Presidential Documents of July 3, 1989. ■

Secretary Visits Japan, Brunei, and Oman

Secretary Baker visited Japan (July 4–5, 1989), Brunei (July 5–7) to participate in the Association of South East Asian Nations (ASEAN) post-ministerial conference, and Oman (July 8–9).

Following are his address before a special public session of the Multilateral Assistance Initiative (MAI) pledging conference for the Philippines in Tokyo and statements made at the ASEAN postministerial conference and a news conference in Bandar Seri Begawan.

MAI PLEDGING CONFERENCE, TOKYO, JULY 4, 1989[1]

It gives me great pleasure to participate in the inauguration of the Multilateral Assistance Initiative for the Philippines. I particularly wish to thank the World Bank and the Government of Japan for organizing and hosting this special occasion. Japan's extraordinary contributions to the MAI exemplify the kind of leadership befitting a global economic power.

MAI is a concrete expression of the kind of partnership and "creative responsibility-sharing" we see as the basis of a new era in East Asia and the Pacific—as I indicated in a speech to our Asia Society a week ago.

President Bush and I believe that the MAI is essential if the Philippine economy is to grow and develop in a sustained, broad-based fashion over the next critical years. As an important effort based on international cooperation, the MAI will set a worldwide example of the use of multilateral assistance resources, from both public and private sector sources, in support of economic restructuring and sound environmental management.

MAI's Role in Fortifying Democracy's Economic Base

Our purpose here today, however, is much more than strengthening economic reform in one country. It is to express in tangible ways our commitment to the success of democracy and freedom.

In country after country in the world today, from Eastern Europe to East Asia, we see the dramatic relationship between economic success and democratic values. Development heightens demands for democracy; and without democracy, economic progress cannot be sustained. Thus, from its beginning, the MAI has had implications and objectives well beyond the purely economic. MAI is also critical to the future of Philippine democracy.

Few can forget the dramatic days of February 1986 when Filipinos bravely risked their lives for democracy. Just as dramatic as the success of "people power" in the Philippines has been President Aquino's persistence in reviving democratic institutions. Today, more than 300,000 Philippine public officials have been freely chosen in three elections under a new, democratic constitution. An unfettered, free-wheeling press aptly symbolizes this new spirit of freedom.

President Aquino and her government have undertaken farsighted and far-reaching economic reforms to revitalize the Philippine economy. Accelerating growth rates since 1986 reached 6.8% last year. This growth has come while the Philippine Government has responsibly and effectively managed a $28 billion foreign debt burden.

Nonetheless, enormous problems of poverty and development persist—problems that challenge us all to this very special effort. As a result of the 12% economic decline in the last difficult years before 1986, average incomes are still well below their 1981 high. During the early 1980s, unemployment mushroomed, and poverty gripped more than 60% of the people. The result was rapid growth of a communist-led insurgency.

Thus, democracy in the Philippines remains fragile and under attack. The communist movement, while probably no longer growing, continues to commit violence and exploit the vulnerabilities in Philippine society for political gain. This violence directly touched the United States in the recent tragic murder of our own Col. Nick Rowe in Manila.

The Role of the Philippine Government in MAI's Success

The MAI concept demonstrates a determination to fortify democracy's economic base at this critical time. MAI represents an extraordinary commitment by donors that is matched by an extraordinary commitment by the Filipinos themselves.

The Philippine Government has presented here its "Agenda for Growth and Development"—an impressive program of economic restructuring focused on sustainable growth, more equitable distribution of economic benefits, reduction of poverty, and restoration of commercial creditworthiness.

This Philippine reform agenda provides the broad framework for the MAI upon which an intensified Philippine reform effort can build. MAI resources will complement and support further development and implementation of the economic restructuring and development programs set out in the agenda. This, in turn, will reinforce the progress already made in structuring a dynamic, private sector-led Philippine economy—an economy free to expand to the full potential of the richly talented and industrious Philippine people.

In the reform agenda paper, the Filipinos show their commitment to continue removing bureaucratic and administrative roadblocks to rapid and effective development. They are also committed to speeding the delivery of services that improve the daily lives of the average Filipino.

The Philippine authorities will continue the process of opening their economy to trade, investment, competition, and entrepreneurial ingenuity. And, they promise a dedication to environmental protection—including rational use, protection, and restoration of vital natural resources. They recognize that without such a commitment to conservation, economic progress in the Philippines will be built on an eroding foundation.

The Role of the Private Sector

Thus, to succeed, the MAI must be a true partnership among concerned nations, the Philippine people, and their government—a common commitment to the future.

Special efforts must be made by all. The private sector is, ultimately, far more important than the increased official assistance we provide here. MAI is designed to produce a strong positive response from the private sector. The Philippine Government can establish a foundation for private sector-led growth by strengthening policies that stimulate economic dynamism and investment and by carefully choosing and implementing infrastructure projects. We are particularly pleased that Korea and Singapore, two countries with enormously successful experience in this regard, have joined us here to participate in the MAI effort.

The MAI serves as a challenge to international business to broaden its own commitment to the Philippines. Strong support for Philippine democracy—exemplified by the MAI commitments that the United States and other donors will make here—shows faith in the Philippine economic potential as well. The international business community must join with the Filipino business community in a concerted effort to realize that potential.

The U.S. Contribution

The United States is prepared to back its investment in the future of Philippine democracy. President Bush has asked the U.S. Congress for a multiyear commitment of $1 billion for the MAI. For the first year of the program, the United States is seeking to provide $200 million in special grant assistance, above and beyond our already large economic assistance program.

Members of Congress from both parties and both Houses have played a pivotal role in launching the MAI. Senators Lugar and Cranston, Representative Solarz and former Representative—now Secretary [of the Department of Housing and Urban Development]—Kemp originally promoted this special program for Philippine democracy. They and other interested Members of Congress of both parties have joined with us in laying its foundation. With the strong bipartisan support the Philippines enjoys, we will work hard with the Congress for approval of this $200 million as the initial U.S. contribution to the success of the MAI.

Key Objectives

The United States expects to support directly a number of key Philippine objectives with its MAI assistance.

Expanding the Private Sector Role. Our first priority is to expand the scope and role of the private sector in the Philippine economy by strengthening macroeconomic and structural reform. Such reform, coupled with badly needed infrastructure projects will contribute to developing an appropriate environment for attracting private investment from home and abroad.

Debt Reduction. Another important MAI objective is the reduction of the Philippines debt and debt service burden. Such a reduction will be a key factor in the Philippines' efforts to increase its reliance on investment and other private capital inflows, in place of official sources of financing, over the 5-year period of the MAI. The Philippines has expressed its intention to pursue the options for debt and debt service reduction embodied in Treasury Secretary Brady's proposals to strengthen the international debt strategy. Thus, we expect that U.S. assistance under the MAI will add to funds available from the IMF [International Monetary Fund], World Bank, and other sources to support market-oriented operations to reduce the Philippines' debt and debt service.

Conservation. Another key objective of U.S. participation in MAI is the rational management of natural resources to ensure that today's growth builds—and does not destroy—the resource base needed for the Philippines' future prosperity. We would like to see protection of the environment and natural resource conservation become the focus of a special, follow-on meeting in the near future. Innovative programs with the private sector, such as debt-for-nature swaps, should also be considered as a means of expanding the resources available for environmental research and protection.

Effective Donor Cooperation. Finally, we see the MAI as an exciting opportunity to broaden and institutionalize donor cooperation. As the two largest bilateral donors to the Philippines, the United States and Japan have worked together closely to shape the MAI as an experiment in enhanced coordination. Just as the intergovernmental group on Indonesia has played a formative role for two decades in Indonesia's dramatic economic revival, we anticipate that the MAI will attract substantial support from an increasing number of nations. And in MAI we see a means by which the international community can give regular support to the Philippine Government's efforts

to advance economic reform—thus strengthening the foundation of Philippine democracy.

Conclusion

In closing, let me just note that today is a very special day in U.S.-Philippine relations—the Fourth of July. For many years, Filipinos and Americans have remembered July 4th as Philippine-American Friendship Day, to reinforce our traditionally close relationship. It is in this spirit that the United States has helped to pioneer the MAI. And it is in this spirit that the United States is proud to join in partnership with the remarkable range of allies and friends represented here, today, in this important joint effort to promote democracy and prosperity in the Philippines.

ASEAN POSTMINISTERIAL CONFERENCE, BANDAR SERI BEGAWAN

JULY 6, 1989[2]

I am very pleased to be here. This is my first opportunity to participate in this important forum. Close consultation with ASEAN has become a tradition with American Secretaries of State for a key reason: Our respect for and collective efforts with ASEAN serve as a pillar of U.S. policy in the Pacific.

As the importance of the Pacific grows, the vitality of the ASEAN post-ministerial conference dialogue grows with it. In that spirit, I am anxious to share with you our views on the situation in Asia and the Pacific and the challenges we see in this historic time of transition.

Asia—like Europe—is in the midst of transformations propelling the world toward a promising new era. In many ways, East Asia has gotten a jump on the new order taking shape. We see several unmistakable trends: the worldwide renaissance of democracy; the failure of communism as an economic and political system; the renewed force of free enterprise and private initiative in an increasingly integrated global economy; and rapid technological advance propelled by the open exchange of information within a worldwide scientific community.

This new order is full of challenges and opportunities for all nations. And the going will not always be smooth—as events in China have proven. There will be setbacks, disappointments, and risks. But to stand in the way of necessary, historic change—as we have seen to our revulsion and sorrow in China—is to turn one's back to the future.

The United States seeks in this period of great global change to adjust old international structures and build new ones in order to foster our fundamental principles: democracy, freedom, economic liberty, reliance on open markets, and respect for the efforts and contributions of the individual.

ASEAN as a Pioneer in "Creative Responsibility Sharing"

If the United States is to meet the challenges and realize the opportunities, we must engage actively in a new partnership with ASEAN and our other friends elsewhere throughout the world.

The United States hopes to serve as a catalyst for cooperation. President Bush calls this process "creative responsibility sharing." It's a concept already familiar to ASEAN. You have been the key orchestrator of international efforts to end the Cambodian conflict. You are actively engaged in exploring new possibilities for economic cooperation in the Pacific. ASEAN nations have collectively provided first asylum to millions of refugees from Indochina. And ASEAN has been helpful in initiating the Uruguay Round of GATT [General Agreement on Tariffs and Trade] negotiations—to name only a few key areas where ASEAN has long practiced creative responsibility sharing.

Together, the United States, our allies in Asia, and our friends in ASEAN have much work to do, for the sake of each of our nations, for the sake of the region, and for global well-being.

Together, we must work to ensure the vitality of the world's trading system. Fast-maturing economies and the rush of new technologies are putting new strains on global commerce. Now, all who have benefited from the open system of trade must share responsibility for keeping it open. We must counter all forms of protectionism—whether overt, subtle, or structural—in all the nations that rim the Pacific.

Together, we must ensure the security and stability of the Pacific. U.S. security commitments in the region have fostered an environment in which the ASEAN economies have flourished. Changing threats and resource constraints notwithstanding, the United States intends to maintain its presence in East Asia.

The conflict in Indochina underscores the importance of our security consensus and our political association with ASEAN. Vietnam's announced intention to withdraw from Cambodia by the end of September has given a new urgency to the search for peace. While the prospects for a resolution of the Cambodian conflict are encouraging, the danger of a new cycle of civil war is very real. As always, we view close cooperation with ASEAN as essential to bringing about a just and durable peace based on the self-determination and renewal of the Cambodian people.

As free nations, we must do all that we can to foster democratic and humanitarian efforts in the region. The comprehensive plan of action for Indochinese refugees agreed to in Geneva last month is one such opportunity. Another is ASEAN's support for democracy in the Philippines, including the Multilateral Assistance Initiative.

So, together we face these and many other challenges. I'm here to say—and I cannot stress this too strongly—that the United States will stay engaged with you to see them through. We see East Asia as integral to America's future—and to the world's future. We see continuing U.S. engagement as crucial to the stability, growth, and influence of this dynamic region.

In my consultations here in Brunei, I would like to outline U.S. views for meeting these challenges. Today, in particular, I want to discuss two areas of major concern to us and to you in ASEAN: enhancing Pacific Basin cooperation and security in Southeast Asia.

Pacific Basin Cooperation

In recent years, we have witnessed a remarkable degree of economic and financial integration in the Pacific. Transpacific trade totaled $271 billion last year, and intra-Asian trade was in the range of $200 billion. U.S. investment in ASEAN has more than doubled since 1982 to over $10 billion. Together with Japan, we account for 70% of foreign investment in ASEAN.

The growing interdependence of the region has raced ahead of the organizational means to contend with its effects and to ensure a smooth transition to the next stage. Over the past year, we have seen a number of proposals to create a mechanism to address economic opportunities and problems of common concern. They all seek to enhance region-wide cooperation so as to

strengthen sustainable economic growth. They all recognize our mutual commitment to one another and to the larger international economic order.

Pacific rim economic cooperation is an idea whose time has come. Building a consensus to turn these ideas into reality is a top item on our agenda. We do not bring a definitive blueprint. Rather, through dialogue with ASEAN and other market-oriented countries, we seek accord on the guiding principles and structure of such a mechanism. As a starting point, let me offer a few suggestions for your consideration.

First, we believe it would be useful if a possible mechanism encompassed a significant array of issues—for example, trade, investment, and regional economic infrastructures, such as transportation and communications. It could possibly extend to other topics such as the protection of the natural resources of the Pacific Basin. Effective management of our interdependence necessitates a full understanding of one another's perspectives.

Second, a pan-Pacific entity should recognize the diversity of social and economic systems and differing levels of development in the region.

Third, while acknowledging our distinctive national differences, we should also recognize together that private initiative and free-market policies offer the best route for promoting opportunity and higher living standards for all our citizens.

Fourth, we should forge a common commitment by market economies to facilitate the free flow of goods, services, capital, technology, and ideas.

Fifth, any Pacific-wide institution must be an inclusive entity that expands trade and investment. It should help, not hinder, already existing efforts such as the Uruguay Round or the OECD [Organization for Economic Cooperation and Development].

Sixth, any such effort must respect, preserve, and perhaps even enhance the uniquely beneficial ASEAN contribution to the region and to the world at large.

Finally, any ongoing governmental support for a new arrangement should be flexible so it can adapt as the group and its functions evolve. Perhaps a small secretariat staffed by government officials would be suitable. Alternatively, a less formal Sherpa group drawing from each of our governments might be preferred.

These are some of our thoughts. I hope they contribute to advancing a result that is to our mutual benefit. But I am here this week to learn what you think—for we need a consensus, if we are to proceed successfully.

Ensuring Regional Security

Another key item on our agenda is reinforcing regional security. We view our forward-deployed deterrent as a central element in maintaining equilibrium in the region.

Our military bases in the Philippines are an important part of this balance. We hope and expect to find ways to sustain our military presence in the Philippines after 1991. Such an outcome would best serve the interests of the United States, the Philippines, and stability in Southeast Asia. But whatever the outcome of the negotiations with the Philippine Government—that we expect to begin this fall—we are committed to maintaining a credible deterrent in the region to honor our treaty obligations.

I must add that our friendship with the Philippines far transcends the fate of Clark and Subic Bay. Our Multilateral Assistance Initiative testifies to that. It is a symbol of our commitment to support democracy in the region and a model of donor cooperation.

Our most immediate security challenge lies in Indochina. The conflict in Cambodia remains the chief source of tension in the region. Efforts to build comprehensive and stable political settlement are now reaching a critical stage. The United States and ASEAN share three main objectives: a verified withdrawal of Vietnamese troops, effective measures to prevent the return to dominance of the Khmer Rouge, and self-determination for the Cambodian people.

We believe that support for the noncommunist resistance led by Prince Sihanouk is central to reaching our goals. As the negotiating process quickens, we should increase, not decrease, the influence of those who are best positioned to counter the beneficiaries of aggression and the agents of brutality. Prince Sihanouk's efforts to work out a powersharing agreement with the Hanoi-sponsored Hun Sen regime are crucial to the achievement of a viable political accord, and we urge our ASEAN friends to use their unity to do all they can to strengthen the Prince's position, as he seeks to advance the process of national reconciliation.

Such an accord, we believe, should include: a cease-fire; cessation of foreign military aid to all factions; an interim coalition government led by Prince Sihanouk; and an adequate and credible international presence to verify the Vietnamese withdrawal, monitor and supervise free elections, and stabilize the peace. We see the United Nations as the best means of accomplishing these objectives.

Like others in this region, and beyond, we too hope the day is near when Indochina can be transformed from a battlefield to a marketplace. Yet to achieve this end—to remake the terrible swords of the killing fields into plowshares for a peaceful community—we must maintain our resolve and our unity of purpose, now more than ever.

In conclusion, President Bush and I have great respect for the cooperative and rewarding relationship we have already developed with ASEAN. But we believe the future holds even greater promise. We seek to go beyond our past successes to forge a creative, growing, and mutually beneficial partnership for the challenging era ahead.

July 7, 1989[3]

. . . I reviewed our views on the new currents in Asia and our approach toward subjects of particular concern to ASEAN. In light of our indepth and candid exchanges over the past 2 days, I would like to share with you my view of where we stand with regard to three critical issues: the conflict in Cambodia, the Pacific rim economic cooperation, and refugees.

The Cambodian Conflict

On the Cambodian question, I am impressed with the substantial consensus that exists. Both ASEAN and the United States are united on the need for a truly comprehensive settlement.

Over the past 10 years, the United States has strongly supported ASEAN's unwavering efforts to mobilize the international community in opposition to the Vietnamese occupation. As a result of that firm resolve, we have reason to expect that Vietnam will soon withdraw its forces completely from Cambodia.

We are of one mind on what must happen after Vietnam's withdrawal: There is a critical need for ASEAN and Western unity to ensure the emer-

gence and survival of a new, independent Cambodia. This new Cambodia must be free to determine its own future, and it must not be dominated by the murderous Khmer Rouge. Therefore, ASEAN, the United States, and others must work together in the days and weeks ahead on behalf of a settlement incorporating three essential principles.

First, there should be a comprehensive solution encompassing a ceasefire, measures to control the Khmer Rouge effectively, transitional power-sharing arrangements, and then free elections to enable the Cambodians to determine their own future. A conference which addresses only "external" issues—leaving key political questions unresolved—cannot succeed.

Second, there should be an interim coalition government in which Prince Sihanouk plays the leading role, reflecting a real sharing of power with the noncommunist resistance.

Third, these arrangements should be supervised by an international control mechanism organized by the United Nations. This UN mechanism should verify the Vietnamese withdrawal, monitor and protect the transitional arrangements, oversee free elections, and stabilize the peace.

These principles have formed the basis of Indonesia's commendable sponsorship of the Jakarta informal meeting. They have been affirmed in your recent ASEAN ministerial declaration. Now they must be the basis of our common position as we enter the international conference in Paris next month.

All of us agree, I believe, that our responsibilities to regional security, as well as to the Cambodian people, do not end with a Vietnamese withdrawal. They must extend to the creation of an independent and stable Cambodia. It would be a tragedy if this triumph of ASEAN cohesion—the Vietnamese withdrawal—were undone through failure to follow through with a similar unity of purpose. This lapse could well lead to a new period of civil war. It could endanger people who have already suffered too much. And it could ultimately lead to more foreign intervention. The Cambodian people deserve much better than this.

Pacific Rim Economic Cooperation

The second issue that merits our special attention is Pacific rim economic cooperation. Yesterday, I noted some suggestions for consideration. I believe our subsequent discussions revealed the general opinion that we should proceed on the basis of consensus—with full respect for the special interests of ASEAN.

There are, of course, a number of questions we need to answer, working together. Over the coming months, perhaps our subministeral officials could help us address matters of agenda, structure, and timing. A ministerial meeting toward the end of this year could possibly assist in developing or securing a consensus. Through one means or another, we need to maintain forward movement on this important initiative.

Let me close on this issue by touching again on an aspect that should be significant for all who want to resist protectionism and to assure the opportunity for continued strong growth in Asia based on exports. I believe an association of the type we have discussed can help us inform the American people of the importance of the region and of the need to maintain a strong commitment to Asia. We want to broaden and deepen the network of our public and private ties with Asia—and this cooperation mechanism could assist to that end. I hope, therefore, your governments give it thorough consideration.

Refugees

The third and final issue on which I believe we can register progress is refugees. The comprehensive plan of action that emerged from the Geneva conference last month was a major accomplishment for multilateral diplomacy and one in which ASEAN can take considerable pride for its leadership role. We need to adhere to the comprehensive plan of action and implement it faithfully. The United States welcomes the affirmation of the practice of first asylum and urges all countries to abide by this principle. For our part, we have pledged to admit up to 22,000 individuals from the precutoff date caseload and to accept up to 50% of all screened-in cases. We remain strongly opposed to the forcible repatriation of those screened out.

The comprehensive plan of action can only deal with the symptoms of the refugee problem, however; its root causes lie in Vietnam, with its failed economic, political, and social policies. Over the long run, we must see that Vietnam fulfills its comprehensive plan of action commitments, and we should keep up the pressure on it to reform its political and economic system.

Trade and Investment Program

I would like to conclude by citing one more concrete example of U.S.-ASEAN cooperation. I am pleased today to announce that the U.S. Government, in partnership with ASEAN and the private sector, is launching a new $13 million trade and investment program through our Agency for International Development. This program will promote policy reforms that will enhance market opportunities for U.S. and ASEAN companies. It will also encourage trade and investment through trade missions and greater market information. Finally, this program will help create a new ASEAN growth fund.

This effort is but one example of the innovative new ventures we can launch together. Its promotion of liberal trade and investment regimes, among and between ASEAN countries, is a practical symbol of the importance my government attaches to the economic and strategic interdependence between the United States and Pacific rim countries.

In closing, let me say once again how delighted I am to have been able to represent the United States here with you today. I believe that this opportunity for a personal and candid exchange of views with ASEAN is critical to maintaining a vital, prosperous, and stable Pacific community. I look forward to many more such exchanges in the future.

NEWS CONFERENCE, BANDAR SERI BEGAWAN, JULY 7, 1989[1]

First of all, let me say that I'm very pleased with this trip. The group sessions that we've had have been, I think, very productive. The bilaterals have been an excellent complement to those and have permitted me to develop, I hope, some very beneficial personal relationships. I welcome the fact that our notion of "creative responsibility-sharing" seems to be evident in many quarters. I'd refer you to the Multilateral Assistance Initiative for the Philippines, the notion of an entity for Pacific rim cooperation, the unity of ASEAN and the dialogue partners on Cambodia. I think that these common

efforts represent some very good first steps in laying the foundation for increased cooperation in the Pacific.

Those of you in the U.S. press know that on the way over here, I listed seven objectives before we left. I'd like to touch briefly on each one of those.

First of all, I think we've made very clear our full engagement and commitment to Asia during this time of rapid change and, indeed, some turmoil. And, of course, that was one of our objectives. I want to note in that regard that the ASEAN as well as most others present—I think it's fair to say that all of the dialogue partners—stressed the importance of maintaining open lines with the People's Republic of China. This is perhaps even more important in a time of upheaval. I think one of the ASEAN members put it this way: "Take it easy with China." This seems to me to reaffirm the measured response approach that we have been taking in the United States. It reaffirms President Bush's judgment with respect to the manner in which we ought to handle this matter. Of course, none of us will ever—can ever or will ever—accept the horrible actions that took place there. But our foreign policy must really keep open the possibility of and, indeed, encourage China's full return to the international community.

The second objective or second point that I mentioned on the way over was the possibility of a global partnership between the United States and Japan, and I think the brief stop in Japan was a stepping stone toward the building of that global partnership. I would refer you there to the close interaction between our two governments on the Multilateral Assistance Initiative and on the Pacific rim cooperation idea.

Third, I spoke about our commitment to democracy and growth in the Philippines. Of course the Multilateral Assistance Initiative and our bilateral discussions, I think, are evidence of this. In addition to that, President Bush has invited President Aquino to visit the United States, and she will be coming as his guest on November the 9th.

Fourth, we conveyed our respect for and interest in working with the ASEAN countries on a diverse number of problems. I think examples of that are the firm U.S. support for the ASEAN position on Cambodia, our ongoing commitment to play a major role with topics such as refugees. And I hope and believe that maybe we touched a new chord with respect to our intervention on the issue of terrorism.

Fifth, I hope that I have been able to establish some good personal relationships, as I said I wanted to do on the way over here.

Sixth, I believe that we have begun to move the idea of a Pacific rim economic cooperation entity a step ahead. There will be further discussion with respect to this. I hope that we will be in a position—and I think there's a reasonably good chance that we will—to all attend a ministerial conference in Australia sometime in November or perhaps at the latest in December.

And the last objective, of course, that I mentioned on the way over here was the idea that I wanted to do what I could to communicate to the United States—the people of the United States and the public of the United States—the importance of this region to the United States. Perhaps I need to leave that to those of you in the press in terms of whether we're able to do that for the short term. In the longer term, however, I hope that some of the partnerships we're developing with Japan, the Philippines, and with ASEAN generally will carry forward to create a greater recognition at home of the importance of Asia to our future.

Q. Have you received an assurance yet from the Soviet Union that they could agree with the idea of the United Nations sponsoring a Cambodian peacekeeping force? And if you haven't, would you now challenge the Soviets to accept the idea?

A. I don't have to challenge the Soviets to accept the idea, because in our discussions with them, they've indicated that that idea would be acceptable to them; they have interposed no objection to the idea of a UN control mechanism or peacekeeping force.

Q. What role would the United States play in [inaudible]?

A. The United States will be a participant in the forthcoming conference in Paris. We have some strongly held views about the nature and makeup of the international control mechanism. We feel very strongly that it should be a UN entity or body and that it should be sufficient in terms of resources and numbers of people to get the job done. With respect to the second part of your question, the United States has been committed to the security of this region for quite awhile. I reiterated our continuing commitment to the security of this region, both in the group sessions and in the bilaterals I had with Thailand and, for that matter, other ASEAN countries.

Q. Vietnam has said it would withdraw in September 1989. Now, should that happen it [inaudible] result in something of a civil war. Would the United States continue to aid and support the noncommunists if that were to happen?

A. That's a very hypothetical and speculative question and so I probably should decline to answer it. I'm not at all sure that civil war would necessarily result. That's one thing, of course, that we think a comprehensive settlement of the problems of Cambodia would avoid. It's one of the things that we will be seeking to avoid; one of the things that ASEAN will be seeking to avoid. Once again, let me reiterate that there is an almost complete degree of unity in the position of ASEAN and the dialogue partners here with respect to the way in which we should approach the question of a settlement in Cambodia.

Q. It is essentially your view that the Khmer Rouge be included in an interim administration?

A. No, it is not essential in our view. It happens to be essential, I think, in the view of some other major players in this equation. I'm sure that the People's Republic of China has some very definite view with respect to this. I would refer you to the comments of Prince Sihanouk himself of not long ago when he said he would prefer to see them represented in the government than out in the jungle—not in a position of dominance or power. And of course, we definitely do not want to see them in a position of dominance in a government.

Q. How seriously do the actions of the Likud party in Israel damage the Shamir plan for elections in the West Bank?

A. Let me say that the actions of which you speak were the actions of a political party. They were not the actions of a government. The United States continues to support the Israeli Government's proposal for elections leading the negotiations, a proposal that was adopted by the Israeli Cabinet on May 14. We think that the elections proposal by the Israeli Government gives us a possible way to get to direct negotiations between the parties. And it's only by direct negotiations between the parties that we will, I think, find our way to peace.

Having said that, I would have to add that, in our judgment, the Likud resolutions are not helpful in this regard. Imposing restrictive conditions are, I think, obviously going to make it more difficult to get to negotiations. We have urged all the parties to avoid this.

Q. On your first trip as Secretary of State through Europe, in meeting with European ministers, we heard frequently about the fascination with Gorbachev in Western Europe. I'm curious, in your discussion here in East Asia, do you find a similar fascination with Gorbachev?

A. To be very honest with you, I did not find a similar fascination with respect to the personality of the General Secretary. We did have a discussion of East-West issues; it was on the agenda yesterday. We had what I thought was an in-depth discussion of East-West issues and of the rather dramatic changes that are taking place, not just in the Soviet Union but in many of the countries of Eastern Europe as well.

Q. Could you specifically name the countries which the United States thinks should take part in a conference?

A. I'd rather not get into fingering countries. I might name some that, for one reason or another, didn't think they ought to participate or didn't want to participate. So I really would prefer not to do that.

Q. Back to Cambodia. Is it the U.S. preference that the Khmer Rouge play no role in a new government?

A. That would be, I think, our preference. But I think that we are realistic. I think we understand the facts on the ground. I think we understand also that a settlement must be comprehensive. We understand that Prince Sihanouk, in our view, at least, should have the major role to play. It is Prince Sihanouk who has said that he would prefer to see some representation of that group within the government rather than having them outside in the jungle engaged in civil war.

Q. As you look ahead, it seems that the Vietnamese are withdrawing from Cambodia. What do you see as the future of U.S.-Vietnam relations? Do you see further conditions needed before the United States would recognize Vietnam?

A. I certainly don't see the United States recognizing Vietnam in the near term. We have always said one condition was that they must withdraw from Cambodia. We are also interested, as you know, in resolving the POW/MIA [prisoners of war/missing in action] problem that confronts us, as far as Vietnam is concerned.

Q. On Pacific cooperation, what are the chances of there actually being a conference in November or December judging by the response you've had at ASEAN? Do you think it would be harmful if the conference would not be organized by that time?

A. Let me take those questions in the reverse order in which you asked them. One, I don't think it would be harmful. I think it would be very beneficial if a conference could be held within that timeframe, and I think that there is a reasonably good chance that that is possible. We had some rather in-depth discussions of this concept. Many of us made it abundantly clear, I hope, that ASEAN would have to form the basis and the foundation for such an undertaking but that such an undertaking, we think, would benefit not just dialogue partners but ASEAN and dialogue partners as well. There have been entities for economic cooperation and development in Europe for quite some time. Asia is growing dramatically. The economies of Asia are developing dramatically. There are very good reasons, we think, from the standpoint of those economies in Asia, for there to be such an organization or entity.

Q. Is it the U.S. position that China would be welcome at that Pacific rim conference, number one? And what about Taiwan?

A. That presents us, as you well know, with a political problem of long standing. It is our sense that such an organization would best first be started by the group that is represented here. You might want to include a South Korean. The creation of that kind of an organization does not present you with some very thorny political problems.

It is our further view that an organization such as this would best be utilized and composed of market-oriented economies. There has been, in recent years, some movement toward market principles in the People's Republic of China. But I don't think you could say as yet that they have a free market-oriented economy. So I would think that it might be preferable, in order to get such an organization or entity launched, that you would start it with a bit smaller grouping.

Q. So you do not expect China to be in that first—

A. The United States doesn't come here with a definitive, specific idea. Many people have had the idea for a Pacific rim cooperation entity. We would like to serve, to the extent that we can, as a catalyst for getting this accomplished. Clearly China is or will be a major economic force in this region; but to get this organization launched, I think the best way to do it is for ASEAN, its dialogue partners, and maybe South Korea, which does not present a problem and is to be an observer shortly here anyway, to be the original parties.

Q. What areas of cooperation can Brunei and the United States have? And my second question is, in your audience with His Majesty yesterday, what issues did you discuss?

A. We discussed a number of issues but I really would prefer for His Majesty to give you a readout of that since I was there as a minister and he is a head of state and government. I would leave it to him to characterize our meeting.

You asked me about bilateral issues. The bilateral relationship between the United States and Brunei is very good. We would like to see them improve in any way possible, and I think Brunei feels the same way. We did talk about the importance to both countries of our periodic military visits and the visits of our security components.

Q. Can you confirm your itinerary? Will you go to Oman tonight, then visit other European countries, and then attend the Paris summit?

A. Yes. We leave as soon as we're finished here. We will fly to Diego Garcia to refuel. We will refuel and fly to Oman where we will spend a little over one day, 24 hours. We will fly to Warsaw, Poland, to join the President of the United States in his visit to Poland; we will go to another city in Poland. We will go to Hungary, then we go to the Netherlands, and then we will go home, after 16 days.

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[1] Press release 126 of July 10, 1989.
[2] Press release 129 of July 10.
[3] Press release 130.
[4] Press release 131 of July 10.■

News Conference of June 29

Secretary Baker held a news conference at the White House on June 29, 1989.[1]

Last month at NATO's 40th anniversary, the President proposed an ambitious mission for the future—that is, to make from a divided Europe a new Europe, a Europe which is whole, free, and secure. His upcoming trip to Poland and Hungary demonstrates his personal interest in and support for democratic change and for economic reform in this region.

At the NATO summit, we focused on how best to divide responsibility for our wider security needs among friends and partners. At the economic summit, just 6 weeks later, we will be considering how best to pool our various strengths to deal with the challenges of Eastern Europe, transnational issues such as the environment, and, of course, maintaining an expanding and prospering global economy.

The President's trip comes at a time of great change. It comes at a time of opportunity and hope in Europe, both in East and West. His appearances and speeches in Poland, Hungary, Paris, and the Netherlands will underscore that our mutual respect for Western values forms the common thread which binds together the peoples of Europe and America, as well as many others around the globe.

The President will affirm that a free enterprise system and a democratic society, which have been so successful in Western Europe, provide the only answer to the aspirations of the people of Eastern Europe. Along with its friends and allies, the United States will encourage those countries in the East trying to make the transition to free, democratic, and market-oriented societies.

To the extent possible, we will help those countries make the necessary political reforms and help them to make the necessary economic reforms. In particular, the President will emphasize the importance of developing a spirited private sector, a pluralistic political system, and an open society.

The economic summit July 15 and 16 in Paris will be concentrating on four broad areas:

First, the protection and expansion of the community of Western values, especially in Eastern Europe;

Second, the international economy;

Third, the global environment; and

Fourth, the fight against the transnational challenges of drug trafficking, international terrorism, and weapons proliferation.

The formal sessions of the summit will be devoted, as they usually are, to economic topics, but there will be other opportunities for the leaders to discuss important political issues. There will be great interest, I think, in the President's evaluation of the prospects for political and economic reforms in Poland and Hungary, and, of course, the developments in Eastern Europe do draw together both the political and the economic sides of the summit.

The summit will present an opportunity for Western leaders to consider measures that they might undertake together to support the change that is taking place in Eastern Europe. They will also, of course, want to, as they always do, consider various regional issues—for example, the recent tragedy in China, the prospects for peace in the Middle East, democracy in Central America, among other issues.

With respect to the international economy, the issues will, in all likelihood, be what they have been in past summits. They will tend to focus, I think, on Third World debt, trade, and economic policy coordination.

On the environment, we expect that the leaders will spend time discussing possibilities for dealing with issues such as global climate change, deforestation, conservation of the oceans, hazardous waste, and ozone depletion. As I mentioned earlier, the transnational issues are likely to be narcotics, terrorism, and weapons proliferation.

Since the first economic summit at Rambouillet in 1974, the leaders of the seven major economic powers in the West have used these sessions to grapple with the challenges of an increasingly interdependent world. They have also frequently proven a useful forum for common engagement on pressing political issues, and I think that this year we have a chance to lay the groundwork for our joint response to the changing times in which we are operating, particularly with respect to Europe.

In summary, the economic summit, I think, represents an opportunity to reaffirm the basic Western values of political freedom and market-based economies and to demonstrate that, as the postwar era is succeeded by new times, together we can tackle a new and a different set of challenges.

Q. I would have liked to ask you about the economic summit, but spot news keeps getting in the way. House leaders apparently have agreed on some limited sanctions against China. And I wondered—I assume you know about the package—does that package have the Administration's endorsement?

A. No, it does not, and let me speak to that for a moment. As I have said in public testimony during the course of the past week, I think the President has been right on track with respect to his measured response to the tragic events in China, and he's been right on track from the very start.

He has forcefully expressed his outrage and his sorrow. In addition to that, he has taken a number of what we think at least are significant actions by way of sanctions, relating primarily to military matters but relating as well to high-level visits and exchanges. And I won't go through the long list of sanctions.

I believe, and I think many Americans believe and understand, that no elected official in the United States of America understands China better than the President of the United States, who served this country in China for a number of years. He has been and, in my view, continues to be at the forefront among world leaders in his actions and in his words with respect to this tragedy.

Having said that, I think we do recognize the desire of elected officials to speak to this issue and to vote on this issue; but we really firmly believe that the leadership in this instance should come from the executive branch, and it should come from the President of the United States as Commander in Chief and as one who is thoroughly and completely versed in the affairs of China.

Q. Would the President veto that legislation if it came out?

A. We have not said that as yet because we have been, frankly, seeking to try and work with the Congress to craft a message which would recognize their desire to speak on this issue and to vote on this issue but which would still, at the same time, retain what we consider to be the necessary flexibility in the President to respond to the situation as it develops and as it unfolds.

Q. Do you expect the summit to go smoothly on the economic matters side? I mean, "Super 301" really generated a lot of anger—that's the trade front. The Third World debt proposal by Secretary [of the Treasury] Brady hasn't exactly been embraced by banks, commercial banks. And, thirdly, it appeared at the OECD [Organization for Economic Cooperation and Development] that the G–7 had different concerns about inflation. Is this all going to jell at this summit, or will we see more of that?

A. I think it will jell at the summit, although we'll have to wait and see what develops. I think that there will be a spirited discussion, as there frequently is, at these summits. They are not always "precooked," as some have suggested. There will be, I think, considerable discussion respecting Third World debt and respecting macroeconomic policy issues.

Maintenance of the fight against inflation is very, very important, but that always has to be balanced against the maintenance of an expanding and productive global economy. So I'm sure there will be discussion about that. I'm sure there will also be discussion about reinvigoration of the economic policy coordination process.

So I can't give you an iron-clad guarantee here that there won't be some differences that will emerge, both on the political side and on the economic side; but I think those differences will be resolved as they have been in the past.

Q. You said that the President understands China, but he was very surprised at the developments and the harshness of the reaction toward democratic protest.

What does he understand today? I mean, does he understand that at any price, the leadership will take total control of China and that we should not—and it's very clear that we've made no impact so far. Can we make a difference at all, and is it so important to maintain top diplomatic relations with them as they continue this oppression?

A. The principle of human rights, as I have testified to recently, has to be a major foundation principle for our foreign policy. It has been, it continues to be, and in my view it will continue to be well into the future. That is a very, very important principle.

But it is not the only principle which determines our foreign policy, and it is not and cannot be the sole and only principle which determines the extent and scope and degree of the response of the United States in a situation such as this. When we say the relationship is important and that we ought to try and preserve the relationship, we do not suggest that we do so at all costs, and we are not suggesting that it is important solely on an economic basis. It is important economically, yes, but it is important as well from a geopolitical and geostrategic standpoint.

Q. That's the key, then, isn't it?

A. What?

Q. The listening posts.

A. I didn't say anything about listening posts.

Q. You said that the President has spoken out forcefully, expressing his outrage. I don't believe I've heard him speak out specifically on the executions.

A. I think that he has condemned what happened in the square. I know we have, certainly, from the podium at the Department of State. I have personally on a number of occasions. I think, frankly—I can't go back and give you the exact date—but I think that the President has spoken out forcefully with respect to this outrage.

Let me simply say on behalf of the Administration that we do and have condemned the events that took place in the square. We would like to see restraint exercised with respect to punishment, and we condemn the punishment of people who are doing nothing more than exercising their basic human rights and freedoms.

Q. You know, Mr. Hawke [Prime Minister of Australia] was here the other day, and he spoke of the barbarity, and he used, you know, emotional rhetoric. And neither you nor the President seem to want to do that.

A. We will not use inflammatory rhetoric. If people want us to use inflammatory rhetoric, that's fine; they're entitled to have that desire. But we do not intend to do that.

Q. Why?

A. Because we think that a measured response is just that. It calls for a response which clearly expresses our outrage but does not resort to an overly emotional response which involves inflammatory rhetoric. It involves properly structured sanctions, and that's what we think we have.

Q. Doesn't that give you, really, the political problem you have now where you've got the members in Congress who want to whoop for some resolution with the strongest possible language?

A. Yes, that's clear.

Q. And doesn't it put you in a position where you might lose control of the issue in the sense that you've got both Houses potentially in the Congress voting for some resolution you might have to veto?

A. Sometimes the proper course to follow is not always the politically popular course. We are following the proper course. This is the right action; we think, feel very strongly, this is the right action from a foreign policy standpoint. Quite frankly I think that there are a lot of people in this country and a lot of people who think frequently about this situation there that agree with us.

Q. What is the state of play in your discussions with the leaders on the Hill about this issue?

A. I was asked—the first question was, "Can we support the *en bloc* amendment that has been proposed?" My answer was, "We cannot support it in its current form." I was then asked, "Have you said you would veto it?" And I said, "We haven't gone that far yet." But I've said we can't support it.

Q. Are there talks? I mean, are you optimistic that you're going to work something out?

A. There have been. There are some things in this amendment, quite frankly, that we like. There's a clear recognition in the amendment that the United States should speak with one voice on matters such as this—major foreign policy issues; that the President should have the lead and that the President should have the flexibility to act in the manner that he sees as appropriate. That is a statement in the current amendment that they are considering, but there are other things in there that we simply cannot go along with.

Q. In avoiding inflammatory rhetoric, is one of the long-range things you're looking at the possi-

ility that Gorbachev may not sur-ive, that different people may come nto control in the Kremlin—the old onservatives—and, therefore, the old riangular relationship with China—he Nixon-Kissinger triangular elationship—is important?

A. I don't think it's a matter of be-ng concerned about China playing the Soviet card or something like that. That's really not what it is. It's consid-rably broader than that.

Q. An economic summit ques-ion. Solidarity has circulated an ap-eal to the West for $10 billion in aid ver the next few years. From all ap-earances, that seems to be wildly ut of the ballpark from what some of he allied leaders are considering. Do ve have a potential collision here be-ween what the Poles would like us to lo and what the West is capable of do-ng to help Poland?

A. I don't know whether I would all it a collision. I think obviously Po-and would like us to do every bit as nuch as is possible, and we would like to lo what's possible. Doing something of he magnitude that you suggest is proba-ly not feasible or possible at this time.

Let me say that whatever is done, hough, we want to do in a way that vould not repeat the mistakes of the 970s where we tended to make available lot of credits and concessionary lend-ng and subsidized lending that did not arry with it the appropriate reforms of hose economies. They are now saddled vith a lot of debt as a consequence of hat, and it really didn't help move them oward a free-market economic system.

Q. Then what does the President ave in mind when he goes over there?

A. The President has some things n mind, but those are for the President o announce, and it's not for me to an-ounce here this far in advance of the rip.

Q. Would you, in your discussions vith your counterparts, support some kind of debt forgiveness or, on the uestion of their debt, is about as far s we're willing to go the ideas in the Iamtramck speech [President's ad-ress on April 17]—that is, sort of a estructuring tied to reforms? I know he German banks hold most of the ebt. It's not really a U.S. debt.

A. I don't know the exact percent-ge that U.S. banks hold. There is offi-ial debt. At the Toronto summit, we ame together—the seven nations—and provided some fairly liberal terms and pretty effective debt relief for the poorer countries of sub-Saharan Africa. I don't know whether there will be a similar type of proposal at this summit. And by mentioning that, I don't mean to suggest that there will be. We do have some legislation that passed recently—Section 572 of some bill; I just remember the number—that permits the United States to grant debt relief in appropriate circumstances. It doesn't extend Export-Import Bank type debt, and so forth. But clearly debt relief will be a major subject that will be discussed at the summit. And since the summit will be interested in Eastern Europe, as I've indicated, I don't know why we wouldn't be talking as well about what can be done there.

More liberal terms in the Paris Club is a form of relief. Certainly it's cash flow relief.

Q. But aren't you and the other members of the Paris Club in disagreement? Don't you have difficulty on restructuring first, that they are more liberally inclined than you are?

A. No, I'm not sure that's correct when you speak about the Paris Club. There may be some little difference with respect to whether or not World Bank loans should await the completion of an International Monetary Fund (IMF) program. But as far as Paris Club rescheduling, on some of the technicalities of a particular rescheduling proposal, there may be differences; there usually are.

Q. Could you give us some statement as to where you and the other economic partners are?

A. Why don't you ask Secretary Brady tomorrow because he's a lot closer to that. He deals with it everyday. Let me simply say that we support—the President has announced it, and I think he mentioned in his Hamtramck speech—that we would support liberal rescheduling in the Paris Club and that we would not insist upon the completion of an IMF program in advance, which is our normal standard. It's the standard that all members of the Paris Club usually adopt.

Q. Do you see the possibility of summit countries agreeing on a broad plan for aiding Eastern Europe or do you think that each country will adopt its own set of policies for providing—

A. I would hope and believe that there could be some general principles that would be adopted, not unlike, frankly, what we did at the Toronto summit with respect to terms of lending to Eastern Europe.

Clearly the situation has changed in the course of the year since that summit. There may well be some countries that want to go further on a bilateral basis, and they might well go further. That would not be inconsistent with having a generalized approach on some issues.

For instance, the Federal Republic of Germany is owed a particular debt by Poland. It was, I think, a loan that was made on condition that Poland let certain Germans leave Poland. There is some thought to forgiving all or part of that loan. That would probably not be matched by other countries. Other countries would probably not be in a position to match that.

Q. Solidarity's request for about $10 billion in aid is based on their assessment that without that level of assistance in Poland, the lid is going to blow off the situation there. Are you concerned that the West, in general, may not be able to provide the necessary level of assistance to really prevent a political crisis from deepening at home?

A. I think the key is that the political reform and the economic reform move apace. I think that's true in Poland; I think that's true in the Soviet Union; I think that's true in China. So that, I believe, is a general principle that has been established, and that is accurate.

In Poland the key is that the Poles adopt the necessary reforms so that they can move to a free-market system. We ought to encourage that in every way that we can. But to simply grant relief or make highly concessionary loans without reform in the final analysis will not get them where they want to go. That's the route we took in the 1970s, and it, I think, had adverse effects. It certainly didn't have beneficial effects.

The important thing to remember, in trying to help countries move to a free-market economic policy, is that they themselves be willing to adopt the reforms necessary to get there.

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[1]Press release 125. ■

Secretary's Interview on the "MacNeil/Lehrer Newshour"

Secretary Baker was interviewed on PBS's "MacNeil/Lehrer Newshour" on July 19, 1989.[1]

Q. The Secretary has just returned with President Bush from 10 days in Europe that included the Paris economic summit and visits to Poland and Hungary. He has returned to a congressional fight over talking with the Palestine Liberation Organization (PLO), among many, many other things.

First, on some of today's news about selling computers to the Soviet Union and Eastern Europe, do you support the decision?

A. I think this decision demonstrates how tough it is sometimes to determine what's strategic trade and what's not strategic trade. There's a clear difference of opinion here between the Defense Department, on the one hand, and the Commerce Department on the other. That means, of course, that the President will make the ultimate decision.

I'll be guided, in terms of where the State Department comes down on it, by what the technicians say because it's a very technical issue. It depends on whether or not technical people think there can be military uses of the material being sold.

Q. But the Commerce Department has pretty much made the decision, has it not?

A. The Commerce Department has the authority to make the decision. The right to make this decision is given by statute to the Secretary of Commerce. The President, of course, has the ultimate authority, though; and he could modify it, he could amend it, he could revoke it if he wanted to. I don't think he's going to do that, though.

Q. What do you think about the Secretary of Defense speaking out publicly on this, as he did today, in opposition to this decision by the Commerce Department?

A. I think that, again, this is an issue that the President has the ultimate authority to speak on and speak with respect to, so what you have here is an honest difference of opinion on a question that is sometimes extremely difficult to resolve: What is and is not capable of being used strategically? It really boils down to the opinion of very, very technical experts.

We saw a number of instances during the two terms of the Reagan Administration where there were clear differences of opinion between Commerce and Defense. Many times we'd just get hung up and wouldn't be able to make a decision because of that. So the decisions here are always tough.

Q. Is the decision to do this linked at all to the trip to Poland and Hungary? In other words—

A. No.

Q. —does Eastern Europe need these computers badly? Did they ask for them?

A. No. The Commerce Department would argue to you that this is not state-of-the-art stuff. This is stuff that they can get in any number of other countries. It's easily available. It does not have any strategic value.

The Defense Department, on the other hand, will argue that it has significant strategic value, and we ought to continue to ban it. But it was not a decision that was taken as a political matter because of what's happening in Eastern Europe. That was not what drove this decision.

Q. But from the State Department's point of view, is it a good thing to sell these computers?

A. It's a good thing to sell as much nonstrategic material and equipment as we can. You are asking me to make a determination that only really some very technically oriented type people can make. We are in favor, of course, of seeing an expanding relationship with Eastern Europe, and I'd be glad to talk to you further about the President's rather remarkable trip there and what's going on in Poland and Hungary.

On the other hand, we don't want to see strategic technology go out the door either, so we've got to try and walk that very difficult line.

Q. I don't want to make a too heavy weather over this, but the Secretary of Defense—the man the President chose and the Congress confirmed as the guy who is supposed to know this—says "Hey, don't do this. This would be giving away things that have military capability."

A. On the other hand, the man to whom the law gives the authority to make this decision said, "Wait a minute. We've got to be rational in the way we take a look at this, and we should not ban material that a country in the Eastern bloc could get from any other country in the world—or many other countries in the world—that is not of any strategic value." So it's a question of balancing these interests. That's what's happening here.

Q. When is it going to be resolved?

A. I don't know. I can't give you the answer. That depends on when the President considers it.

Q. Speaking again of Poland, Gen. Jaruzelski was elected President today by one vote. Is this a good thing for the United States of America?

A. I think stability in Poland is a good thing for the United States of America, and I think it's probably a good thing that he was elected, yes, because there was a very difficult situation there. The political reform is going forward so rapidly in Poland that you had a situation where they didn't have a chairman or a president. So I think it's probably a good thing.

Q. It has been suggested, as I'm sure you're aware, that President Bush's visit to Poland gave Jaruzelski a boost that helped him get this job, because before President Bush went there, Jaruzelski said, "No, I'm not going to run." And Solidarity said "Naw, we don't want to have anything to do with him." Mr. Bush comes and embraces him, and now Jaruzelski decides to run. Solidarity backs off, and now he's the President.

A. I know that's been said. It's my understanding, based on what I've heard today, that Solidarity did not support him. So he wasn't supported by Solidarity.

Q. They just backed off and didn't participate.

A. They backed off, and he, therefore, garnered enough votes to be elected. But, listen, the reforms there are dramatic. No one would have dreamed a year ago that they would have gone to elections, that they would be seeing the types of political change that's taking place there; and it is important that that not be aborted early in the process. It's a difficult enough process, so it's probably a good thing for them to have a President, to have one who is experienced, who's been there before, who can oversee

the transition, if you will, to political pluralism. And that's what's going on in Poland.

Q. In American political terms, though, the fact that President Bush came and the fact that Jaruzelski got elected President, does that give the United States a leg-up, in other words, with Jaruzelski that he might say, "Hey, I couldn't have done it without you."? Does a better relationship exist because of it?

A. I think the approach President Bush took when he went to Poland was exactly the right approach. One, we're not over here to disturb or disrupt or to stick a finger in the eye of the Soviet Union. We are pleased with the political and economic reforms that are taking place. We'd like to find a way to support those.

He saw Solidarity leaders and elected members of the *Sejm*—their parliament, the *Sejm*. He saw Jaruzelski himself. He saw all the various elements and was seen with them, so his approach was a very balanced one. This is a good thing, I think, for stability in Poland, and, therefore, it's a good thing for the United States.

Q. Did you or the President or anyone else representing the United States give any private signals to Solidarity about Jaruzelski?

A. No, I don't think you could accuse us of that. We're not going to involve ourselves in the internal politics of Poland.

Q. Walesa—he was very outspoken in his disappointment about the amount of money. He wanted $10 billion, and the United States said $125 million. Then there was the economic summit in Paris. The message that came out of there—now, correct me if I'm wrong—the message that came out of there was that the United States said, "Hey, look, it's Western Europe's responsibility to help Eastern Europe more than it is the United States." Is that a correct statement?

A. No, no, that's not the message that came out. The message that came out was the United States went in there and took the lead—first time ever—in driving for concerted effort to support Eastern European countries—Poland and Hungary—and was able to generate that support.

In fact, there was a pretty good debate in the summit about whether there would be a prompt follow-on meeting. The President himself spoke out in the plenary session; and the decision was made right there, in the meeting of the heads of state. I mean, the lower levels had not been able to reach agreement on that, and the President was able to get an agreement from all the countries that they would join with us and that we would all concert our support for Poland and Hungary.

So I really don't believe that the impression you give is a right one.

Q. Then what do you say to Walesa's disappointment? Has he got a legitimate complaint?

A. What you say is, "We want to help you, but you've got to help yourself. You've got to adjust, and you've got to reform your economy. You've got to move to a free market. You've got to have the trade unions over there—and Solidarity is one of them—be perhaps a little more understanding and reasonable in their demands with respect to benefits and '5-years-of-paid-maternity-and-paternity-leave' kinds of demands." That's what you say. And you say, though, "If you'll reform and if you'll adjust, we'll be there to help you."

But what they really do need to do is move to encourage private enterprise and private-sector involvement. That's what this $125 million that the United States is putting up will go toward.

Q. But I'm sure you're aware, though, what they say in response to that is, "That's all well and good, Mr. Secretary. But in the meantime we've got serious economic problems. We could have riots; we could have anarchy here if you do not help us get through this immediate economic period."

A. We are. We are helping in that way. We are helping by calling for a rescheduling of their fairly significant debt on the most liberal and expeditious terms. That will give them a fair amount of cash flow relief. We're calling for immediate food aid, because they've got some food shortages in Poland.

This is the first time the United States has been in the forefront of efforts to help these Eastern European countries. The reason we're in the forefront is because they are making dramatic progress in opening up their societies to political pluralism and in trying to move toward free-market economic systems. That latter undertaking they are finding quite difficult. It's hard to move from a central-planned, statist economy to a free-market economy when you've been in a central-planned economy for 40 or 50 years.

Q. Mr. Gorbachev is having the same problem in the Soviet Union.

A. Yes, indeed.

Q. Today he spoke to his parliament, and he said that *perestroika* reforms are in serious jeopardy because of these strikes. Is that just talk, or is that a serious problem?

A. I don't think it's talk. I think that if it were not true, he would not be saying it. I believe that.

We want *perestroika* to succeed. We think that *perestroika*—the success of *perestroika*—will mean a more stable, a more open, and a more secure Soviet Union; and that's good for the United States. Because they will be more open and more secure, they'll be more stable. That's what we need. So we want to see *perestroika* succeed. We don't want to see it aborted by—

Q. Strikes?

A. —by violent unrest.

Q. So the ethnic unrest—

A. —the strikes, or anything.

Q. Because the ethnic unrest has also been blamed on the economy, sure.

A. That's right.

Q. Gorbachev wrote a letter to President Mitterrand during the summit and said, "I'd like a place at that table, fellows."

A. He didn't really say it quite that way.

Q. I'm paraphrasing it.

A. He wasn't asking to be a member of the G–7.

Q. But he wanted to be involved in—

A. He said he wanted to cooperate and he wanted to help address the economic needs of the world and particularly the developing nations of the world. It's another example, I think, of the Soviet Union moving in our direction. The Stalinist model has failed. It's discredited. They admit it themselves. This is yet just another example of that, I think.

Q. You say the United States and the West have a terrific stake in *perestroika* being successful. How do we help Gorbachev succeed without underwriting the transformation of an old enemy or whatever? You've heard that argument. What is the proper role here?

A. The proper role is to assist them in trying to move to a free-market economy. And they need technical assistance.

It's not a case of funneling money in there. Nobody is suggesting that. It's not a case of relaxing our strategic—you were talking about strategic exports. It's not a case of relaxing our guard with respect to strategic exports. It's not a case, frankly, of letting our guard down on military preparedness.

Until we see actual reductions in Soviet forces—the one thing they've been able to do very, very effectively and efficiently is to build a massive military machine. So until we see that actually pulled down, we ought not to pull our own down. But as they begin to reduce, then we should reduce. That, of course, was the suggestion of the President's conventional forces initiative at the NATO summit.

But we assist them in every way that we can because it is important that they—having admitted the failure of their system and seeking to embrace the type of system that we have and that we know succeeds—it's important we try to assist in that if we can.

Q. You've been Secretary of State now—what?—8 months, right?

A. Six.

Q. Six? I don't know where I got the extra two. I take it you're impressed with Gorbachev? I read between the lines, in everything we've been taking about.

A. I'm impressed, frankly, with the changes that are taking place in Eastern Europe, in Poland and Hungary. I said before, this trip really impresses upon you how far-reaching—breathtaking, in effect—those changes are and I think how real they are.

I think there are similar changes underway in the Soviet Union. Of course, the General Secretary is the reason that those changes have been taking place in the Soviet Union.

Q. Do you believe him? Do you trust him?

A. I think President Reagan was right when he said "trust but verify." I think that's the standard. I think we ought to be prudent in our approach to the Soviet Union. We ought to be realistic, but we ought to extend the hand. If they truly reach out to us, whether it's in arms reductions or requests for technical assistance on economic issues and things like that, we ought to be willing to engage.

Q. But I meant him personally. When he says to you, "Jim Baker, boom, boom, boom," whatever, do you believe him?

A. Of course, I've only had one meeting with him but it lasted 3½ hours, and I have no reason to disbelieve him as a result of that one meeting.

Q. While you were overseas, the Senate was on the verge of passing some legislation that would have set some restrictions on the kinds of people the United States could talk to—representatives of the Palestine Liberation Organization (PLO). The word is that you got on the phone with Senator Jesse Helms and you got the legislation delayed. What's this all about?

A. It is a provision that would be attached to our authorization bill that would basically, at least in its original form, in my view terminate the dialogue that has been established between the United States and the PLO.

Q. How would it terminate it?

A. It would terminate it by saying in effect that no appropriated funds could be used to engage in a dialogue with anybody who had been a conspirator in or an accessory to or participated directly or indirectly in a terrorist activity and so forth. That would be very difficult. It would be very difficult to maintain the dialogue in the face of that kind of language when you consider that the Palestine Liberation Organization was, in fact, a terrorist organization.

Of course they met the U.S. 13-year-old conditions for discussions between the United States and the PLO when they renounced terrorism and accepted UN Resolution 242 and so forth back in December of 1988.

Q. But the U.S. representative in Tunis has talked to—the problem here, as you know, is over Abu Iyad, who is the number two man in the Palestine Liberation Organization, a man who was involved in terrorist activities, including the Munich massacre of the Israeli athletes in 1972. When was it decided that the United States would talk to him? And explain what the position was that led to those talks, and why now—

A. The position, as I mentioned earlier, is that in December of 1988, the Palestine Liberation Organization met the three conditions that the United States had put forward as conditions for a dialogue that had existed for some 13 years.

So we began a dialogue with the PLO through our Ambassador in Tunis, and we said this is the only channel that we will use for this dialogue. And it is the only channel that we do use.

He has talked to a number of individuals in the—we didn't say that we wouldn't talk to anybody or that we wouldn't talk to members of the PLO. W said we would begin a dialogue; and we have, and we did, and we've talked to a number of different people.

Q. And you want to continue to talk to Iyad and anybody else, right?

A. Their having met our condition of 13 years, it's important that we maintain this dialogue if we're going to mak progress toward peace in the Middle East.

If the legislation that you referred to were to pass in the form that Senato Helms submitted it, in our view it woul mean we would have to terminate the dialogue. We think that would be, frankly—we believe—I'm not sure that there's agreement on this over there—but we think that would be adverse, as matter of fact, to the interests of the State of Israel.

One thing we know is, it would end the dialogue, and we think it would mean there would be less chance of our making progress toward peace in the Middle East.

Q. Have you worked out a deal with Senator Helms on it?

A. No.

Q. You mean the bill is still hot?

A. They're still working the bill up there on the Hill.

Q. How serious a matter is this? Are you going to pull out all the stop you can command to stop this?

A. We're doing what we can.

Q. But no deal yet?

A. We're working on the basis of quiet diplomacy.

Q. Quiet diplomacy. Okay. In oth er words, you're not going to say any more about it. I got that message.

The Shamir election proposals—are they dead?

A. No, I hope not. We've been worl ing very hard to implement the Shamir election proposal. We've been talking to a number of leaders in the European Community. The President talked to th summit seven. I talked to my counterpart Foreign Ministers and have been for 5 or 6 months. I think we've moved them, many of them, toward support of the election proposal. We have been talk ing to Arab governments because we think it offers a real prospect of moving the peace process forward.

When Prime Minister Shamir came to the United States, he said, "I think we ought to look at the possibility of elections in the territories; we ought to look at the possibility of discussions between Israelis and Palestinians in the territories, leading to elections in order to launch," he said, "a political negotiation." We think that deserves to be worked very hard, and we're working it very hard.

Q. Then you disagree with the PLO's position that the situation is dead as a result of Shamir embracing some new rules that the party put on these negotiations?

A. Yes, we do disagree with that. I will say that we were concerned, when the party rules came out, that Israel might in a sense be devaluing its own initiative. We have since satisfied ourselves that the initiative is very much alive and well, that they're pushing it, that the Israeli Government subscribes to it. The Prime Minister himself has said it has not changed one iota. They are in the process, I think, of working out arrangements to reaffirm it.

So we continue to support it. We think it offers great promise and hope. We hope it does. It's the best thing we know of that's going in favor of making progress toward peace in the Middle East.

[1] Press release 143.■

Review of U.S.-South Africa Relations

by Edward J. Perkins

Address at the Foreign Policy Association's "Think International" essay contest in New York City on June 6, 1989. Ambassador Perkins was U.S. Ambassador to South Africa (1986–89) and is nominee to be Director General of the Foreign Service.

President Kiermaier and members of the Foreign Policy Association, and winners of the Think International contest, I am delighted to have this opportunity to interact with you on this eighth annual Think International Essay Contest. The subject of the essays upon which you have been judged suggests that I should be discussing foreign affairs as a career rather than a single substantive subject such as South Africa. However, recognizing the interest occasioned by my recent assignment in that country, I will try to do a bit of both.

I have just completed my tour in South Africa. As I said some weeks ago, it has been exciting and rewarding. When I first arrived, I was convinced that the United States needed to be in South Africa. I left even more convinced. Representing the United States was a challenge every day; manifesting in an overt and psychological way what our country is, and what we stand for as a nation, represented important policy objectives.

The South Africa of 1989 cannot be explained away by a few well-chosen cliches. The land, the society, and the peoples represent a far too complex module to do that. But the people and the land have promise. I said so when I left. South Africa is still a twice-promised land, seen from the view of both blacks and whites. But it does manifest the hope of better things to come. Several recent changes in the region will help. The implementation of UN Security Council Resolution 435, and eventual independence of Namibia, is an excellent example.

My hopes for South Africa are buttressed by several truths: The courage of United Democratic Front (UDF) President Albertina Sisulu, who never stops fighting for change in her country even though she is restricted. The warmth and good will of black South Africans is still evident in spite of bitter experiences under apartheid. And the growing numbers of white South Africans who are attempting to make a difference in many ways, such as talks about talks, providing legal defense, and the manifestation of a resultant desire to rise above petty racism and look to a greater nonapartheid South Africa. The government has been successful in reducing overt manifestation of discontent in the townships, but it has succeeded in reinforcing the determination of blacks to change that system.

Being in South Africa has been an extraordinary educational experience. Let's review the job of representing the United States in South Africa. It's not an easy job; there my staff and I were reminded every day of the assault on the values we as a nation cherish. There were constant efforts to get us to take sides. Some whites accused us of selling them out for political expediency; some blacks accused us of not doing enough to hasten the end of apartheid. Some South Africans called on us to assist them with financial assistance. Some wanted more sanctions, while some wanted fewer. One thing remains clear: South Africans of every persuasion, whether they agree with us or not, find the United States attractive. They place a great deal of importance on what the United States says and does. Thus, we carefully and purposefully try at all times to manifest the values which make our country unique: individual rights, human rights, equality under the law, and due process. This rather than taking sides. dents and their teachers are honored.

As I've said often in this country, South Africa is an issue which consistently excites greater and more emotional interest than almost any other foreign policy issue. That is rightly so. In my judgment, our history of race relations and civil rights endows us with a unique sensitivity to the evil of racism anywhere. And it fills us with a special commitment to its eradication everywhere. That is not to say that we all agree on how best to proceed. The problems of South Africa and its neighbors pose special challenges and obligations for the United States and for the making of foreign policy.

The Foreign Policy Association and the students who analyze *Great Decisions* play an especially valuable role in

raising America's consciousness about the importance of looking critically at our national interests in the pursuit of foreign policy. Foreign policy is the product of a logical policymaking process which recognizes our national interests, the reality of the world situation, our objectives, and our resources to pursue and achieve those objectives. Our foreign policy toward any country or region is not about choosing sides; it is about choosing principles on which we as a nation will stand and which rest firmly on the national interests. This is especially true in the emotional climate of South and southern Africa.

U.S. Interests in Southern Africa

The foundation of an effective foreign policy is a realistic appraisal of what our interests are. In southern Africa, it seems to me that our most important interests are: the promotion of political and economic freedom and democracy as well as respect for individual liberty and basic human rights.

This means, as a starter, the elimination of apartheid in South Africa and its replacement with a democratic government which provides for full and equal participation by all South African citizens. It means the maintenance of supplies of key strategic minerals, which South Africa alone supplies the United States. It means the maintenance of American influence through good and mutually productive diplomatic, economic, and cultural relations with nations in the region.

It means the elimination of regional tensions which could escalate into superpower confrontations. This must feature the promotion of regional security and stability which has, as its foundation, the respect for established borders, noninterference in the internal affairs of other countries, and the pursuit of a mutually beneficial interdependence in the aftermath of a democratized South Africa, the promotion of the full implementation of the recently signed tripartite agreement and of UN Security Council Resolution 435, plus the resolution of remaining regional conflicts.

Situation on the Ground

How well are we doing? Not as well as we'd like. True, we continue to have an uninterrupted supply of the strategic minerals we buy from South Africa, despite its internal tensions. We also maintain varying degrees of influence with each nation in the region, through a combination of economic and diplomatic relations. But on the other hand, apartheid continues to be a major cause of regional instability.

The South African Government's systematic denial of the human rights of a majority of its citizens has alienated blacks to such an extent that the government's credibility with any legitimate black South African leader has been seriously eroded.

The twin spirals of violence and repression within the country seem inextricably linked. This is going to remain that way until the South African Government takes major steps toward the total elimination of apartheid and sits down to talk with credible black leaders, without a prearranged agenda, instead of jailing them.

The front-line states, particularly Botswana, still remain fearful of getting caught in the crossfire of the shadowy battles between the South African Government and its enemies. This has contributed significantly to a tense atmosphere throughout the region.

Civil wars still rage in Mozambique and Angola, causing untold human suffering and economic losses. A serious process of national reconciliation is necessary in both countries if regional stability is to be achieved.

The disease AIDS [acquired immune deficiency syndrome] threatens the already fragile economies of the region by killing off the most productive and talented members of those societies. It has dire implications for the leadership of every country in the region, implications on which some governments have yet to focus their attention. Government officials, including those in the United States, Western Europe, and Africa, ignore the implications of this disease at their own peril.

Positive Factors

There are a number of factors, though, which may provide a good starting point for the continued pursuit of our interests.

The Angola/Namibia arrangement could herald a new age of pragmatism, "enlightened self-interest" within regional relationships, and a new respect for the word "negotiation." The recent sessions of the joint commission in Havana, Luanda, Cape Town, and in Namibia among representatives of Angola, South Africa, and Cuba, with observers from the United States and the Soviet Union, is a positive spinoff from the Angola/Namibia settlement. The commission, established under the recently concluded tripartite agreement, acts as ombudsman for players in the region and provides an important model for future regional cooperation. The participation of the United States and Soviet Union in the commission is an important step toward regional cooperation between the superpowers.

The seeming new Soviet willingness to approach regional conflicts as a stage for cooperation rather than competition has opened up new possibilities for regional stability in Southern Africa.

There is growing realization among all African governments that political and economic power centralized in the hands of the state is not necessarily the most efficient way to manage a country. Governments in the region are looking at market economies as a more useful approach.

Inside South Africa, there is still a boundless determination among blacks and whites who oppose apartheid to forge ahead in search of new models, in spite of the repression and the violence arrayed against them. They are, in effect, pulling the government along with them. The examples are numerous.

- The women of the Black Sash who stand with placards on street corners in solitary protest against the detention of children, in spite of the abuse of passing motorists.
- The *Vrye Weekblad* newspaper, whose editors risk financial ruin, ostracism, and prison to convince their fellow Afrikaners that there is a life after apartheid, that there is a brighter future than the frustrated present.
- The black taxi drivers who have organized themselves to take on the full power of state bureaucracy to get a piece of South Africa's wealth for themselves.
- The determination of newspaper editors like Aggrey Klaaste of *The Sowetan* newspaper, who devised the "nationbuilding" concept to prepare blacks for political and economic power in South Africa.
- The South Africans of all races and vocations who, tired of their government's intransigence, seek their own talks with the African National Congress (ANC) on the future of South Africa.
- The detainees who put their lives on the line with hunger strikes in defense of the fundamental human right

hat no person shall be detained with-ut charge or trial.

• The Lawyers for Human Rights vho defend countless persons who have een charged with treason but in real-ty have engaged in nonviolent protests.

• The South African Government's ecent release of detainees in a system-tic manner.

he South African overnment's Response

he courageous actions of these men nd women have not resulted in a dem-cratic South Africa, but there is some ttention being paid to them. However, partheid remains very much a part of outh African Government policy. It is uttressed by three pillars:

• The Population Registration ct, which decrees that each person be lassified at birth according to his or er race;

• The Separate Amenities Act, vhich allows for the segregation of pub-ic facilities according to those racial lassifications; and

• The Group Areas Act, which lictates where people may live on the asis of their racial classification; and, nost importantly, the deliberate exclu-ion of black people from political and conomic power.

Apartheid has resulted in the poor ducation of South African blacks, ampant unemployment, forced remov-ls of entire communities, crushing overty, wages below the subsistence evel, the perpetuation of racism, and host of other evils. It is to blame for he recent developments in towns con-rolled by the Conservative Party in vhich blacks are banned from enjoying he parks and other recreational facil-ties that their tax dollars help to upport.

Perhaps even more disturbing are he barriers which the South African overnment has erected to defend this odious system. Under the state of emer-gency, which has been in force since une 1986, South Africans have experi-nced an unprecendented erosion of heir civil liberties. We estimate that nore than 30,000 South Africans, in-luding children, have been detained vithout charge or trial for at least some eriod since the state of emergency be-gan. Some of the detainees were in de-ention for almost 3 years, without ever eing told why or when they'd be re-eased or charged. However, the South frican Government has begun a sys-tematic review of all detainees, and releases are occurring. We hope and urge that the practice ceases entirely.

Antiapartheid activists have disappeared and been attacked and murdered under mysterious circumstance without anyone ever being prosecuted. Freedom of the press in South Africa has been seriously eroded. The government enjoys sweeping powers of censorship. The Minister for Home Affairs may temporarily close any newspaper if

President Meets With South African Antiapartheid Activist

PRESIDENT'S STATEMENT, JUNE 30, 1989[1]

(White House photo by Michael Sargent)

I have been pleased today to welcome to the White House Mrs. Albertina Sisulu of Soweto, South Africa. "Mama Sisulu," as she is known by her legion of admirers, is copresident of the United Democratic Front, a coalition of multiracial South African organizations opposed to apartheid. The UDF is among the organizations banned by the South African Government, and Mrs. Sisulu has been subjected to imprisonment, house arrest, and to government restrictions on her activities. However, she remains a strong advocate of nonviolence and of a nonracial South Africa.

Mrs. Sisulu has lived a life of sacrifice for the betterment of all South Africans. At age 70, she continues to be active in the service of others. Each day she travels more than an hour to reach her job as a nurse in a clinic which cares for the neediest residents of Soweto. She personifies the struggle for human rights and human dignity, and her presence here is an inspiration to us all.

As I told Mrs. Sisulu in our meeting, the United States also believes fundamentally in human rights and human dignity. We believe strongly that apartheid is wrong and that it must end. We want to see the creation of a nonracial and democratic South Africa as a result of negotiations among legitimate representatives of all of South Africa's people. We support the beginning of a process leading to a peaceful transition to democracy.

To achieve our goal, we intend to expand our assistance to black South Africans to help them both economically and politically so they can play their rightful role in determining the future of their country. We will work with the Congress to increase present programs and develop new ones to assist black South Africans in the critical areas of human rights, education, employment, housing, and community development. Such programs should not be misunderstood as our acquiescing in apartheid but, rather, viewed as a determined effort to bring it to an end.

We will work closely with our allies—particularly the British, Japanese, West Germans, and Portuguese—to develop mutually supporting policies and cooperative programs to resolve the political impasse created by apartheid and to assist in the advancement of black South Africans. These nations have important historical, cultural, and economic ties with South Africa, and their wisdom and influence need to be brought to bear on the problems of South Africa and the region.

Again it has been an honor to be with Mrs. Sisulu here today. Her struggle and that of her husband, Walter, who remains in prison, and her children remind us of the price of freedom and the hope which her example inspires in all of us.

[1] Text from Weekly Compilation of Presidential Documents of July 3, 1989. ■

he believes that its reporting threatens the government's security, and he may do so without judicial review. Members of the security forces enjoy full indemnity for any actions they take under the state of emergency, again, without judicial review.

The South African Government has brought treason charges against some of South Africa's most talented citizens because they participated in nonviolent civil disobedience campaigns against apartheid policies. The most notable of these was the recently concluded "Delmas treason trial," which resulted in treason convictions of UDF leaders Moss Chikane, Patrick Lekota, and Popo Molefe.

These violations of human rights are not a problem only for today. Governments seldom divest themselves of the powers they accrue. Throughout all of this, the South African Government continues to refuse to talk to many of the people and organizations who represent the feelings and aspirations of a large majority of South African blacks. The restricted United Democratic Front, the Azanian People's Organization, and a host of civic, youth, and religious organizations, which are committed to nonviolent opposition to apartheid, are examples.

Afrikaners are the governors of South Africa. They must overcome their reluctance to recognize that it is they who hold the key to peace and democracy in South Africa. That must include opening the *laager* [camp], with all the benefits it provides, to all South Africans. The new leader of the nationalist party, Minister of National Education, F. W. de Klerk, has indicated that change must come. We will wait and see where he is coming from.

What Can We Do?

I have described what our interests in South Africa and southern Africa are. I've surveyed how reality measures up against those interests. Now comes the hard part of policymaking: What can we do to make reality more in accord with our interests? Some assumptions about the "policy environment" which must be considered when devising a policy.

First, the self-destructive politics of this region over the past few years have prevented it from realizing its vast economic potential.

Second, the policies of the South African Government are largely responsible for the endemic instability within South Africa. Our efforts must consequently focus on influencing and changing those policies through our relationship with the South African Government.

Third, experiences at the community level of townships and on the shop floors of unionized workplaces demonstrate that South Africans have an enormous capacity for, and love of, democracy. There is a general consensus on the need for individual rights, for an independent judiciary, and for free trade unions among all who believe in and are planning a postapartheid South Africa.

The South African Government's opponents bear some responsibility for creating a climate conducive to the removal of apartheid. This means that antiapartheid activists and organizations must spell out their ideals of how South Africa would look after apartheid and challenge the political leaders of the government.

To make our views known, we will continue pressure on the South African Government for fundamental political change: a new constitutional order with equal political, economic, and social rights for all South Africans; a democratic electoral system with multiparty participation and universal franchise for all adult South Africans; effective constitutional guarantees of basic human rights for all South Africans as provided for in the Universal Declaration of Human Rights and the canons of democracy everywhere; the rule of law safeguarded by an independent judiciary with the power to enforce the rights guaranteed by a constitution to all South Africans; and an economic system guaranteeing economic freedom for all South Africans.

Sanctions will remain in effect, in one form or another, until apartheid has been eliminated in South Africa. U.S. sanctions, some dating back to 1963, are the most severe of any of South Africa's main trading partners. Yet it has been difficult to assess the economic impact of sanctions on South Africa or to demonstrate that they are helping to move South Africa in a positive direction.

The South African Government has contained the black rebellion of 1984–86 and has laid the foundation for many more years in power. The ANC, PAC [Pan-African Congress], and other organizations which conduct "armed struggle" strategies are no closer to overthrowing the South African Government through military force than they ever were.

South Africa is in the throes of tu moil and change. This is perhaps best symbolized by the apparently imminer departure of State President P.W. Botha from the stage of South African politics. It is also reflected in the continuing and so far unsuccessful efforts of the South African Government to include blacks in some central government body and steps toward the re ognition of black rights or residence and citizenship outside the "homelands

Consequently, we must be careful to avoid damaging this process of change by taking a wrong step. We must also remain flexible in our policy so that we may react quickly to chang ing events on the ground. Contrary to popular perceptions, especially in South Africa, the United States and other Western nations have only limited leverage in effecting change in South Africa. The model and change must be developed by South Africans; we can't do it, but we can be facilitative

Finally, it will take generations t repair fully the damage that apartheı has inflicted on South Africans, black and white. The failure to begin work this repair job immediately will impe il a smooth transition to a democratic postapartheid South Africa. This mea we must dedicate our resources to hel ing blacks achieve the power of which they have been systematically deprive by supporting their education and eco nomic and political empowerment.

We will vigorously continue to su port black political and economic empowerment in a number of ways. This includes scholarships for black studen to pursue university study in the United States and South Africa, together with financial help to human rights organizations and legal assistance to organizations and individuals who are struggling against apartheid. It includes support for community-based organizations and for the training of their leaders, as well as assistance to black business and other democratic change agents. This year the U.S. Government will spend approximately $34 million in these areas

We will maintain regular contact with the ANC, PAC, and other exiled organizations and with the South Afri can Government and continue pressur to get them talking with each other instead of shooting at each other.

We will promote contacts among South Africans of all races and encour

ge them to overcome the barriers hich apartheid has erected. One of he most remarkable experiences for ne, as an outsider in South Africa, is o witness the huge gap between blacks nd whites. We work hardest in our mbassy at bringing whites and blacks ogether, under our roofs, so they can sk each other questions of mutual interest and get to know the other.

The United States has traditionlly been a strong voice in defense of uman rights. We will continue to ighlight and condemn the systematic iolations in which the South African overnment engages. We will offer hatever support and assistance we an to the victims of these violations in heir struggle for justice. This will usully take the form, but not be limited o, legal assistance.

We will continue pressure on the outh African Government for fundaental political change which will feaure the full political enfranchisement f all its citizens. We recognize that he South African Government faces a hreat from conservative whites who re demanding more apartheid, not ess. With this in mind, we welcome reent remarks by South African officials hat they will speed up the pace of potical reform despite the right-wing hreat.

We will note significant progress ade toward the dismantling of apartheid. We will continue to let the South frican Government know that we ant to help, not destroy. Nevertheess, it is the actions of the South Afican Government we will respond to nd not conciliatory words uttered in arliament.

Finally, in large measure, the nited States shares its interests in outh Africa with most of its Western llies. Consequently, in light of the ather limited leverage we all have seprately, we must coordinate and unify ur policies on South Africa for maxmum impact.

Regional Policy

The confluence of our interest, assumpions, and reality also produces a clear ath for our policy for the entire southrn African region. We will continue upport for the Southern African Deelopment Coordination Conference nembers' efforts for most productive, elf-reliant economies.

We view the Angola/Namibia peace rocess and the Nkomati accord before t as prime examples of how governments within the region can pursue mutually beneficial relations in spite of their differences. We recognize Angola's leading position in the front-line states and as an important American trading partner.

We will continue our support for the Botswanan Government's efforts to maintain its sovereignty and territorial integrity in the face of outside pressures.

In Zimbabwe, we are pleased with the progress President Mugabe has made in resolving the differences between rival political factions. Zimbabwe is a valuable, if imperfect, example for South Africans who are working for a new South Africa based on interracial cooperation.

Mozambique's continuing and brutal civil war pains us, and we wish to be of whatever assistance we can in bringing it to an end. After the war ends, there will be a lot of cleaning up to do. We stand ready to help President Chissano and the Mozambican people in this effort.

We anticipate the coming independence of Namibia with great enthusiasm and promise to work with all governments to help assure the success of this new member of the world of free nations. We also note South Africa's willingness to work toward this end.

The Soviet Angle

I might mention the Soviet role. As a superpower, the Soviet Union can naturally play a major role in the politics of southern Africa. The Warsaw Pact is the ANC's chief source of funding. The MPLA [Popular Movement for the Liberation of Angola] has received much of its assistance from the U.S.S.R. and its allies.

The Soviet Government's new sense of pragmatism and realism in its relations not only in Africa but throughout the world is a promising development in world politics. The Soviets played a valuable role in the Angola/Namibia peace process, and we look to them to continue to act responsibly in the region.

A Letter From a Pretoria Jail

Something I will always treasure from my time in South Africa is a letter I received from United Democratic Front leaders Popo Molefe, Moss Chikane, and Patrick Lekota on the eve of their sentencing for treason last December. I feel privileged to know these men. I sometimes visited them during their lengthy trial to share a few words of support and encouragement during the breaks in the court proceedings. Today, Moss and Popo are serving 10-year sentences and Patrick, whose nickname is "Terror" for his prowess on the soccer field, is serving a 12-year sentence. Those three men are among South Africa's best and brightest, yet they languish in prison, incarcerated by the government which does not want to hear what people think. I'd like to close by quoting from their letter to me, for it is a telling example of the importance of the United States in South Africa.

> We can no longer delay the writing of this note to you. As you are aware, when we next return to court, it will only be to hear evidence in mitigation of sentences. Soon thereafter, sentences will be passed. Then there will no longer be proper opportunity to communicate with all those who stood by us throughout the duration of the trial.
>
> We are writing to convey our final gratitude to you and your staff for all the warmth, deep concern, and general sympathy you showed us and our families during these past three and half years of trial. The presence of all of you...providing us with a measure of reassurance. We always felt then that your presence would somewhat force our captors to observe the necessary decorum. We felt assured that both your government and the people of your country would be properly briefed on the nature and proceedings of our trial.
>
> But above all, your company during the brief and boisterous adjournments gave us a sense of belonging and of community. Your kind words immensely fortified us, for we realized from them that the world beyond the borders of our country is filled with millions of people who understand the agony of our lives under apartheid. Our faith in humankind was, therefore, greatly strengthened.

For the sake of these brave men and for all South Africans, the eradication of apartheid through an effective and unified policy that reflects our values as a people is essential. Congratulations to those who have been judged winners tonight; you are the future. The Foreign Policy Association is due a hugh commendation for its community sensitivity.■

U.S. Efforts Against the Spread of Chemical Weapons

by Reginald Bartholomew

Statement before the Subcommittee on International Finance and Monetary Policy of the Senate Committee on Banking, Housing, and Urban Affairs on June 22, 1989. Ambassador Bartholomew is Under Secretary for Security Assistance, Science, and Technology.[1]

I am pleased to have the opportunity to appear before you today to discuss with you the principal elements of our policy on chemical and biological weapons. These hearings come at a time of dynamic movement in the field of arms control. We have witnessed, and we have been the catalyst, for significant events which could affect world peace and the security of the United States for many years.

Chemical and Biological Weapons Sanctions Legislation

Let me first discuss the Administration's approach to a number of bills presently before the House and Senate which would impose sanctions on foreign countries which use chemical and biological weapons materials and technology. I want to emphasize that we welcome the interest and concern demonstrated by both Houses of Congress on this issue. To the extent that we can coordinate our respective efforts, the greater will be our prospects for success in achieving President Bush's ultimate goal of a world without chemical weapons.

I should note that there already exists legislation, including the Export Administration Act, the Arms Export Control Act, and the International Emergency Economic Powers Act, which give the President many of the authorities proposed in the pending bills.

We, nonetheless, welcome the opportunity to work with Congress to strengthen our tools for combating chemical weapons proliferation. In doing so, we agree that some forms of sanctions, if appropriately formulated, would give the Administration an additional instrument against countries that use chemical weapons and companies that aid proliferation. The key question is how sanctions would be implemented. Application of such sanctions must be subject to executive discretion, and there must be no automatic, retroactive, or extraterritorial application. Legislation should also encourage multilateral cooperation and action and avoid excessive emphasis on unilateral actions, both to maximize the deterrent effect of our efforts and to avoid discriminatory impacts on U.S. firms. We look forward to working with the committee to develop legislation in this area.

Status of the Chemical Weapons Negotiations in Geneva

The United States has been negotiating at the Conference on Disarmament (CD) in Geneva on a comprehensive treaty to ban chemical weapons from the world's arsenals. The draft treaty, tabled by then-Vice President Bush in 1984, remains the basis for negotiations. There are a number of key issues remaining to be resolved before we can conclude a comprehensive chemical weapons ban. These include, first and foremost, effective verification—including provisions for monitoring the chemical industry and for security during the destruction phase—and the protection of confidential business information and sensitive national security information and facilities. These are difficult issues, and they will take time and concerted effort by all CD members to resolve.

The United States has repeatedly affirmed its commitment to the CD negotiations. President Bush, during his address to Congress in February, stated his personal commitment to "banning chemicals from the face of the Earth." He reaffirmed that commitment at the NATO summit on May 29 when he said "the alliance should support efforts to move ahead toward an effectively verifiable global chemical weapons ban. We must achieve a global chemical weapons ban as quickly as possible."

U.S. initiatives such as those that led to the Paris Conference on Chemical Weapons Use in January 1989 and the Australian Government and industry conference later this year, in September, demonstrate our commitment to the President's goal. In addition, while we are consulting closely with a lies on our approach to the entire rang of arms control issues, we also contin a regular series of bilateral discussion with the Soviet Union on chemical weapons treaty issues and on the dangerous proliferation of chemical weapons capabilities to problem countries.

U.S. Export Controls

In the interim—until a comprehensive effectively verifiable, and truly global ban can be achieved—the United States has undertaken a number of un lateral measures to address the problem of chemical weapons proliferation Proliferation of chemical weapons makes it more difficult to attain a glol al and effectively verifiable ban and greatly increases the risk of use. Through the Department of State Office of Munitions Control, the Interna tional Traffic in Arms Regulations govern the export of munitions items, including chemical agents and related equipment. The United States currently exercises foreign policy export controls on 40 designated chemical weapons precursors, 11 of which require a validated export license for ex port to all destinations, except to members of the Australia group, whic I will describe more fully in a momen The remainder require a validated ex port license for COCOM [Coordinatin Committee for Multilateral Security Export Controls] proscribed destinations and/or Iran, Iraq, Syria, and Libya as well as Cuba, Vietnam, Cambodia, and North Korea. The licensing policy is to deny applications for Iran, Iraq, Syria, and Libya, while applications for Cuba, Vietnam, Cambodia, and North Korea are denied in conjunction with the general trade em bargo for these countries. Exports to other destinations may be approved, unless we believe they will be used for chemical weapons purposes.

The controls are effective in preventing direct U.S. exports of the designated chemicals to targeted countries. However, controls set by th United States and other members of the Australia group have not prevente acquisition of chemicals by countries c concern. Suppliers and producers are becoming more adept at circumventin the controls, few countries practice

export control over the chemicals, d chemicals may be purchased from untries that do not belong to the ustralia group.

In addition, in order to coordinate r intragovernmental efforts to con- rain chemical weapons proliferation, February of this year, we formed an teragency interdiction committee to sure timely and appropriate action information on the flow of chemical eapons materials and technology to oblem countries. The group monitors telligence, coordinates proposed de- arches, and provides a centralized echanism for obtaining clearance to wngrade or release intelligence in- rmation and ensure necessary fol- wup. We expect that this committee ill contribute to the effort to slow oliferation and make it more difficult r countries of concern to maintain or quire a chemical weapons capability.

he Australia Group

the multilateral arena, the Australia oup, to which I referred earlier, is a rticularly important element of our fort to curb chemical weapons prolif- ation. Under the chairmanship of ustralia, the group has been consult- g informally since 1984 to improve e effectiveness of export controls on al-use chemicals and to find ways to rb illegal use and proliferation of emcial weapons.

Chemical weapons use in the Iran- aq war spawned formation of the Aus- alia group in 1984. The United States pported Australian efforts to lead e group of 19 industrialized nations, hose goal is to discourage and impede emical weapons proliferation by har- onizing national export controls on emical weapons precursor chemicals d by exchanging information on emical weapons proliferation and eking other ways to curb the use of emical weapons.

The group meets informally twice year in Paris. Group members are: C [European Community]–12, United ates, Australia, New Zealand, Japan, anada, Norway, and Switzerland. ustria will likely join in November. he group has no charter or constitu- on and operates by consensus. Agree- ents are not binding under inter- ational law.

The group has an informal "warn- g list" of 50 chemical weapons precur- rs. Most members share the list with eir chemical industry and ask chemi- l firms to report and turn down transactions which might be associated with the chemical weapons programs of Iran, Iraq, Libya, and Syria. The United States itself controls 40 of these 50 chemical weapons precursors and is looking at bringing the other 10 under control with regard to those four countries. A subset of the warning list is a group of nine "core list" chemicals for which Australia group members have commited themselves to impose domestic export controls to ensure peaceful and legitimate end use.

At the last meeting, in May 1989, the group continued to make progress on adding new chemicals to the warning list and responded favorably to a U.S. proposal on information exchange. The next meeting is scheduled for mid-December 1989.

The Australia group has enjoyed a measure of success. Its efforts have made it more difficult for would-be proliferators and others to obtain chemical weapons precursors. But, it, unfortunately, remains true that countries intent on acquiring such chemicals can still do so.

Australia Government and Industry Conference on Chemical Weapons

Another element of our approach to addressing chemical weapons proliferation has been to call attention to the problem on a global scale. At U.S. initiative, the Paris Conference on Chemcial Weapons Use was held in January. As a further step, at the Vienna meeting of foreign ministers on March 6,

CFE Talks End Round Two

Following is a statement by Ambassador Stephen J. Ledogar, head of the U.S. delegation to the negotiation on conventional armed forces in Europe (CFE), made in Vienna on July 13, 1989.

In the short time since the CFE negotiation began, West and East have made significant progress toward achieving an agreement. Advances have been registered at a time when, in other arms control negotiations, we were still getting organized and establishing basic guidelines.

When this negotiation began in March, Western representatives came armed with a fully developed proposal which was designed to eliminate disparities in those caregories which we believe represent the core of the capability to launch a surprise attack and initiate large-scale offensive operations; tanks, artillery, and armored troop carriers—those forces most relevant to the ability to seize and hold territory.

Despite our conviction that those forces warranted priority handling in this negotiation and that including aircraft, helicopters, and personnel would pose significant challenges, NATO leaders pledged on the 30th of May in Brussels to extend our initial proposal also to cover land-based combat aircraft and helicopters and stationed U.S. and Soviet ground and air force personnel. The West thus made a major move in the East's direction.

In order not to lose the momentum generated by that decisive step, Western representatives have worked intensively these last several weeks to flesh out the Brussels initiative. NATO leaders had made a pledge that the West would table its fully fleshed out new proposal by September 7. In presenting an expanded outline today, however, we have overfulfilled the plan—to steal a phrase from our Eastern colleagues.

We in the West wanted our Eastern partners to be in a position to return to their respective capitals with our expanded outline, including new specifics of our proposal. We trust the Eastern side will examine our ideas with care. In this connection, we were encouraged by the statement made by the Warsaw Pact Political Consultative Committee, which met recently in Bucharest, confirming the resolve of members to "do everything possible to achieve positive results at the Vienna talks as soon as possible." We noted that Eastern experts were to be "given instructions to work out the appropriate proposals as a matter of urgency" and that an accord would be possible in 1990.

In sum the West is pleased that the East has accepted our challenge to work together to reach an agreement in 6 months to a year. The presentation today of the expanded outline of NATO's proposal has demonstrated our commitment to that goal. ■

Secretary Baker called for an international conference of governments and the chemical industry, which Australia has agreed to host, September 18–22, 1989, in Canberra. We believe that this will be an excellent opportunity to involve industry and governments worldwide in the common effort to control the trade in chemical weapons precursors, as well as to gain industry support for the Geneva negotiations on a chemical weapons ban. We hope that the conference will focus particularly on government and industry cooperative efforts to control the movement of precursors in international commerce.

U.S. Diplomatic Efforts Against Chemical Weapons Proliferation

In addition, the United States is engaged in a major diplomatic effort specifically to prevent the acquisition by problem countries of a chemical weapons capability. We have publicly called on all governments to halt whatever assistance they, or their firms or citizens, might be providing to Libyan and other would-be proliferators. Privately and confidentially, we have also raised specific concerns with several governments concerning reported involvement by firms in their country in these chemical weapons programs. Several governments have subsequently taken significant steps to help prevent further foreign assistance to problem countries. The United States will continue its vigorous diplomatic efforts to encourage others to take action which will help ensure that Libya and other would-be proliferators do not succeed in achieving full-scale chemical weapons production. For example, we have consulted closely with the Government of Japan concerning the involvement of Japanese firms at a metal fabrication plant adjacent to the Libyan chemical weapons plant at Rabta. The Government of Japan informed us that, as of July 1988, Japanese firms had ceased all involvement with the metal fabrication plant. In addition, the Japanese Government has taken a number of measures on its own initiative to strengthen export controls on precursor chemicals.

We also have consulted closely with the Federal Republic of Germany and are gratified by the legislation introduced in Bonn which would greatly tighten laws against the export of chemical weapons precursors and technology. We understand that legislation would make it a crime for a citizen of the Federal Republic to participate in the construction of chemical weapons facilities like the one at Rabta. In addition, the European Community—at West German initiative—has taken up the chemical weapons issue on an urgent basis, has called for EC-wide export controls on eight chemicals, and is considering ways to coordinate export controls on other chemical weapons-related commodities, including equipment.

We believe that the full range of our nonproliferation efforts, through participation in the Australia group, diplomatic overtures to allies and others, and consultations with the chemical industry, have helped to impede the spread of chemical weapons capabilities. While we cannot claim to have stopped the traffic in chemical weapon materials and technology, we have succeeded in enlightening responsible government and industry leaders to the

NATO's Conventional Force Reduction Proposal

WHITE HOUSE FACT SHEET, JULY 12, 1989[1]

On July 13, at the conventional armed forces in Europe (CFE) negotiations in Vienna, the NATO allies will table the specifics of their conventional force reduction proposal, based on the initiative President Bush put forward at the NATO summit. In formally tabling the President's proposal in Vienna, NATO is advancing the CFE process by providing the Warsaw Pact with details 2 months before the original Western target of September 7. This will allow the East to begin immediate examination of these details and hopefully allow the East to respond formally when the negotiations resume in Vienna in September.

At the May 29–30 NATO summit meeting, the alliance agreed on a far-reaching conventional arms control proposal which has now been incorporated into the NATO CFE proposal. It has the following elements:

- To lock in Eastern acceptance of the proposed Western limits on tanks (20,000 for each side) and armored troop carriers (28,000 for each side) and artillery pieces (from 16,500 to 24,000 for each side, depending on the resolution of questions about definitions). Equipment reduced would be destroyed. This provision would oblige the East to destroy tens of thousands of weapons systems and eliminate its preponderance in these important components of military strength;
- That the West expand its current proposal to extend, for the first time, the concept of conventional arms control to all land-based combat aircraft and helicopters in the Atlantic-to-the-Urals (ATTU) area to a level 15% below the current NATO total;
- To establish a manpower ceiling of 275,000 each on U.S. and Soviet ground and air forces stationed outside of their respective national territory in the ATTU zone. The United States would take a 20% cut in combat manpower in U.S. stationed forces, with a resulting ceiling in U.S. and Soviet ground and air forces stationed outside of national territory of the Atlantic-to-the-Urals zone of approximately 275,000 each. This manpower ceiling will require the Soviets to reduce their forces in Eastern Europe by about 325,000. The soldiers and air personnel withdrawn on both sides would be demobilized.

The updated NATO proposal to be tabled on July 13 will, in addition, state that in the case of combat aircraft, each side would have no more than 5,700 aircraft. In the case of combat helicopters, each side would have no more than 1,900 helicopters.

NATO is proposing an accelerated timetable for reaching and implementing a CFE agreement along the above lines. The allies would like to reach an agreement with 6–12 months and accomplish the reductions by 1992 or 1993. By tabling details of the Western proposal now, the allies demonstrate their commitment to giving greater momentum to the CFE negotiations.

[1] Text from Weekly Compilation of Presidential Documents of July 24, 1989.■

oblem and in enlisting their coopera-on and have made it that much more ifficult for states to acquire or expand emical weapons capabilities.

ithdrawal of U.S. Chemical eapons Stocks From West Germany

he President has also pledged to seek ays to accelerate the withdrawal of e unitary chemical weapons stocks om the Federal Republic of Germany. s the committee is aware, there was n existing political commitment to ithdraw those stocks by the end of 92. This was in response to the con-rns of our German ally.

Accordingly, the President etermined—after consultation with llies and, in particular, with the Ger-an Government—to announce our in-ntion to explore ways and means of ccelerating chemical weapons with-rawal. In announcing the President's ecision in his speech at the Vienna eeting of foreign ministers on larch 6, Secretary Baker also chal-nged the Soviet Union to respond to ur announcement by beginning the re-oval of their vast chemical weapons ockpile facing Western Europe.

In this respect, President Bush has d the way in the movement for great-progress in chemical weapons arms ntrol, and we are calling on the So-iets to match us with positive actions. he positive effect of our chemical eapons arms control efforts serves ur foreign policy and national security terests in other areas of arms control olicy as well. Progress in one area romotes progress across the board.

iological Weapons Proliferation

nfortunately, today, a number of coun-ries are also estimated to be working achieve a biological weapons capa-ility. The United States, itself, uncon-itionally renounced all aspects of ffensive biological warfare in 1969. We en followed up this unilateral action y leading the fight for an international an, the 1972 Biological and Toxin Weapons Convention. After the convention was completed, many hoped that the security problem posed by biological and toxin weapons had been solved, although the absence of verification and enforcement provisions in the convention were recognized as significant limitations on its effectiveness.

We are especially concerned about the spread of biological weapons in unstable areas and about the prospects of biological and toxin weapons falling into the hands of terrorists or into the arsenals of those states which actively support terrorist organizations. To date, we have no evidence that any known terrorist organization has the capability to employ such weapons nor that states supporting terrorism have supplied such weapons. However, we cannot dismiss these possibilities. If the proliferation of biological weapons continues, it may be only a matter of time before terrorists do acquire and use these weapons.

We must continue to strive to prevent biological weapons proliferation by reinforcing the moral, legal, and political constraints against biological weapons and, where feasible, seek to prevent states from obtaining sensitive materials for biological weapons purposes. This will be a particularly difficult task, and, quite frankly, we do not have the answers yet on how to achieve this. We do know that we cannot do it alone. Our efforts to constrain biological weapons proliferation will also require a sustained multilateral approach, involving both U.S. leadership and cooperation with friends and allies.

[1] The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.■

Nuclear Testing Talks Open Round 4

WHITE HOUSE STATEMENT, JUNE 26, 1989[1]

Today marks the beginning of round 4 of the nuclear testing talks (NTT) in Geneva between the United States and the Soviet Union. Ambassador C. Paul Robinson heads the U.S. delegation to the talks.

The U.S. approach to these negotiations complements our efforts to reach agreements that will strengthen our security and enhance stability. A priority for these step-by-step talks is to complete protocols to provide for effective verification of the Threshold Test Ban Treaty (TTBT) of 1974 and the Peaceful Nuclear Explosions Treaty (PNET) of 1976, neither of which has been ratified because they were not verifiable in their original form.

Much has been accomplished in the negotiations, and we will build on the progress that has been made. We have substantially completed the protocol to the PNET, and we will be working to complete the TTBT protocol, which governs nuclear weapons testing. Since the TTBT and PNET are complementary treaties, they and their protocols will be submitted to the Senate as a package for advice and consent to ratification.

Our approach to these negotiations is based on a realistic approach to our security. For the past four decades, a strong nuclear deterrent has been the foundation of our security and freedom. As long as we must rely on nuclear weapons, we must continue to test to ensure their safety, security, reliability, effectiveness, and survivability. We resume these negotiations determined to complete the task of concluding the verification provisions, which are essential to sound and stabilizing agreements.

[1] Text from Weekly Compilation of Presidential Documents of July 3, 1989.■

U.S., Japan Launch Structural Impediments Initiative

(White House photo by David Valdez)

Before the opening of the economic summit in Paris, President Bush and Japanese Prime Minister Sosuke Uno held a bilateral meeting on July 14, 1989, at the conclusion of which the following joint statement was issued.[1]

President Bush and Prime Minister Uno reviewed a range of bilateral and multilateral economic issues of mutual interest. They reaffirmed their commitment to work closely together to promote continued economic growth with low inflation, expansion of international trade, and further reductions in current account imbalances. In this connection, they reaffirmed their commitment to economic policy coordination and noted the progress that had been achieved within this framework toward the above objectives.

In addition President Bush and Prime Minister Uno agreed to complement the ongoing efforts by launching a new initiative. They agreed on a U.S.-Japan Structural Impediments Initiative (SII) to identify and solve structural problems in both countries that stand as impediments to trade and balance-of-payments adjustment with the goal of contributing to the reduction of payments imbalances. They agreed to establish a joint interagency working group to undertake these talks. The President and the Prime Minister have appointed trichairmen who will chair these meetings, which will be held at the subcabinet level. These talks will take place outside Section 301 of the U.S. Trade Act. The bilateral working group will present a joint final report to the heads of government within a year, with an interim assessment to be made in the spring of 1990.

[1] Text from Weekly Compilation of Presidential Documents of July 24, 1989.■

OECD Council Ministerial Held in Paris

The annual Council of the Organization for Economic Cooperation and Development (OECD) met in Paris May 31-June 1, 1989. The U.S. delegation was headed by Secretary of the Treasury Nicholas F. Brady.

Following are a statement by Secretary Brady and the text of the final communique.

SECRETARY BRADY'S STATEMENT, MAY 31, 1989

The key issue for this morning's discussion—strengthening the conditions for sustained growth—is an issue many of us wrestle with every day. But while we can't claim to have found an ideal recipe for success, developments since the last ministerial surely suggest that we have been correct about some of the ingredients.

While our 6-year economic expansion has not been totally problem-free, in 1988 the OECD economies turned in an impressive performance. Real growth exceeded expectations, and its international composition improved; key current and trade account imbalances were reduced; trade flows expanded dramatically; and inflation, while somewhat higher on average, remained modest and under control.

Our basic challenge is to sustain and build on our successes, while effectively dealing with the global imbalances that confront us. Certainly this will require efforts on many fronts, both individually and collectively. But the indispensable component—the bottom line if you will— is maintaining the solid, balanced growth that is essential to achieve our shared objectives: reducing unsustainably large external imbalances; improving living standards by creating new jobs and business opportunities; providing adequate support for developing nations to strengthen their economies; and remaining vigilant against inflation.

On this last point, we need to maintain a healthy balance. We should not endorse restrictive policies in those countries where inflation is not a real problem, thereby risking a premature

nd to an expansion that has served us ll so well.

The industrial countries have greed that reducing the large existing rade and current account imbalances s a matter of priority. There is a consensus that allowing these imbalances o persist too long increases protectionist threats to the global trading ystem and raises the risk of sharp and amaging financial market swings.

Through cooperative efforts, substantial progress was made last year in educing some key trade and current ccount imbalances. The U.S. trade eficit, for example, was cut by $34 billion. But recent trends in the largest urplus countries raise important questions about the continuation of the adustment process.

Japan's trade surplus declined modstly last year but has increased for hree consecutive quarters. Germany's rade surplus continues to grow and ontributes importantly to the major mbalances that have developed within Jurope. Progress has been made in reucing the large surpluses of some of he newly industrialized economies of sia, but there is room for considerably ore adjustment in all surplus ountries.

Countries with large fiscal and exernal deficits must reduce budget defiits substantially. For our part, the .S. Administration and Congress are ully committed to implementing the ipartisan agreement designed to meet he target of a $100 billion budget defiit in FY 1990. But let us not lose sight f the fact that substantial deficit reuction progress has already been ade in the United States. This year's eductions will bring the Federal defiit to 2.7% of GNP, and the overall govrnment deficit to only 1.5% of GNP—oth near or below the OECD average.

But many in the United States feel ve are being urged to act in a vacuum. J.S. policy alone does not drive interational economic developments, and nternational policy prescriptions for urrent problems cannot end with U.S. iscal action.

Sustaining growth and reducing xternal imbalances also requires that teps be taken by the surplus counries. Action by Germany and Japan is articularly important, and the smaller)ECD countries can also make a useful ontribution. The newly industrialized conomies of Asia, too, have an essenial part to play as part of their larger bligation to assume a more constructive role in the global economy.

Surplus countries should ensure that growth is led by domestic demand. With their strong fiscal positions, large external surpluses, and low underlying rates of inflation, Japan and Germany, in particular, are well placed to make substantial contributions to the adjustment process.

A cooperative approach to these issues is at the heart of th G–7 policy coordination process to which we remain fully committed. Exchange rates have played an important role in this process and must play a continuing role in promoting adjustment. In this context, the dollar's recent rise against other major currencies is a matter of concern. If the dollar's recent rise is sustained for a prolonged period, or extended, it could undermine our adjustment efforts.

As we meet here today, there is broad agreement on our basic objectives for the coming year: ensure smooth, balanced, and non-inflationary growth; to make further progress in reducing external imbalances; and to promote a healthy and growing international trade system. These objectives are within our grasp and can be achieved if, together, we share a sense of common policy priorities.

COMMUNIQUE
JUNE 1, 1989

1. The Council of the OECD met on 31st May and 1st June at Ministerial level. The meeting was chaired by Mr. Jon Sigurdsson, Minister of Commerce and Industry of Iceland. The Vice Chairmen were Mr. Robert Urbain, Minister of International Trade of Belgium, and the Rt. Hon. Joe Clark, Secretary of State for External Affairs, the Hon. John Crosbie, Minister for International Trade, and the Hon. Michael Wilson, Minister of Finance of Canada. Ministers reviewed the general economic situation. They discussed the policy orientations necessary for economic and social progress in the OECD area and the developing countries.

2. The Council renewed the mandate of the Secretary-General of the OECD, Mr. Jean-Claude Paye, for a second period of five years with effect from 30th September 1989. On this occasion Ministers expressed their warmest thanks to Mr. Paye for the competence with which he has directed the Organization during his first mandate.

Moving Ahead From the Achievements of the 1980s

3. The current economic situation in the OECD area is generally good: activity is robust; inflation has been contained at relatively moderate levels; substantial progress has been made in job creation; and investment is buoyant, reflecting business confidence bolstered by actions taken over the full range of economic policies and the steady strengthening of international economic cooperation.

4. Despite the achievements of recent years, much remains to be done. To ensure sustained, job-creating, non-inflationary growth OECD governments will:

i) resist inflationary pressures, which have recently reemerged as a problem in many countries;

ii) strengthen the process of reducing large current-account deficits and surpluses, a process which recently has weakened markedly;

iii) reduce unemployment, which remains high in many countries, paying particular attention to the problems of youth and the long-term unemployed;

iv) accelerate the reduction of structural rigidities and distortions within economies and internationally;

v) establish sound public budgetary positions and promote efficient public management;

vi) improve the structure and level of national saving in manycountries and thereby contribute to a sustained buoyance of productive investment;

vii) reinforce the open multilateral trading system by vigorously pursuing the successful conclusion of the Uruguay Round negotiations in 1990, expanding market access, resisting protectionist pressures in all their manifestations, and refraining from any measure which could damage the multilateral trading system;

viii) improve the protection and management of the environment, particularly through the better integration of economic and environmental decision-making, to ensure sustainable development for current and future generations;

ix) pursue the establishment of strengthened and more operationally effective GATT [General Agreement on Tariffs and Trade] rules and disciplines as well as substantial progressive reductions in agricultural support and protection resulting in correcting and preventing restrictions and distortions in world agricultural markets, as affirmed in the Uruguay Round framework approach, over an agreed period of time;

x) strengthen policies supportive of the efforts of developing countries to find viable solutions to the debt and development problems that confront them.

POLICY DIRECTIONS

5. To meet these challenges and ensure improved economic performance over the next decade, governments will make full use of the policy instruments at their disposal and the synergy among them. The experience of the 1980s shows that implementing measures

across the whole range of economic policies and across countries enhances the effectiveness of each specific measure.

6. Therefore:

i) monetary policy will be directed to its primary objective, price stability in a growing economy. This will help create the conditions for stable and sustained growth. In some countries exchange rate stability is regarded as important in order to maintain domestic price and cost stability;

ii) fiscal policy will aim, where appropriate, to reduce public-sector demand on private saving by continuing the process of consolidation. Governments will also aim to improve the quality and efficiency of both sides of the public-sector accounts by reducing distortions associated with the structure of taxation and by subjecting the level and composition of expenditure to closer scrutiny and better overall control;

iii) governments will step up their actions in critical areas of structural reform to improve steadily the potential of economies, to create additional jobs without an acceleration of inflation, and to enhance the effectiveness of macroeconomic policies;

iv) international economic cooperation will be intensified in respect of both macroeconomic and structural policies in support, *inter alia*, of the external adjustment process;

v) when Member countries enter into or strengthen regional arrangements, they will act in conformity with international obligations and with the objective of strengthening the open multilateral trading system and seek to ensure that the benefits from regional liberalization and dynamism will accrue not only to the participating countries but also the world economy at large.

7. Ministers welcome the report on surveillance of structural policies by the Economic Policy Committee.[1] They endorse its main conclusion that the case is even more compelling than ever before for pressing forward with reform on a broad front. Economic conditions for reform are favorable. In all Member countries and in Yugoslavia reform will foster more flexible and efficient markets for labor, capital and products, improve the efficiency of the public sector, and enhance the effectiveness of macroeconomic policies. Ministers take note of the report by the Secretary-General on the implementation of multilateral surveillance. This contributes to sustaining the momentum of reform. Ministers invite the Secretary-General to continue to develop and strengthen the OECD's surveillance of structural reforms and policies.

8. Specific economic policy orientations required in individual countries were reviewed and agreed.

9. To ensure sustained, balanced growth, priorities in the Unied States remain to contain inflationary pressures and to reduce further the current-account deficit. Continued moderation of domestic demand and further decrease of public deficits are of critical importance to achieving these ends. U.S. authorities will continue to monitor wage, price, and demand developments closely with a view to taking appropriate action should inflationary pressures not abate in response to policy measures already taken. The U.S. Administration will ensure that the recent measures to reduce the Federal budget deficit to $100 billion in FY 1990 agreed between the President and Congressional leaders are fully enacted. Further measures will be taken as necessary to achieve the objective of eliminating it entirely by 1993 as a contribution to the reduction of the savings-investment gap. Moreover, priority attention will be given to dealing with the situation of troubled financial constitutions and improving the system of prudential supervison. Furthermore, the U.S. will implement its trade policies in line with the objective of strengthening the open, multilateral trading system.

10. In both Japan and Germany, the authorities will continue to pursue prudent but flexible medium-term macroeconomic policies and accelerate structural reforms, in order to sustain strong, non-inflationary growth of domestic demand at a level that would promote significantly external adjustment, which recently has weakened.

a) In Japan while major reform has recently been achieved to improve the tax systems, further progress will be made in adjusting public revenue and expenditure structures taking into account, *inter alia*, the prospective aging of population. Structural reforms contributing to both price stability and external adjustment will be expedited. These include the removal of legal and other impediments to, as well as the review of taxation of, land for the more efficient use of land. Price competition will be strengthened and market access further facilitated for domestic and foreign participants through reforms in regulatory structures in the distribution and other service sectors. While substantial progress has already been made in the financial sector, financial liberalization and internationalization will be continued further. In pursuing these and other measures, Japan will undertake to further improve market access both in goods and services, thereby contributing to a strong expansion of imports.

b) Germany will continue with the medium-term programme of fiscal consolidation and has embarked upon a policy of major structural reforms, including, *inter alia*, an overhaul of social security systems, a multi-year tax-reform, and the reform of the telecommunications sector. Efforts will be encouraged to introduce more flexible arrangements for working time, wage structures, and job assignment. Particular attention will be given to improving the conditions for reemployment of those who are suffering from long-term unemployment. There is a need for structural reforms especially in the services sector where regulations and barriers to entry remain significant, such as the transport sector. The flexibility of the economy will be improved by reducing remaining structural impediments in domestic financial markets and through more liberal closing hours in the retail trade. Structural reforms will increase the dynamism of the economy, strengthen economic growth, and, by supporting a shift of resources into more domestically oriented sectors, will contribute to the external adjustment process.

11. Other OECD countries will follow as appropriate similar broad policy orientations, with specific actions reflecting individual country situations. Among the other large OECD economies, immediate priorities are:

a) In France, the reforms already undertaken to make the economy more competitive will be reinforced by the priority given to an anti-inflation strategy involving, particularly, continued reduction of the budget deficit, competition policy, and action to improve the underlying competitiveness of firms. The remaining foreign-exchange controls will be removed and the process of opening up to foreign investment continued. Control of public expenditure will be intensified, in the light of the consequences for the tax system of the liberalization of capital movements and the process of fiscal harmoniation in the EC [European Community], and the need to ensure that funds are available for current spending priorities, notably research and training.

b) In Italy, efforts will be stepped up to reduce budget deficits which exert upward pressure on interest rates, contributing to the increase of public debt and adding to inflationary pressures. Italy will also continue efforts to improve the efficiency of its public sector. Coordination between the public and private sectors will be improved to contribute to a more efficient allocation of resources. Tax reform will be intensified and thereby will increase resources available to support a sustained growth of investment. Through a variety of measures relating particularly to training and labor markets, Italy will continue to reduce structural disparities between the Center-North, where overheating exists, and the South, where unemployment remains high.

c) In the United Kingdom, monetary policy will continue to be directed at reducing inflation. Fiscal policy provides for further repayment of public sector debt, while moving to a balanced budget over the medium term. Competition will be further encouraged in the provision of various professional services, and through the reform of restrictive trade practices law. Tax reform will continue to promote the improved performance of the economy, notably through further reductions, when practicable, in marginal tax rates. Employment training and educational standards will be further improved. There will be continued review and reform of regulations which are a burden on businesses.

d) In Canada, priority will be given to following through on the commitments set

ut in the recent budget; reducing inflation; educing the budget deficit and controlling he growth of public debt; implementing a roadly-based sales tax—the Goods and Services Tax; and reforming the unemployment insurance system to place greater emphasis on human resources development as distinct from income maintenance. The Government will intensify efforts towards the removal of restrictions on inter-provincial trade.

e) The European Communities programme to complete the internal market in 1992 and improve its economic and social cohesion, is progressing steadily and has already given a strong momentum to structural policy reform, investment, and growth. These moves are complemented by joint efforts by the European Communities and EFTA [European Free Trade Association] countries to deepen and extend their cooperation beyond the current free trade arrangements to create a European Economic Space, and will be in line with the objective of strengthening the open, multilateral trading system.

Financial Markets and Foreign Direct Investment

12. The continuing liberalization of financial markets and foreign direct investment is contributing to a more dynamic world economy. Ministers welcome the new impetus given to the liberalization process by the recent strengthening of the OECD Codes of Liberalization in the area of capital movements and financial services. The principles that underlie the OECD Codes and other OECD instruments will guide Governments as they seek to prevent or reduce international difficulties arising from the existence of different financial systems and different degrees of openness to international competition.

13. Increasingly integrated securities markets have altered the challenges faced by prudential supervisors. The OECD has been examining the linkages across markets, system risks, and the scope for improving the capacity of the system to manage those risks. The goal for the coming years will be to extend significantly international cooperation among supervisory and regulatory bodies in order to ensure the smooth, efficient, and flexible working of the financial system.

14. While progress has been made in reducing the restrictions on inward foreign direct investment and flows have risen sharply, protectionist sentiment, sometimes as a spill-over from tensions in trade, threatens investment flows. In connection with the 1990 Review of the OECD Declaration and Decisions on International Investment and Multinational Enterprises, Ministers reaffirm their determination to resist such protectionism, to maintain an open investment climate, and, *inter alia*, to strengthen the OECD National Treatment instrument. The balance that has characterized the Organization's approach to international investment questions, including that between the different elements of the 1976 Declaration on International Investment and Multinational Enterprises, should continue to prevail.

Labor Markets, Education, and Social Policies

15. The climate for entrepreneurship and job creation has improved, especially in small and new businesses, and moderate wage outcomes have made an important contribution to employment growth in many countries during the past years. Nevertheless, unemployment levels in certain OECD countries remain unacceptably high. Labor-market policies will be strengthened, in particular to fight youth and long-term unemployment, to seek further reduction of labor-market rigidities, and to ensure that employment opportunities are fully exploited. Ministers welcome the efforts undertaken in the Organization to develop a new framework for long-term policies aimed at more job-creating growth, increased functional and geographical mobility, and smoother adjustment of the labor force.

16. A solid basic education, combined with post-compulsory education and training opportunities throughout working life, is essential for each individual to exploit fully employment opportunities. In close cooperation, Governments and the private sector must step up efforts to meet these fundamental requirements.

17. Social protection systems are an essential expression of solidarity and contribute importantly to personal security and dignity, facilitating the acceptance of structural change. To remain viable, these systems must adjust to evolving circumstances and needs. In particular, full use must be made of the contribution they can provide for effectively underpinning labor-market and human resource enhancement policies.

18. More generally, social and labor-market policies should aim at the active participation of all groups, particularly the disadvantaged, in the economy and society at large. This will become all the more important as dependency rates rise with aging populations and will require better integration of policies, programmes, entitlements, and administrative structures, taking advantage of the signals and incentives provided by the market.

Agriculture

19. Ministers take note of the joint report by the Agriculture and Trade Committees[2] and endorse its conclusion. Reduced production resulting mainly from the North American drought but also, to some extent from policy measures, has contributed to the reduction in assistance in 1988 (as provisionally measured by PSE/CSE). In some instances, supply control systems have been effective in reducing production, but they may entail serious economic distortions. The cost of agricultural support for the OECD as a whole imposed on taxpayers and consumers amounted in 1988, according to Secretariat estimates, to approximately $270 billion. This figure is lower than those of 1986 and 1987 but is still above the level of 1985 and previous years. The role of market signals in orienting agricultural production remains insufficient almost everywhere. Trade tensions continue to be acute; market access has improved only in a few cases, and the use of measures affecting export competition, directly and indirectly, remains widespread.

20. It is therefore more than ever necessary that the process of agricultural reform be pursued vigorously, in conformity with the principles defined by Ministers in 1987 and 1988, and taking advantage of the present strength of markets. The successful completion of the Uruguay Round negotiations will be of decisive importance in this respect. Therefore, in accordance with the framework approach endorsed at the Mid-Term Review, Member countries will, in the months ahead, actively engage in substantive negotiations in Geneva (including the tabling of negotiating proposals) and meet their undertakings and stated intentions on short-term measures. Reform should be achieved through mutually reinforcing actions at domestic and international levels leading to a fair and market-oriented trading system through substantial, progressive reductions in agricultural support and protection and strengthened and more operationally effective GATT rules and disciplines.

21. The Organization will continue its work on the monitoring of agricultural reform. This will include improving quantitative indicators (e.g., PSE/CSE) and analysis; analyzing medium-term market trends and the medium-term impact of specific policies; assessing the scope and limitations of all relevant policy measures, such as supply control and direct income support; and examining the interrelationship between agriculture and the environment. Work undertaken on rural development policies will be actively pursued with a view to contributing to the identification and assessment of the range of actions available to stimulate, in rural areas, economically viable activities which would enhance development and growth in an environmentally sound way.

Industrial Subsidies

22. Industrial subsidies often present impediments to structural adjustment, distort resource allocation, and engender international frictions. Reducing such subsidies is crucial for improving the flexibility of economies and for increasing international trade on a competitive basis. Ministers note the progress on the work in this area, following the mandates given in 1986 and 1987 and agreed to strengthen that work. Priority will now be given to completing the information-gathering and reaching early agreement on concepts and methodology for the second phase of the work which will be directed at transparency and assessment of the economic impact of industrial subsidies.

Export Credit Subsidies

23. Ministers note with satisfaction the progress that has been made in strengthening the multilateral disciplines on trade- and aid-distorting export credit subsidies. This effort must be pursued actively. Ministers invite the competent bodies in the OECD to monitor closely the implementation of the recently updated Export Credit Arrangements and to assess whether their objectives are being met.

Energy

24. The growth of energy consumption, especially that of oil, risks exerting pressure on oil and energy supplies, with possible consequences for prices, inflation, and the potential for economic growth. Therefore strong and continued action, as underlined by Energy Ministers of IEA [International Energy Agency] countries, is necessary to achieve greater energy conservation and efficiency, diversification of supply, improved energy technology and emergency preparedness.

GLOBAL ISSUES

25. Global interdependence is an increasingly well recognised reality and is leading to intensified efforts to find solutions to problems related to the trade system, the protection of the environment, and developing countries.

The Open Multilateral Trading System

26. The robust economic activity accompanied by strong growth in the volume of world trade over the past year has had only limited effect on the existing large number of trade-restrictive measures and practices. Persisting large external imbalances, as well as delays in structural adjustment, are a source of protectionist pressures and international fictions. Recourse to government intervention and grey area measures continues to erode the multilateral system. New interpretations of certain trade concepts such as "reciprocity" and "unfair trade practices" as well as new approaches implying a degree of balanced bilateral trade are being increasingly advocated in some quarters. Ministers firmly reject the tendency towards unilateralism, bilateralism, sectoralism, and managed trade which threatens the multilateral system and undermines the Uruguay Round negotiations.

27. Therefore Ministers express their determination to halt and reverse all such protectionist tendencies and to strengthen the open multilateral trading system. They will fulfill their Punta del Este standstill and rollback commitments, which, *inter alia*, require the avoidance of any trade-restrictive or distorting measure inconsistent with the provisions of the General Agreement and its instruments. They agree to make effective use of the improved GATT dispute settlement mechanism and to make progress in negotiations for further improvements, and they will avoid any discriminatory or autonomous actions which undermine the principles of the GATT and the integrity of the multilateral trading system, in conformity with the standstill commitment mentioned above. They invite the OECD to pursue its monitoring of trade policy developments in Member countries including in the fields of dumping and other related measures. In this respect full compliance with the commmitment for early notification of all new measures is essential.

28. These developments underline the need for a successful outcome to the Uruguay Round in order to strengthen multilateralism in international trade in goods and services, and to open markets. The positive results of the Mid-Term Review provide a sound basis for the next phase of the negotiations, for which the work of the OECD will continue to provide analytical and conceptual support. Ministers agree on the necessity to table more specific proposals as soon as possible and to proceed without delay to substantive negotiations on all issues, including the new areas, so as to meet the deadline set for the end of the Round. Ministers reaffirm their determination to press forward and complete the Uruguay Round negotiations in 1990. They call upon all participants, both developed and developing, to make the most constructive contribution possible to a successful outcome.

Environment

29. Continuing environmental deterioration will threaten the achievement of sustainable economic development and an improved quality of life for all. It is therefore essential that all countries actively participate in confronting the range of environmental problems, including those of a global nature. The OECD countries bear a special responsibility in this respect. The recent series of high-level conferences and meetings make an important contribution to the process of international cooperation.

30. Given the magnitude, urgency, and potential economic, social, and ecological implications of environmental problems, all relevant national, regional, and international organizations will have to be mobilized in the most effective and efficient way. The OECD will cooperate fully in this process and, building upon the work on environmental problems it has carried out over twenty years, will focus on those aspects where, by nature of its membership and structure, it can make a particular contribution.

31. Ministers reaffirmed the critical importance of integrating more systematically and effectively environment and economic decision-making, as a means of contributing to sustainable economic development. Taking advantage of its capacity in the field of economic analysis, the OECD will work to place environmental decision-making on firm analytical ground with respect to costs, benefits, and resource implications of environmental proposals and initiatives, selection among policy options, and, where appropriate, to develop methods to ensure that environmental considerations become an integral part of economic policy-making. Particular attention will be paid to breaking new ground in such areas as: integrating environmental considerations into economic growth models; analyzing environment-trade relationships; determining how price and other mechanisms can be used to achieve environmental objectives; assessing the economic costs and benefits of possible responses, including technologies, to cope with atmospheric, climatic, marine, and other global environmental problems (in coordination with the work carried out in other competent bodies); and elaborating in economic terms the "sustainable development" concept.

32. In this respect intensified efforts for technological breakthrough are important to reconcile economic growth and environmental protection. The OECD will examine incentives and barriers to the innovation and diffusion of environmental technologies. It will also promote expanded information exchange on technological options.

33. Industry also has a central role in confronting the environmental challenges of the 1990s, especially in incorporating environmental concerns into their economic decisions. The OECD will continue to stimulate and support closer cooperation between Governments and industry to meet these challenges. Progress is beginning to be made in fields such as waste minimization, industrial processes that conserve energy and raw materials, the design and marketing of cost-effective "clean technologies," and the development of an economically viable pollution control and environmental management industry. There will be an expanded effort to analyze the economic dimensions of these activities and trends and promote information exchange on technological innovation and options. The OECD-BIAC Conference on "Environmental Problems and Industrial Policies in the 1990s" planned for October is an example of this. The agricultural sector also has a central role to play in correcting environmental problems, such as soil erosion and water pollution.

34. Close co-operation, involving the IEA and the NEA [Nuclear Energy Agenda], on the crucial relationship between environment and energy will continue. Integrated policies which further energy security, environmental protection, and economic growth are required. In view of increasing evidence of the risk of global warming and climate change and the necessity to respond to this issue, Ministers call for vigilant, serious, and realistic assessment on a global basis of what energy policies can contribute to meeting these challenges, and of their economic and social impacts. Member governments should contribute in their energy policies to the solution of international and domestic environmental problems. As identified by IEA Ministers, they pledge to pursue in their respective energy policies

greatly improved energy efficiency and conservation, new technologies, and, where national decisions so contemplate, the use of nuclear power with maintained and improved safety in construction, operation, and waste disposal. The transport sector also has a particular significance for the environment. The OECD is actively participating in the preparations for an ECMT Ministerial meeting on transport and the environment, which will be held in November 1989.

35. Ministers agree that cooperation with developing countries is essential for the solution of global environmental problems. The OECD will evaluate relevant policy experience in Member countries. On the basis of this information the Organization will seek to coordinate policies among Member countries with a view to promoting mechanisms for technology transfer to developing countries; the balancing of long-term environmental costs and benefits against near-term economic growth objectives; the design of innovative approaches by development assistance institutions to environmental protection and natural resources management; and the integration of environmental considerations into development programmes, taking into account the legitimate interests and needs of developing countries in sustaining the growth of their economies and the financial and technological requirements to meet environmental challenges. Ministers encourage the development of appropriate environmental appraisal procedures for specific developmental projects and programmes financed directly or indirectly by Member governments. They recognize that public awareness of the environmental impact of potential projects is essential.

Developing Countries

36. The diversity of developing country experience in the 1980s has underlined the importance of individual developing country policies for progress. Sustainable broad-based growth and effective development rely upon policy reforms, carefully related to country situations, aimed at stabilising and liberalizing developing economies; strengthening the effectiveness of public administration, the private sector, and the role of markets; tackling poverty; and enhancing human resources. The members of the DAC [Development Assistance Committee] and the multilateral development and financing agencies have been adjusting and differentiating their assistance efforts and modalities to support developing country efforts in these areas. Ministers welcome the review launched by the DAC on major development and aid issues in the 1990s. The results of this work will be submitted to the Ministerial meeting in 1990.

37. Adequate, appropriate, and timely financial support is crucial to the success of major economic and social reforms in developing countries. Despite efforts by some DAC countries, the rate of growth in overall concessional aid has slowed down. Ministers express their determination to reverse this trend and to continue to work for improved aid quality. Ministers welcome steps to write off or otherwise remove the burden of ODA loans to the poorest developing countries and urge all donor countries who are able to do so to consider further action along these lines. In addition to their development assistance efforts, the OECD countries have a clear responsibility for promoting an open vigorous international economic environment as an essential contribution to the development process. In this respect an increase in total net resource flows, including foreign private investment, is also important for developing countries.

38. Persisting debt problems affect a wide range of developing countries. The key principles of the collaborative debt strategy as it has evolved over the past few years remain valid, with emphasis on the case-by-case approach and support to countries implementing effective growth-oriented reforms. In this context Ministers welcome the recent decisions of the IMF [International Monetary Fund] and World Bank Boards, which followed up the agreement in the Interim Committee, to strengthen the debt strategy. Ministers urge all parties to move quickly to build upon these steps. The Paris Club is following up the orientations agreed upon at the Toronto Summit in favor of the poorest and most indebted countries. Cooperative efforts in favor of these debt-ridden countries should be strongly pursued and supported.

39. Financial modalities are important but they must be buttressed by a wide-ranging set of economic policies in both the OECD and the debtor countries. Sound monetary, fiscal, and structural policies in the OECD countries will help the financial situation of the debtors by sustaining growth and creating conditions favorable to lower interest rates and stronger savings. OECD countries must also use every opportunity to strengthen the open multilateral trade and financial system, press for expanded and free trade with full participation of developing countries, resist protectionism, and ensure that their markets are open to the exports of the developing countries.

Cooperation With Non-Members

40. Ministers welcome the successful launch in the past year of the dialogue with a number of dynamic Asian economies, whose role in the world economy is of growing significance. The initial exchange of views on changing patterns in the global economy and on key areas of common interest in policy-making was constructive. The experience thus far suggests considerable scope for further valuable contacts to identify and discuss issues of emerging importance. Ministers warmly welcome these developments, and endorse efforts to carry the dialogue forward through informal discussions on more specific issues. They call for a report at their meeting in 1990.

41. Given growing economic and environmental interdependence, Ministers consider it important that the OECD remain attentive to developments in countries in other regions of the world. Possibilities for mutually informative contact will be carefully examined.

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[1]This report identifies nine areas for action: trade policies and the international trading system; agricultural; industrial support policies; international direct investment; financial markets; taxation; competition policy; labor markets; and the public sector.

[2]Agricultural Policies, Markets and Trade: Monitoring and Outlook, 1989.■

International Energy Agency Ministers Meet in Paris

The International Energy Ageney (IEA) met in ministerial session in Paris on May 30, 1989. The U.S. delegation was headed by Secretary of Energy James D. Watkins.

Following is the text of the communique issued at the conclusion of the meeting.

1. The Governing Board of the International Energy Agency (IEA) met at Ministerial level on 30th May 1989 in Paris under the Chairmanship of His Excellency, Mr. Jose Claudio Aranzadi, Minister for Industry and Energy of Spain.

2. Previous Gains and Current Situation

Ministers agreed that developments in the main energy markets, including efficiency gains, sufficient supplies, more competitive markets and lower prices than earlier in the decade, are contributing positively to overall economic activity in IEA countries and in the world economy. Energy security, both for IEA countries and for the world at large, has improved considerably as a result of policies and programmes implemented in the 1970s and 1980s in such areas as efficiency and conservation, fuel diversification, indigenous resource development, emergency preparedness, natural gas security and enhanced R&D [research and development] collaboration, as well as market pricing, de-

regulation and privatization, greater competition and reduction of trade barriers.

3. Looking Ahead to the 1990s and Beyond

Ministers called sharp attention, however, to two aspects of the current energy situation to which they attach particular importance and view with deep concern:

- growing world-wide oil consumption, particularly for transportation, with its eventual medium-term consequences of a tighter supply/demand balance and renewed vulnerability to supply disruptions; and
- the environmental aspects of energy supply and consumption, including both the more conventional and better-known pollutants and the growing atmospheric concentration of CO_2 and other "greenhouse" gases and its long-term consequences for global warming and climate change.

They therefore confirmed again their long-standing commitment to ensuring that energy security and policy objectives are achieved while also achieving a clean and healthy environment, and agreed that the IEA and its Member countries will take vigorous energy policy action, in particular greater efficiency and technology improvements, to address these challenges of the 1990s in order to prevent them from acting as a constraint on economic growth in industrialized countries or on development in other countries.

They also noted certain other aspects of future market developments which also require further attention, and in some cases action by governments as previously agreed in the IEA:

- growing energy consumption, particularly in oil and electricity, is eroding gains achieved earlier on both the supply and the demand side;
- maintaining sufficient oil supply, particularly in view of production declines in some OECD [Organization for Economic Cooperation and Development] countries, will require investment climate and conditions conducive to sustaining reserve additions, especially outside the Middle East, and close attention to how the oil industry adjusts to fluctuating prices and to the effect which changes in ownership and other structural developments may have on competition within the industry;
- barriers and other distortions to energy trade in coal and other forms of energy, where they remain, must continue to be reduced with a view to their elimination, and no new barriers or other distortions must be allowed to arise;
- rising demand for natural gas must be met in accordance with previous decisions by Ministers regarding security and diversity of supply, and taking into account the long-term reserve situation and environmental characteristics of gas;
- possible difficulties in meeting rising demand for electricity (despite greater efficiency in generation and end use) if there are constraints on further diversification of energy sources through greater use of coal, natural gas, nuclear, hydro and other renewables;
- rising demand for energy in developing countries and in centrally planned economies.

1. Policies to Deal With Future Challenges

Ministers agreed that energy security in both the short and long term, in order to sustain economic well-being, can and must be maintained despite the risks inherent in the above aspects of future energy developments. They agreed upon the need for strongly reinforced policies as regards oil demand within a context of competitive energy markets, open energy trade and investment and sound price policies. They also agreed upon vigorous new action as regards energy and the environment. In general, they called for keeping open a broad range of energy policy options which consolidate previous gains but are adjusted to meet the changing circumstances which can now be foreseen.

(a) Emergency Preparedness. Ministers recognised that a large portion of the oil supply of IEA countries is and will be imported from areas where supply disruptions cannot be excluded. They also noted that growing consumption is already absorbing surplus capacity in various parts of the oil supply chain (including production, transportation and refining) with a corresponding reduction of flexibility and growth of vulnerability. They agreed that preparedness to meet oil supply disruptions through the IEA's systems for responding to supply disruptions, which include co-ordinated early stock-draw and other measures, as well as emergency oil sharing, remains a principal concern of international co-operation within the IEA for the purpose of maintaining its Member countries' economic well-being. Those systems will therefore be maintained in readiness by periodic testing, review of Member countries' response capacities and any improvements which may be necessary to reflect changing market and industry structures. Recalling their decision in 1987 that IEA countries will maintain stock levels that would be readily available at the instance of governments, under clear and definite authority so as to assure their ability to implement these systems in an oil supply disruption, they applauded the efforts of those IEA countries which have increased their government, public entity and private stock levels as protection against the risk of supply disruptions. They encouraged them and others to continue those efforts and to improve their stock-draw authority and procedures and demand restraint measures and procedures, in line with the commitments undertaken in the 1987 decision.

(b) Diversity of Energy Supply. Ministers agreed that diversification of energy supply must be further pursued, in order to avoid greater dependence on oil and to make economic use of available resources. They therefore agreed to pursue further diversification by means of:

- appropriate investment conditions for oil exploration and development and competitive industry and market structures;
- more environmentally acceptable use of solid fuels;
- greater use of natural gas from diversified sources;
- greater use of renewables where available technology and local conditions make them economic, and greater efforts to make them more competitive;
- provision of adequate and diversified electricity generation capacity.

Ministers recalled their decision in 1987, in view of the different positions which exist in IEA countries regarding nuclear power, that each IEA country will have to decide on the mix of fuels used for electricity generation best suited to its particular circumstances, taking account of energy security, environment, safety and the possible effects of their decisions on other countries. Some countries have adopted the nuclear option, and they intend to continue their nuclear power generation programmes in order to secure the economic and environmental advantages which they consider flow from them. All IEA countries agree upon the necessity for continuing to apply the highest available standards of nuclear safety in all its aspects, particularly operation and waste management.

(c) Greater Energy Efficiency and Conservation. Ministers agreed that greater energy efficiency and conservation is both possible and necessary in the use of all forms of energy in order to continue the gains already achieved and to increase the rate of improvement above present levels. It will be pursued vigorously by the governments of all Member countries for both energy security and environmental reasons, concentrating on:

- achieving long-term results in large and fast-growing sectors of energy use such as transportation; electricity generation and end use; heating; and energy process requirements; and
- using market-based pricing and such of the following measures in each sector as are appropriate and effective under national circumstances: provision and dissemination of information, such as labelling; removal of institutional and other market barriers; support for the development and application of technologies for more efficient energy transformation and end use; financial or fiscal incentives taxation; voluntary and mandatory standards;

in each case taking account of the economic and other costs involved.

(d) Energy and the Environment. Ministers have previously stressed the important links between energy and the

nvironment, and consequently the need for ntegrated policies which further energy se- urity, environmental protection and eco- omic growth. Now in 1989, particularly in iew of increasing evidence of the risk of lobal warming and climate change and the ecessity to respond to this issue, Ministers eiterated their previous position and more- ver called for vigilant, serious and realistic ssessment on a global basis of what energy olicies can contribute to meeting these hallenges, and of their economic and social mpacts. They noted that CO_2 and other greenhouse gas emissions originate from DECD countries, but also, in a large and rowing proportion, from non-Member ountries; and that all countries are affected y the result. They therefore stressed that a igh degree of international co-operation, as dvocated by the World Commission on En- ironment and Development, will be re- uired. They also stressed the need to ursue greater scientific understanding, to ssess the kinds of policy responses which ay be necessary, and to implement them on a global scale. They agreed that this will be long and on-going process in which the EA and its Member countries can show eadership within the overall international rocess which is developing for addressing limate change issues, with a view to inte- rating energy security and environmental olicies in both the short and long term. hey agreed that for this purpose the IEA ill continue its co-operation with the DECD and will participate in the activities f the Intergovernmental Panel on Climate hange as a focal point and other interna- ional activities, in the manner and to the xtent determined by the Governing Board t official level in each case.

Ministers noted the range of RD&D [re- earch, development, and dissemination] nd other activities which the IEA and its lember countries have already taken to ad- ress the clean use of coal (especially in lectricity generation) and motor vehicle ollutants, and welcomed the significant rogress which has been made in many ountries toward reducing emissions of sul- hur and nitrogen oxides, lead in petrol, air articulates, water pollution and hazardous astes from these sources. They agreed, owever, that further action is necessary to chieve more widespread application of exist- ng pollution control technologies as well as urther technological advances, and that hese efforts must be continued vigorously n all Member countries and especially in hose countries which encounter difficulties nd where less progress has so far been chieved, taking due account of the impor- ant cost implications involved. Industry lso has a central role in confronting envi- onmental challenges. The IEA will contin- ue to stimulate and support close co- peration between governments and indus- ry in order to meet these challenges.

Ministers requested the Governing Board at official level to examine possi- bilities for international collaboration with- in the IEA to improve the technologies and procedures available for preventing and treating oil spills and other accidents in the petroleum production, transportation and processing system.

Ministers also considered emissions of carbon dioxide and other gases from fossil fuel combustion and other sources which contribute to the greenhouse effect. They noted especially the complexity and uncertainties of the relationships between greenhouse gas emissions from fossil fuels and atmospheric concentrations, and consequent climate change, as well as the worldwide dimensions and implications of these issues.

Ministers, recognising the responsibility of IEA countries to contribute to the solution of environmental problems, pledged that they will not wait for all uncertainties to be resolved, but will act now by taking energy policy measures promptly to address these problems, focusing on prudent steps that take account of the various costs involved and are consistent with agreed IEA policies for energy security. Ministers recognised that even though such measures by themselves cannot quickly resolve all the problems on a global scale, they can nonetheless begin to make a contribution in the medium and longer term.

Ministers therefore pledged to pursue in their respective energy policies:

(i) increased conservation and energy efficiency along the lines set out in Section 4(c) above;

(ii) when fossil fuels are used, setting strict standards for SO_2 and NO_x emissions and encouraging introduction of advanced cleaning and combustion technologies;

(iii) evaluation, on the basis of their entire fuel cycle and their other environmental consequences, of the possibilities for making greater use of available energy sources with lower levels of CO_2 and other greenhouse gas emissions, such as natural gas and, where economic or where they can be made more competitive, renewable and other energy forms, to meet growing energy needs;

(iv) where national decisions so contemplate, the use of nuclear power; this will be facilitated by demonstrating that safety both in operation and in waste disposal has already been, and will in the future, be maintained and further improved through such means as more efficient and reliable regulatory controls, accompanied by RD&D and other actions further to improve reactor design, construction, operation and decommissioning as well as the front and back ends of the nuclear fuel cycle;

(v) RD&D to develop new and improved technologies for greater energy efficiency; for nuclear fusion and hydrogen fuel processes; and for renewables such as solar, wind, hydro power, biomass and geothermal;

(vi) continued and intensified RD&D to identify and assess technological methods for containment and removal of greenhouse gas emissions in the longer term;

(vii) re-examination of priorities within their existing bilateral and multilateral energy assistance and R&D collaboration programmes with a view to determining whether reorientations or new programmes are needed to strengthen the contribution which developing countries can make to the global response to climate change issues;

and agreed that progress achieved in these areas will be closely monitored and assessed within the IEA's Country Review process.

Ministers discussed the new element which these concerns about global climate change have introduced into energy policy formulation. They agreed that this new element will have to be taken into account by all IEA countries in developing the energy policy options which they will choose by national decision for their contributions to the climate change issue. These options would include greatly improved efficiency, new technologies and nuclear power.

In agreeing to take these actions, Ministers cautioned that severe short-term measures designed to produce quick results (such as sharp tax increases or other abrupt changes in the economics of providing and using energy, or phasing out individual fossil fuels) could also produce very high energy and general economic costs. In this regard, they noted that economic growth is necessary not only in itself but also to provide for environmental protection on an economically sound basis through financing new and less polluting infrastructure, funding RD&D and adapting technologies to the needs of non-Member countries. They therefore stressed the need for a balanced, integrated bundle of realistically implementable and cost-effective energy-related and other responses, without losing sight of the need for energy security.

Ministers also noted that in addition to the strong contribution they contemplate from the energy sector, action will also be required in other important sectors of economic activity such as agriculture, transportation and industry, and called for reliable analysis of the micro- and macroeconomic impacts from all sectors.

(e) Energy Technology and RD&D. Ministers agreed upon the continued and increasing importance of energy technology and RD&D not only in all the areas where it is specifically referred to above but also in general, as an essential basis for maintaining energy security in the long term. They agreed that it should be intensified in all Member countries across the full spectrum of laboratory development, testing, pilot plant and prototype demonstration, and dissemination and commercialization and within a context of strong international collaboration; government and private sector participation within competitive energy markets; and cost effectiveness. Ministers noted the results of the IEA/OECD expert seminar on technologies for reducing greenhouse gas emissions, and agreed that the main priorities for future IEA RD&D activities should include technologies for better energy efficiency; for more environmentally acceptable use of coal; for enhancing the availability of low cost indige

nous oil and natural gas resources; for increasing the accessibility of remote natural gas reserves; for renewable sources of energy and their effective integration into energy systems; for upgrading the reliability, flexibility and efficiency of the electricity sector; and for improving nuclear fission technologies and demonstrating the feasibility of nuclear power fusion systems. They therefore invited the Governing Board at official level to define goals and directions for orientation of future IEA RD&D activities on this basis.

5. Energy in Non-Member Countries

Ministers noted that energy supply and demand in non-Member countries will increasingly have a stronger impact upon the world energy situation and upon the ability of IEA countries to pursue effectively the kinds of energy policies referred to above, especially those relating to greater energy efficiency and to energy and the environment. They welcomed the significant progress which the IEA has made in providing more information and better understanding about energy developments in non-Member countries (including a more comprehensive statistical data base), and the contacts and activities which have been undertaken to share information and to participate in other efforts with a number of non-Member countries and other international organisations. Ministers therefore agreed that available information should continue to be improved and analysed in greater depth in order to identify and assess what practical steps might be undertaken, and that appropriate contacts with non-Member countries on such subjects as energy data, energy demand and efficiency and energy and the environment, should continue to be established and maintained, as Ministers have agreed previously, for those purposes and to help keep non-Member countries informed as to the content and purposes of the IEA and its policies.■

CSCE Information Forum

The Information Forum, mandated by the concluding document of the 1989 Vienna meeting of the Conference on Security and Cooperation in Europe (CSCE), met in London April 18-May 12, 1989.

Following is the statement made by Ambassador Leonard Marks, head of the U.S. delegation, at the opening plenary on April 21.

I would like to join previous speakers in thanking the people and Government of the United Kingdom for their gracious hospitality as hosts of this forum.

At the outset, I support the position of other delegations who want to avoid confrontation. We can disagree—and we shall on many issues—but there is no reason to be disagreeable. We have come to this forum to exchange views on how to implement the commitments made in the Helsinki Final Act and the Madrid and Vienna documents. We are prepared to discuss, formally and informally, issues in a frank and candid manner. The stage is now set for all delegations to engage in an open and spirited discussion on some of the most vital components of the CSCE process.

To illustrate the importance that we attach to this meeting, I now turn to a statement by President George Bush on the opening of the Information Forum which we have distributed to all delegations and from which I would like to quote in part:

Two hundred years ago, our founding fathers considered freedom of speech so critical to America's new democracy that they made it the subject of our Constitution's first amendment. They could not have anticipated a world of videocassettes or instantaneous satellite communications. But they did know something about the force of democratic ideas and the citizen's inalienable rights. When the Helsinki Final Act was signed in 1975, we already had entered the information age. Yet the wisdom of America's first statesmen has stood the test of time. Open societies, where ideas, people, and information flow freely, are societies best equipped to meet the challenges of any age—and particularly one of rapid technological change, like ours.

Our objective at the forum is to further the free flow of information. But isn't it anachronistic that our discussions outside of the plenary are "closed to the press"? I'm aware that the CSCE process governs the procedure here, but I strongly urge that future meetings be open to the public and to the press. If the public has a "right to know," why should our deliberations not be accessible to those who have the greatest stake in them?

Our deliberations will be viewed with great interest by our publics. The forum provides a timely opportunity to assess the gains made in Vienna. The Vienna concluding document represents the fullest expression to date of the original pledges our governments mac in Helsinki to each other and to our citizens. The nature of that document mirrors the importance all our governments and peoples attach to im proving East-West relations. Its extensive new provisions regarding ir formation were possible in large part because there is growing recognition on the part of some Eastern governments that closing off one's society to world of information means closing its own doors to the future.

The public gains its information e sentially, though not exclusively, from the printed press, radio, and television. In democratic societies, all point of view are presented by independent journalists. Under our system, a jour nalist is free to criticize official autho ities or public activities. Under the authoritarian government, a journali is a servant of the state charged with the duty of presenting governmental views, not to challenge them.

Under our system, the governmer does not speak for the press, and the press does not speak for the govern ment. Our media report the facts but do not act as an instrument of govern mental policy. In his statement, Depu Minister Petrovski of the U.S.S.R. il lustrates this difference by stating: "The mass media
are a most important instrument of *glasnost*." If, indeed, the mass media is an instrument of *glasnost*, and *glasnost*, I understand, is Soviet polic then I can only conclude that the mass media are an instrument of Soviet policy.

In free societies, a free press is n an instrument of any government nor any policy nor of any political move ment. It is not, and must not be, an in strument of any institution.

While our principles, therefore, are profoundly different, we must, nev ertheless, work together to carry out CSCE commitments by removing bar riers to the free flow of information u der either system. It has long been recognized by democratic government that freedom of speech and of the pres are the lifeblood of free and independent states. Without a well-informed ci izenry, democracy cannot survive. An that is why my government views the individual and his rights as central to the entire Helsinki process. True secu rity and cooperation among our countries cannot exist, let alone flourish, without respect for the rights of the ir dividual. At the heart of the Helsinki

rocess is the individual's "right to now" as well as "to act upon" fundaental freedoms.

What does the "right to know" ean? It means that a citizen has the asic right to make informed decisions out his or her personal life and socity. State-imposed obstacles to the free ow of ideas, information, and people estrict the citizen's ability to make ch decisions. That is why in the Unitd States, we believe in placing as few mitations as possible on freedom of eech and the press. And that is why e information and communications elds in our country are chiefly a rivate-sector enterprise.

The composition of our delegation eflects this. Our delegates to the forn will include distinguished privateector participants from film, broadsting, publishing, journalism, educaon, and other professions deeply ncerned with freedom of expression. hey will express their views—not ose of the U.S. Government—and ey do so without censorship or fear of prisal.

In evaluating compliance, I hope at we will criticize where there has en no effort to comply but also acowledge positive steps to meet the ear responsibilities set out almost 14 ars ago in Helsinki.

For example, we welcome the cesion of jamming of the Voice of Amera and Radio Free Europe/Radio iberty broadcasts. That's a step rward—but let me stress that jaming is not only contrary to basket III; is a clear violation of the regulations the International Telecommunication nion and of Article 19 of the Universal eclaration of Human Rights. Jaming is reprehensible and not appropri-e conduct for a civilized nation. I ope that jamming is a phenomenon at will not recur. I trust that we recgnize that this practice is inconsistent ith Helsinki commitments and a violaon of the public's "right to know."

We urge that radio jamming deices will be dismantled, just as we are ow dismantling categories of nuclear eapons, to demonstrate that they will ever be used to intimidate again.

Other steps taken in Poland and ungary—and to some degree in the oviet Union—toward greater tolernce of freedom of expression and inrmation are encouraging and positive evelopments. We hope they will conue and become irreversible. But we lso see with deep concern the rigid controls on information still prevailing in Romania, Czechoslovakia, the German Democratic Republic, and Bulgaria.

In the Soviet Union, exercise of the citizen's "right to know" takes the form of new efforts to fill in the so-called blank spots of history. Freedom of expression appears to have been given wide scope during the recent elections. At the same time, however, a new decree increasing the criminal penalties for operating a copying machine without official sanction is a step very much in the wrong direction.

In Poland, we see some very encouraging developments. Solidarity and the government have reached groundbreaking agreements which should permit Polish citizens to make informed choices on the pressing issues facing their country. Likewise in Hungary, the Central Committee recently announced that it has called for legislation "to give scope to all views that do not contravene the Constitution and laws of the country." Presumably this would allow individuals or parties to establish independent newspapers and radio and television stations. We look forward at this forum to learning more about the reform programs underway in these countries.

In Czechoslovakia and Bulgaria, on the other hand, the light of reform has yet to shine. Jiri Wolf, a Charter '77 signatory, has been imprisoned since May 1983 for writing an expose of Polish conditions and attempting to send the material abroad. The world-renowned playwright Vaclav Havel has been imprisoned, in part, on charges that he sought to incite disturbances through foreign radio broadcasts.

In Bulgaria the independent discussion club for the support of *glasnost* and *perestroika* has met with repression from authorities since its founding last November. And in the German Democratic Republic, authorities continue to practice strict censorship in an effort to ensure that dissenting views appear only rarely in the media.

Finally, in Romania, in direct violation of Vienna commitments, foreign journalists have been ill-treated, while three Romanian journalists remain under arrest for allegedly producing a leaflet critical of the government. Our repeated requests for information about these journalists have been denied.

This brief survey indicates that much remains to be done to fulfill the promise of the Vienna commitments. And there is much that all countries can do in a cooperative spirit to improve the East-West flow of ideas and people in the information age.

The information revolution is expanding globally and inevitably embraces East and West alike. European television viewers are on the threshold of an era in which they could choose from numerous channels which do not need national boundaries. As in other areas in international life, technological advances in the information and communications fields penetrate the traditional borders of the nation-state, affecting political relationships, policies, and diplomatic methods, as the participants and the structure of this multilateral forum so aptly attest.

The forum can provide an opportunity for exploring cooperative efforts to enhance the flow of East-West information in this exciting new age.

But as we hail the technological advances, we must remember that the tools of science are only helpful when they are applied to serve mankind and not when they are used to perfect the instruments of popular control. During our London forum, we will be hearing a lot about the new technology. But mankind has yet to perfect an instrument to equal the power of a human voice speaking the truth.

That's where freedom and democracy start and end. What happens to that voice tells more about how governments live up to their international commitments than a lengthy concluding document ever can. And it is the record of this that we should focus on in our deliberations.■

CSCE Conference on the Human Dimension

The Conference on the Human Dimension, mandated by the concluding document of the 1989 Vienna meeting of the Conference on the Security and Cooperation in Europe (CSCE), met in Paris May 30-June 23, 1989.

Following is the statement by Ambassador Morris Abram, head of the U.S. delegation, at the opening session on May 31.

On behalf of the American delegation, I wish to thank the Government of France and the city of Paris for their excellent organizational work and warm hospitality.

The United States comes to this conference with a commitment to human rights that is central to the identity of the American people. The protection and promotion of fundamental human rights at home and abroad remains a primary American objective.

From the French Declaration of the Rights of Man and America's own Bill of Rights, we can trace an unbroken thread through history to the Universal Declaration of Human Rights and to the Helsinki Final Act.

The Helsinki Final Act was not designed to enshrine a *status quo*. It is an action program, designed both to meet the test of challenging times and to further the aspirations of our peoples. Therefore, the principal goal of the U.S. delegation to the Paris meeting will be to engage in a thorough and open review of how human rights commitments are being implemented by the signatory states, including my own.

The Helsinki, Madrid, and Vienna documents are based on eternal democratic principles. The American Statue of Liberty, a gift of the people of France, inspires the entire world. This week "Miss Liberty" appeared in Beijing's central square. As Thomas Jefferson, who loved this country France, said, "The desire for freedom is universal."

But it is true that democracies are not built in a day. And compliance with Helsinki's human dimension commitments cannot be achieved overnight. That is why we see the CSCE as a process. But we've been at it a long time—long enough to expect to see considerable improvements. Only recently have we begun to see them in some states. The dawn of respect for human rights in all the signatory countries is not yet day, although CSCE has drawn day nearer.

Progress Since Vienna

We have witnessed some remarkable progress even since the Vienna meeting. The Soviet Union has released hundreds of prisoners of conscience and given greater scope to the practice of religion and the cultural rights of minorities. Emigration has increased dramatically. Soviet leaders now speak of enforcing the rule of law and have begun to experiment with popular ballots and limited competitive elections. Significantly the Soviet Union has been willing to engage in a broadening dialogue on human rights and humanitarian concerns with official and private citizens and groups both within the Soviet Union and with other countries—in our case, parliamentarians, lawyers, psychiatrists, and other interested private citizens.

Elsewhere in the East, we see internal reforms initiated in Poland and Hungary—reforms begun even prior to Mr. Gorbachev's efforts in the Soviet Union and driven by popular and economic imperatives. Solidarity and the Catholic Church have been given legal recognition. Throughout Eastern Europe, citizens are pressing harder for personal freedoms and democracy.

But there are no grounds for complacency. We cannot afford the luxury of self-congratulation. In many parts of Europe, governments still fall far short of compliance with the pledges they made 14 years ago, let alone the new promises of Vienna. We have had pledges and promises and documents enough. As President Mitterand said yesterday at this platform, now the time is to "call rhetoric to account."

Noncompliance in Eastern Europe

In Eastern Europe, independent voices are challenging their governments to live up to all their CSCE obligations. The time has come for these rights to be enshrined in law and respected in fact, in all the CSCE signatory states.

While we see positive changes in some areas, we cannot honestly ignore disturbing signs. On the very last day of the London Information Forum, Soviet authorities raided an "independent public library" at the home of Yuri Kushkov and confiscated 700 copies o books, journals, and newspapers.

Visitation between the German Democratic Republic (G.D.R.) and West Germany has increased. Last year 7 million East Germans and Eas Berliners visited the West, and over million West Germans visited East Berlin and the G.D.R. Yet the ugly Berlin Wall still stands disfiguring a important section of Europe. Hungar is unilaterally dismantling the barbe wire on its border with Austria. But elsewhere kilometers of barbed wire and watchtowers are still in place. Th time has come to get rid of these relic of old thinking.

Although greater numbers of Sov et citizens are being permitted to emigrate, the new law codifying the fundamental right to emigration has not yet been promulgated. We welcon the news that there are some 50 laws waiting to be enacted by the Supreme Soviet. We hope they will be good law not just new laws.

In that connection, a member of r delegation—a public member—Ludm la Alexeeva, of the U.S. Helsinki Watch, has been turned down five times for Soviet entry visas. She is tl author of Soviet descent, and she has applied to travel to the U.S.S.R. on p vate family visits, as well as to parti pate in international human rights conferences. She sits as my colleague on the front row.

After months of promises that th political articles of the Russian Repul lic (Articles 70 and 190.1) would be stricken from the Soviet criminal cod the April 8 Supreme Soviet decree di not actually nullify these offensive articles but merely reworded them, making it now a crime to "discredit"- whatever that means—Soviet official or organizations.

In Soviet Georgia, peaceful demo strators are dead and others remain hospitalized from the inexplicable use of toxic gas and blows from shovel-wielding troops. However, we have noted with interest the statements of some Soviet authorities that this bru action was contrary to orders, and we welcome the fact that a commission h been established to look into the matte

Despite an increase in religious a tivity, the Ukrainian Catholic Church remains banned.

Bulgaria recently announced legi lation relaxing passport requirement We welcome that, but we must deplor the recent use of force against ethnic Turkish demonstrators as a sign that

ulgaria has not changed its policy of
ppression of the rights of its Turkish
inority. We see this as a serious vio-
tion of the Helsinki, Madrid, and
ienna documents. We also remain
ncerned about the continued harass-
ent of members of independent hu-
an rights groups.

Virtually on the eve of this meet-
g, Czechoslovakia released prisoners
conscience Vaclav Havel and Jiri
olf, yet Havel, as we recall, was ar-
sted for participating in a peaceful
emonstration the very week the Vien-
a meeting ended. Others arrested at
e same time sadly remain in prison.

Now what do we make of Romania,
here conditions continue to deterio-
ate across the board? Over 20,000 have
ed the country in the past 18 months
escape harsh repression and eco-
mic desperation. Intellectuals and
urnalists—and for the first time for-
er party leaders—have raised their
ices to protest these conditions and
nsequently suffer harassment, house
rrest, imprisonment, and, reportedly,
ven internal exile. In the meantime,
e Romanian Government—one of the
oving forces behind the CSCE proc-
ss years ago—turns its back on the
ry commitments it had made.

niversal Principles and U.S. Goals

viet Foreign Minister Shevardnadze
ld us yesterday that no state has the
ght to impose its notions of democra-
on others. We agree that democracy
ed not be based on the system of any
e state. But there are two universal
rinciples of real democracy,
contestable.

First, the rights of the state are
erived from the consent of the
overned.

Second, free competitive elections,
ithin and among multiple contending
arties, are the only reliable means of
sting that consent. For by right, peo-
le give power to the state; the state is
ot the source of the basic rights of
an.

As President Bush suggested at
ATO this week, one useful task for
SCE might be to develop standards
r truly free elections, to ensure that
ll governments enjoy the consent of
e governed. Together with free elec-
ons, Principle VIII of the Helsinki Fi-
al Act provides a way to heal Europe's
piritual and historical scars, includ-
g, I might add, the illegal incorpora-
on of the Baltic states 50 years ago.

Second Report on Cyprus

MESSAGE TO THE CONGRESS, JUNE 5, 1989[1]

In accordance with Public Law 95–384, I am submitting to you this bimonthly report on progress toward a negotiated settlement of the Cyprus question.

During the past 2 months the two Cypriot parties have continued their efforts, under the auspices of the United Nations Secretary General, to assemble the basic elements of a settlement in Cyprus. Following numerous meetings between the two leaders in Nicosia, they met with the Secretary General in New York, April 5–7, to review progress. On April 6, the United Nations issued a communique that noted that the Secretary General and the two leaders "reviewed the second round of talks whose objective was to develop a common understanding of the issues and to explore a range of possible options. They shared the Secretary General's view that the efforts made so far have been useful. They agreed to continue the talks with the objective of achieving results by June 1989."

The communique also noted that the objective in the coming weeks would be to prepare "a draft outline of an overall agreement in which the goals to be achieved for each of the elements of the outline would be described....The two leaders accepted the Secretary General's invitation to meet with him again in June, if necessary, to complete the draft outline, to consider its status, and to decide how to proceed."

The United States Permanent Representative to the United Nations, Ambassador Thomas Pickering, met with both leaders during their visit to New York. They reiterated to Ambassador Pickering their confidence in the Secretary General, their appreciation of his commitment to solving the Cyprus problem, and their intention to continue working with the Secretary General and his representatives toward a negotiated solution.

We continue vigorous efforts to consult with and offer advice and assistance to key interested parties to the Cyprus dispute. I met with Prime Minister Ozal in Tokyo in February, as did Secretary of State Baker. Secretary Baker also has held meetings with the Prime Ministers and Foreign Ministers of Greece and Turkey and with the Foreign Minister of the Republic of Cyprus. The Department of State Special Cyprus Coordinator, M. James Wilkinson, traveled to Cyprus, Greece, and Turkey March 23–April 4 and is consulting regularly with concerned European allies.

In my previous report to the Congress, I noted that the United Nations was working with the two parties to adjust the military positions in Nicosia of Greek and Turkish Cypriot soldiers. I am pleased to report that the U.N.'s deconfrontation plan went into effect on May 17, greatly alleviating the probability of incidents posed by the dangerously close proximity of the two sides' military units in the Nicosia area. The United States worked hard in support of this U.N. effort. Congratulations are due to the Secretary General's political and military representatives on the island and to the parties themselves. We are hopeful that this achievement will prove the prelude to further progress, in terms both of immediate steps and the difficult questions underlying the Cyprus problem.

Finally, I would like to note that Major General Clive Milner of Canada became the new commander of the U.N. Peacekeeping Force in Cyprus (UNFICYP) on April 10, 1989, replacing Major General Guenther Greindl of Austria, UNFICYP's commander since 1981. I welcome the choice of General Milner for this important position and commend General Greindl whose performance under difficult and frustrating conditions was exemplary. He deserves the gratitude and appreciation of all those countries, groups, and individuals who benefited from his outstanding leadership.

Sincerely,

GEORGE BUSH

[1] Identical letters addressed to Jim Wright, Speaker of the House of Representatives, and Claiborne Pell, chairman of the Senate Foreign Relations Committee (text from Weekly Compilation of Presidential Documents of June 12, 1989).■

At this conference, my delegation will be pursuing three main goals.

First and foremost, we seek improved human rights performance. We want a thorough review of the implementation of all CSCE human commitments, by all parties, including ourselves. In this context, we recall the Vienna commitment to take steps "within six months" to solve all outstanding applications based on the human contacts provisions of Helsinki and the Madrid documents. Our self-imposed deadline is mid-July.

Second, we seek to evaluate our experience to date with the Vienna human rights mechanism, a constructive new tool for the conduct of human rights diplomacy by governments. As we see it, the Helsinki process can only profit from measures like this mechanism that increase openness and transparency. Effective confidence-building measures are just as important in the human dimension as they are in the military security sphere.

Third, we seek to ensure that this Paris meeting and all other meetings of the CSCE are open and accessible to interested citizens, journalists, and nongovernmental organizations. As we convene the Conference on the Human Dimension, it is particularly important that we reaffirm the contributions that individuals and nongovernmental organizations make to the CSCE process. After all, we are here on the people's business.

In my country, the nongovernmental organizations are engines of change that pull and tug our democracy forward. Our Constitution protects freedom of association and guarantees access to the halls of government. In matters of the environment, education, human rights—indeed, all aspects of our national life—citizen groups have contributed mightily to America's progress.

We find it disturbing that interested citizens from some of the Eastern countries appear not to have received permission to attend this Paris meeting. All meetings on the human dimension must take place in conditions of maximum openness and public access.

In closing, I would like to give you my thoughts as a longtime observer of the Helsinki process—most recently as a public member at the Vienna meeting. I was born the year the First World War ended, of Jewish parents in the then-segregated southern State of Georgia. My first experience of Europe came as a young man after the Second World War. In its chaotic aftermath, I served as a member of the American prosecution staff at the Nuremberg trials and later on the committee for the Marshall Plan. I have had the privilege of serving as the general counsel to the Peace Corps at its founding and in several human rights organizations of the United Nations and the U.S. Commission on Civil Rights.

In my lifetime, then, I have seen the worst and the best our century has had to offer: unspeakable human suffering and man's capacity for evil on the one hand and on the other, human nobility and man's capacity for tremendous change for the good. I have seen the development of the civil rights movement in the United States to rectify ancient wrongs that existed in my country and are still not perfect. I have seen the worldwide human rights movement gain a place on the international agenda.

As so well stated by my Soviet colleague, Mr. Kashlev, in an interview post-Vienna that I have just had the privilege of reading this afternoon in the Moscow news: "Human rights, the protection of the individual and civic dignity, will now be the subject for legitimate discussion in international relations."

Today no responsible state would in the name of sovereignty, claim the right to torture its own citizens. Yet no state, including my own, would claim to have completely fulfilled its human rights commitments. But they are commitments, and we are making progress.

We cherish all the goals of the Universal Declaration of Human Rights, but civil and political freedoms are absolutely essential to the fulfillment of the human personality. Otherwise man's intelligence is stifled, his voice throttled, his conscience stilled, and his essential humanity denied.

In the exercise of civil and political freedoms of expression and initiative man can best obtain his other needs.

This, as history is again so clearly demonstrating, is the route to liberty, prosperity, happiness, and peace. ■

Bulgaria's Persecution of Its Turkish Minority

WHITE HOUSE STATEMENT, JUNE 26, 1989[1]

In the last month, over 60,000 people have either fled or been forcibly expelled from Bulgaria to Turkey—many with nothing more than the clothes on their backs—and more are arriving in Turkey every day.

This mass migration is the result of the Bulgarian Government's systematic denial of basic human rights to its Turkish minority. Since 1984 the Bulgarian authorities have been carrying out a campaign of forced assimilation of Bulgaria's ethnic Turkish minority, forcing its members to slavicize their names and denying them the right to speak their language and practice their religion. Members of the minority, who have objected have been imprisoned without trial and treated with great brutality.

Over the past month, this campaign against ethnic Turks has taken on a new dimension, as Bulgarian forces have fired on peaceful demonstrators, killing some and wounding others. There are reports that the violence continues.

We deplore Bulgaria's blatant violations of the human rights of its citizens, rights which Bulgaria has committed itself to protect as a signatory of the Helsinki accords and other international agreements. We urge the Government of Bulgaria to cease these violations and to allow for the orderly emigration of those ethnic Turks who desire to leave.

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[1] Text from Weekly Compilation of Presidential Documents of July 3, 1989. ■

Captive Nations Week, 1989

PROCLAMATION 5996,
JULY 6, 1989[1]

Each July, we Americans celebrate our Nation's independence and the blessings of self-government. As we give thanks for the rights and freedoms that citizens of this Nation have enjoyed for more than 200 years, we also recall our obligation to speak out for oppressed peoples around the world. We thus pause during Captive Nations Week to remember in a special way those peoples who suffer from foreign domination and from ideologies that are inimical to the ideals of national sovereignty and individual liberty.

Today, the leaders of the Soviet Union and other Communist governments are discovering that the voices of those who long for freedom and self-determination cannot be silenced. Around the world, men and women in captive nations are calling for recognition of their basic human rights. Their wills—the undeniable expression of just aspirations—are beginning to be heard.

In Afghanistan, the nightmarish years of Soviet occupation are over, and the Afghan people's demand for self-determination is drawing closer to realization. Unfortunately, a decisive end to the Afghans' long ordeal remains elusive while a puppet regime in Kabul continues the proxy devastation of their war-ravaged homeland.

In Africa, the people of Angola have a real chance to find peace after years of violent struggle against the ruling Marxist-Leninist regime. Our hopes for national reconciliation in Angola will remain tempered, however, as long as armed Cuban mercenaries continue to stalk the forests and veldt of that land and other countries on the African continent.

Communist expansionism has been frustrated in Southeast Asia, and today there is new hope that the people of Cambodia, Laos, and Vietnam will regain some day their long-denied political and religious freedom. Such hope has also returned for many of our neighbors to the south. In Nicaragua and other Latin American nations, popular resistance to attempts at repression by local dictators—as well as resistance to political and military interference from Cuba and the Soviet Union—has proved to be formidable.

In Eastern Europe, even as we see rays of light in some countries, we must recognize that brutal repression continues in other parts of the region, including the persecution of ethnic and religious minorities.

This week, we recall with deep sadness the infamous Molotov-Ribbentrop pact between Nazi Germany and the U.S.S.R. that doomed Poland, Estonia, Latvia, and Lithuania to dismemberment and foreign domination. The United States refuses to accept the subsequent incorporation by the Soviet Union of the Baltic States during World War II. Since their forcible annexation in 1940, the people of Lithuania, Latvia, and Estonia have faced political oppression, religious persecution, and repression of their national consciousness. But decades of oppression have not broken the great spirit of the Baltic people and other victims of Soviet domination.

Hundreds of thousands of men and women around the world continue to demonstrate publicly their desire for liberty and democratic government, demanding freedom of speech, assembly, and movement, as well as the freedom to practice their religious beliefs without fear of persecution.

Their voices are being heard; there have been improvements in human rights practices by the ruling regimes in many of these countries. But justice demands that more positive steps be taken. The fundamental rights and dignity of individuals must be recognized in law and respected in practice; the peoples living in captive nations not only ask for but are entitled to lasting protection of their God-given rights.

The United States shall continue to call upon all governments and states to uphold the letter and the spirit of the United Nations Charter and the Helsinki Final Act until freedom and independence have been achieved for all captive nations.

Affirming all Americans' determination to keep faith with those who are denied their fundamental rights, the Congress, by Joint Resolution approved July 17, 1959 (73 Stat. 212), has authorized and requested the President to issue a proclamation designating the third week in July of each year as "Captive Nations Week."

NOW, THEREFORE, I GEORGE BUSH, President of the United States of America, do hereby proclaim the week beginning July 16, 1989, as Captive Nations Week. I call upon the people of the United States to observe this week with appropriate programs, ceremonies, and activities, and I urge them to reaffirm their devotion to the aspirations of all peoples for justice, self-determination, and liberty.

IN WITNESS WHEREOF, I have hereunto set my hand this sixth day of July, in the year of our Lord nineteen hundred and eighty-nine, and of the Independence of the United States of America the two hundred and fourteenth.

GEORGE BUSH

[1] Text from Weekly Compilation of Presidential Documents of July 10, 1989.■

Compensation Offered for Victims of Iran Airbus Tragedy

DEPARTMENT STATEMENT,
JULY 17, 1989[1]

On July 3, 1988, the U.S.S. *Vincennes*, during a surface engagement with Iranian gunboats in the Persian Gulf, shot down Iran Air #655. The flight carried 290 passengers and crew from six nations: India, Iran, Italy, Pakistan, the United Arab Emirates, and Yugoslavia. Although the United States is not liable under international law to pay compensation to the families of the #655 victims, on July 11, 1988, President Reagan announced that, in accordance with the humanitarian traditions of our nation, the United States would do so on an *ex gratia* basis.

During the past year, the United States has developed an appropriate plan for paying *ex gratia* compensation. On July 10, 1989, the United States instructed its Embassies in India, Italy, Pakistan, Yugoslavia, and the United Arab Emirates to approach the governments in those countries proposing that specific payments be accepted on behalf of their nationals. In general the United States has offered to pay $250,000 per full-time, wage-earning victim and $100,000 each for all other victims.

The same offer has been communicated to the Government of Iran. Unfortunately during the past year, the

Government of Iran has ignored repeated efforts by the United States to obtain information on the families of the Iranian victims. The United States stands ready to make payments to these families so long as the Government of Iran permits an appropriate intermediary to distribute the funds to the families.

[1] Read to news correspondents by Richard A. Boucher, Department deputy spokesman.■

Upcoming Elections in Nicaragua

PRESIDENT'S STATEMENT, JULY 19, 1989[1]

Ten years ago, there was widespread satisfaction here and in Latin America that the anti-Somoza revolution in Nicaragua had triumphed and at long last democracy would be given a chance. The Sandinistas committed to the Organization of American States (OAS) in 1979 to establish a democracy and renewed that commitment when the Central America peace accord was signed nearly 2 years ago. Despite these promises, that commitment remains unfulfilled today.

The United States wanted to do its part for the success of the turn toward democracy. We had contributed to the overthrow of Somoza by cutting off military assistance. Encouraged by the Sandinistas' promise to the OAS, we provided $118 million in economic and humanitarian assistance to the new Nicaraguan Government. This was substantially more than any other country gave the new regime and represented more aid than we had provided the Somoza government in the previous 4 years.

Despite our efforts to be supportive, as well as those of other democratic governments, the Sandinistas quickly embarked on a course which centralized power in their hands, brought economic ruin to their country, and forced hundreds of thousands to flee. They built up the largest army in Central America, with aid from Cuba, the Soviet Union, and other communist states. The security forces and Sandinista thugs harassed and imprisoned the opposition, including from the political parties, labor unions and businessmen, the Catholic Church, and the Miskito Indian community. Elections were postponed for 5 years, and, when they were held, the Sandinistas' ground rules did not allow the opposition to compete freely and fairly.

Today, with the eyes of the world upon them, the Sandinistas have another opportunity to give peace and democracy a chance. But as the second anniversary of the commitments at Esquipulas approaches, what is evident is a renewed attempt to prevent a free and fair election. In strong contrast to its neighbors, who have chosen the democratic path, the Sandinista government continues to show that it fears free political competition.

The Sandinista electoral reform law, for example, was imposed upon the opposition over its objections and provides for an Electoral Council which is stacked in the Sandinistas' favor. Provisions for government campaign financing penalize parties that did not participate in the last election. To snuff out any chance that foreign contributions to the opposition could somehow offset official favoritism toward the Sandinista party, the law provides that 50% of foreign contributions be distributed to the Electoral Council. The Sandinista party is under no such constraints.

On paper the electoral law permits foreign observers, but Sandinista practice to date indicates a desire to restrict them. The Sandinistas, for example, have branded National Endowment for Democracy representatives as "CIA agents," expelled a Freedom House observer, and imposed visa restrictions on Americans so as to control who may report on the election. Two American diplomats were expelled for observing an opposition rally, and Sandinista restrictions on other members of the diplomatic corps provoked a protest by the European Community representatives. These moves stand in sharp contrast to the Salvadoran experience, where observers from all sides were welcomed, even those critical of the government.

The new media law also fails to meet democratic standards, as it contains vague provisions that permit prosecution for defaming the government and enforcement is left to the Ministry of Interior. Unlike the other Central American countries, the government by law owns all television broadcasting. Moreover only government-sanctioned polling is permitted, allowing the Sandinistas to hide from the people the true extent of their unpopularity.

The Sandinistas have also shown their fear of electoral freedoms in other ways. Several opposition marches have been cancelled because the government denied permits. Labor unions have been threatened lest their display of economic power threatens the Sandinistas. Recently several private-sector leaders were stripped of their property—not for violations of law but in a transparent attempt to silence vocal critics of Sandinista policies.

Permeating all of these Sandinista measures is a government propaganda that equates opposition with disloyalty and criticism with allegiance to a foreign power. At every point, the Sandinistas have shown that they feel they can ignore opposition demands for dialogue. Last week in San Jose, President Ortega indicated he might be willing to change. We look for him to do so, for there will be dim prospects for national reconciliation unless the internal opposition and the Nicaraguan Resistance are made full partners in this process.

We also look to the Sandinistas to make other changes to comply with their Esquipulas commitments. Recently discovered arms caches in El Salvador show that the Sandinistas continue to subvert their neighbors. Despite our having halted lethal aid to the Resistance, the Sandinista military buildup continues with new deliveries from Cuba and other communist states. And now the Sandinistas are making common cause with the Noriega regime in Panama—a dictatorship in the style of Somoza.

The bipartisan accord with Congress offers an opportunity for better relations between our two countries. We want to see democracy and national reconciliation work in Nicaragua. We remain willing to respond positively if the Sandinistas fulfill their promises made to the OAS over 10 years ago, at Esquipulas, and again last February in El Salvador—to allow Nicaraguans to exercise their democratic rights.

Despite the somber prospects, we remain committed to support free elections and democracy in Nicaragua, and our sincerest hope is that next year, the Nicaraguan people will truly have something to celebrate.

[1] Text from Weekly Compilation of Presidential Documents of July 24, 1989.■

urrent Actions

ULTILATERAL

ntarctica
nvention on the regulation of Antarctica ineral resource activities, with annex. one at Wellington June 2, 1988.[1]
gnature: China, June 28, 1989

tomic Energy
mendment of Article VI.A.1 of the Statute the International Atomic Energy Agency Oct. 26, 1956, as amended (TIAS 3873, 84, 7668). Done at Vienna Sept. 27, 1984.[1]
ceptance deposited: Bangladesh, June 29, 89.

viation
rotocol for the suppression of unlawful acts violence at airports serving international vil aviation, supplementary to the convenon of Sept. 23, 1971 (TIAS 7570). Done at ontreal Feb. 24, 1988.[2] [Senate] Treaty oc. 100–19.
gnatures: Austria, July 4, 1989; Belgium, ar. 15, 1989; Gabon, Sept. 20, 1988; Ireland, ly 29, 1988; Jordan, Sept. 30, 1988; Moroco, July 8, 1988; New Zealand, Apr. 11, 1989; . Vincent and the Grenadines, Dec. 1, 88; Spain, Mar. 2, 1989; Sri Lanka, Oct. 28, 88; Togo, Oct. 24, 1988.
atifications deposited: Byelorussian S.R., May 1, 1989; Peru, June 7, 1989; Sau- Arabia, Feb. 21, 1989; Turkey, July 7, 89; U.S.S.R., Mar. 31, 1989; Marshall Isnds, May 30, 1989.
ntered into force: Aug. 6, 1989.

efense
greement amending the memorandum of nderstanding of Apr. 26 and 28 and May 26, 88, concerning a cooperative project for ie establishment and operation of a pilot ATO insensitive munitions information nter. Signed at Brussels and Paris Apr. 18 nd June 6, 1989. Entered into force June 6, 89.
ignatories: Canada, Netherlands, Norway, .K., U.S., Apr. 18, 1989; France, June 6, 89.

isheries
acific Island regional fisheries treaty. one at Port Moresby Apr. 2, 1987. Entered nto force June 15, 1988 [Senate] Treaty Doc. 00–5.
ignature and ratification deposited: Tonga, une 13, 1989.

udicial Procedure
onvention on the civil aspects of internaional child abduction. Done at The Hague ct. 25, 1980. Entered into force Dec. 1, 983; for the U.S. July 1, 1988.
ccession deposited: Belize, June 22, 1989.[3]

laritime Matters
mendments to the convention on the interational regulations for preventing collisions at sea (TIAS 8587). Adopted at London Nov. 19, 1987.
Enters into force: Nov. 19, 1989.
Proclaimed by the President: June 29, 1989.

Pollution
Protocol to the 1979 convention on long-range transboundary air pollution (TIAS 10541) concerning the control of emissions of nitrogen oxides or their transboundary fluxes, with annex. Done at Sofia Oct. 31, 1988.[1]
Acceptance deposited: U.S., July 13, 1989.

Prisoner Transfer
Convention on the transfer of sentenced persons. Done at Strasbourg Mar. 21, 1983. Entered into force July 1, 1985. TIAS 10824.
Ratification deposited: Italy, June 30, 1989.

Rubber
International natural rubber agreement, 1987, with annexes. Done at Geneva Mar. 20, 1987. Entered into force provisionally Dec. 29, 1988; definitively Apr. 3, 1989. [Senate] Treaty Doc. 100–9.
Accession deposited: Switzerland, June 28, 1989.

Space
Treaty on principles governing the activities of states in the exploration and use of outer space, including the Moon and other celestial bodies. Done at Washington, London, and Moscow Jan. 27, 1967. Entered into force Oct. 10, 1967. TIAS 6347.
Ratification deposited: Togo, June 26, 1989.

Agreement on cooperation in the detailed design, development, operation, and utilization of the permanently manned civil space station, with annex. Done at Washington Sept. 29, 1988.[1]
Ratifications deposited: Denmark, July 5, 1989; Norway, Feb. 9, 1989.

Wheat
Wheat trade convention, 1986. Done at London Mar. 14, 1986. Entered into force July 1, 1986; definitively for the U.S. Jan. 27, 1988. [Senate] Treaty Doc. 100–1.

Food aid convention, 1986. Done at London Mar. 13, 1986. Entered into force July 1, 1986; definitvely for the U.S. Jan. 27, 1988. [Senate] Treaty Doc. 100–1.
Ratifications deposited: Luxembourg, June 28, 1989; U.K., June 26, 1989.

BILATERAL

Bangladesh
Treaty concerning the reciprocal encouragement and protection of investment, with protocol and exchange of letters. Signed at Washington Mar. 12, 1986. [Senate] Treaty Doc. 99–23.
Entered into force: July 25, 1989.

Belgium
Supplementary protocol modifying and supplementing the convention of July 9, 1970 (TIAS 7463), for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, with exchange of notes signed at Washington Dec. 31, 1987. Entered into force Aug. 3, 1989. [Senate] Treaty Doc. 100–15.

Cameroon
Treaty concerning the reciprocal encouragement and protection of investment. Signed at Washington Feb. 26, 1986. [Senate] Treaty Doc. 99–22.
Entered into force: Apr. 6, 1989.

Canada
Memorandum of understanding concerning mutual logistical support, with annexes. Signed at Ottawa June 6, 1989. Entered into force June 6, 1989.

China
Agreement amending the agreement of Feb. 2, 1988, as amended, concerning trade in textiles and textile products. Effected by exchange of letters at Washington Apr. 28 and May 1, 1989. Entered into force May 1, 1989.

Egypt
Grant agreement for commodity imports. Signed at Cairo June 21, 1989. Entered into force June 21, 1989.

El Salvador
Agreement amending the agreement of Mar. 2 and Apr. 30, 1987, relating to trade in cotton textiles. Effected by exchange of notes at San Salvador Nov. 23, 1988, and Apr. 26, 1989. Entered into force Apr. 26, effective Jan. 1, 1989.

Grenada
Treaty concerning the reciprocal encouragement and protection of investment. Signed at Washington May 2, 1986. [Senate] Treaty Doc. 99–25.
Entered into force: Mar. 3, 1989.

Indonesia
Agreement on copyright protection. Signed at Washington Mar. 22, 1989. Entered into force Aug. 1, 1989.

Israel
Memorandum of understanding covering marine and freshwater scientific and technical cooperation, with annexes. Signed at Jerusalem June 5, 1989. Entered into force June 5, 1989.

Korea
Agreement extending the agreement of July 26, 1982 (TIAS 10571), as amended and extended, concerning fisheries off the coasts of the United States. Effected by exchange of notes at Washington Feb. 17 and Mar. 27, 1989.
Entered into force: July 21, 1989, effective July 1, 1989.

Luxembourg
Agreement concerning the reciprocal exemption from income tax of income derived from the international operation of ships and

aircraft. Effected by exchange of notes at Luxembourg Apr. 11 and June 22, 1989. Enters into force upon confirmation by the U.S. of notification by Luxembourg that all necessary internal procedures have been completed.

Mali
Agreement regarding the consolidation and rescheduling of certain debts owed to, guaranteed by, or insured by the U.S. Government and its agency, with annexes. Signed at Bamako June 3, 1989. Entered into force July 21, 1989.

Marshall Islands
Memorandum of agreement concerning assistance in developing and modernizing the Marshall Islands' civil aviation system. Signed at Washington and Majuro May 23 and June 15, 1989. Entered into force June 15, 1989.

Papua New Guinea
Memorandum of understanding concerning an exchange of officers. Signed at Port Moresby and Honolulu May 17 and June 13, 1989. Entered into force June 13, 1989.

Poland
Agreement concerning the reciprocal establishment of cultural and information centers. Signed at Warsaw July 10, 1989. Entered into force July 10, 1989.

Romania
Agreement amending the agreement of Nov. 7 and 16, 1984, as amended, relating to trade in wool and manmade fiber textiles and textile products. Effected by exchange of notes at Bucharest Mar. 18, 1988, and May 29, 1989. Entered into force May 29, 1989; effective Jan. 1, 1989.

Sudan
Agreement for sales of agricultural commodities. Signed at Khartoum June 8, 1989. Entered into force June 8, 1989.

Switzerland
Agreement of cooperation in nuclear plant life extension research. Signed at Bern and Washington May 24 and June 13, 1989. Entered into force June 13, 1989.

U.S.S.R.
Agreement on the prevention of dangerous military activities, with annexes and agreed statements. Signed at Moscow June 12, 1989. Enters into force Jan. 1, 1990.

Uruguay
Agreement amending the administrative arrangement of Aug. 24 and Sept. 13, 1984, as amended, for a visa system relating to trade in certain textile products. Effected by exchange of notes at Montevideo Oct. 5, 1988, and Apr. 25, 1989. Entered into force Apr. 25, 1989.

Agreement amending the agreement of Dec. 30, 1983, and Jan. 23, 1984, as amended, concerning exports of certain textile products manufactured in Uruguay to the United States. Effected by exchange of notes at Montevideo Nov. 14, 1988, and June 20, 1989. Entered into force June 20, 1989; effective Jan. 1, 1989.

Vanuatu
International express mail agreement, with detailed regulations. Signed at Port Vila and Washington May 23 and June 30, 1989. Entered into force July 3, 1989.

Zaire
Treaty concerning the reciprocal encouragement and protection of investment, with protocol. Signed at Washington Aug. 3, 19[illegible]. [Senate] Treaty Doc. 99–17.
Entered into force: July 28, 1989.

[1] Not in force.
[2] Not in force for the U.S.
[3] With reservation(s). ■

Department of State

Press releases may be obtained from the Office of Press Relations, Department of State, Washington, D.C. 20520.

No.	Date	Subject
126	7/10	Baker: statement on the Multilateral Assistance Initiative for the Philippines, Tokyo, July 4.
*127	7/5	Joseph Verner Reed sworn in as Chief of Protocol, Mar. 21 (biographic data).
*128	7/6	Eagleburger: interview on USIA's "Worldnet."
129	7/10	Baker: opening statement before the ASEAN postministerial conference, Bandar Seri Begawan, Brunei, July 6.
130	7/7	Baker: statement at the ASEAN postministerial conference, Bandar Seri Begawan, Brunei, July 7.
131	7/10	Baker: news conference, Bandar Seri Begawan, Brunei, July 7.
*132	7/10	Baker: interview on CBS "This Morning," Warsaw.
133	7/11	Baker: news conference, Warsaw, July 10.
*134	7/11	Bernard William Aronson sworn in as Assistant Secretary for Inter-American Affairs, June 28 (biographic data).
135	7/12	Baker: news conference, Budapest.
*136	7/14	Baker: interview on "The Today Show," Paris.
137	7/17	Baker: news conference, Paris, July 15.
138	7/17	Baker: interview on CNN's "Evans and Novak," Paris July 15.
139	7/17	Baker: interview on ABC-T "This Week With David Brinkley," Paris, July 16.
140	7/18	Baker, Van den Broek: news conference, The Hague, July 17.
*141	7/18	Peter F. Secchia sworn in as Ambassador to Italy, June 28 (biographic data).
*142	7/21	Jewel S. Lafontant sworn in as Ambassador at Large and U.S. Coordinator for Refugee Affairs, July 20 (biographic date).
143	7/19	Baker: interview on PBS's "MacNeil/Lehrer Newshour."
*144	7/28	Melvyn Levitsky sworn in as Assistant Secretary for International Narcotics Matters, June 23 (biographic data).
145	7/31	Baker, Shevardnadze: remarks, Paris, July 29.

*Not printed in the BULLETIN. ■

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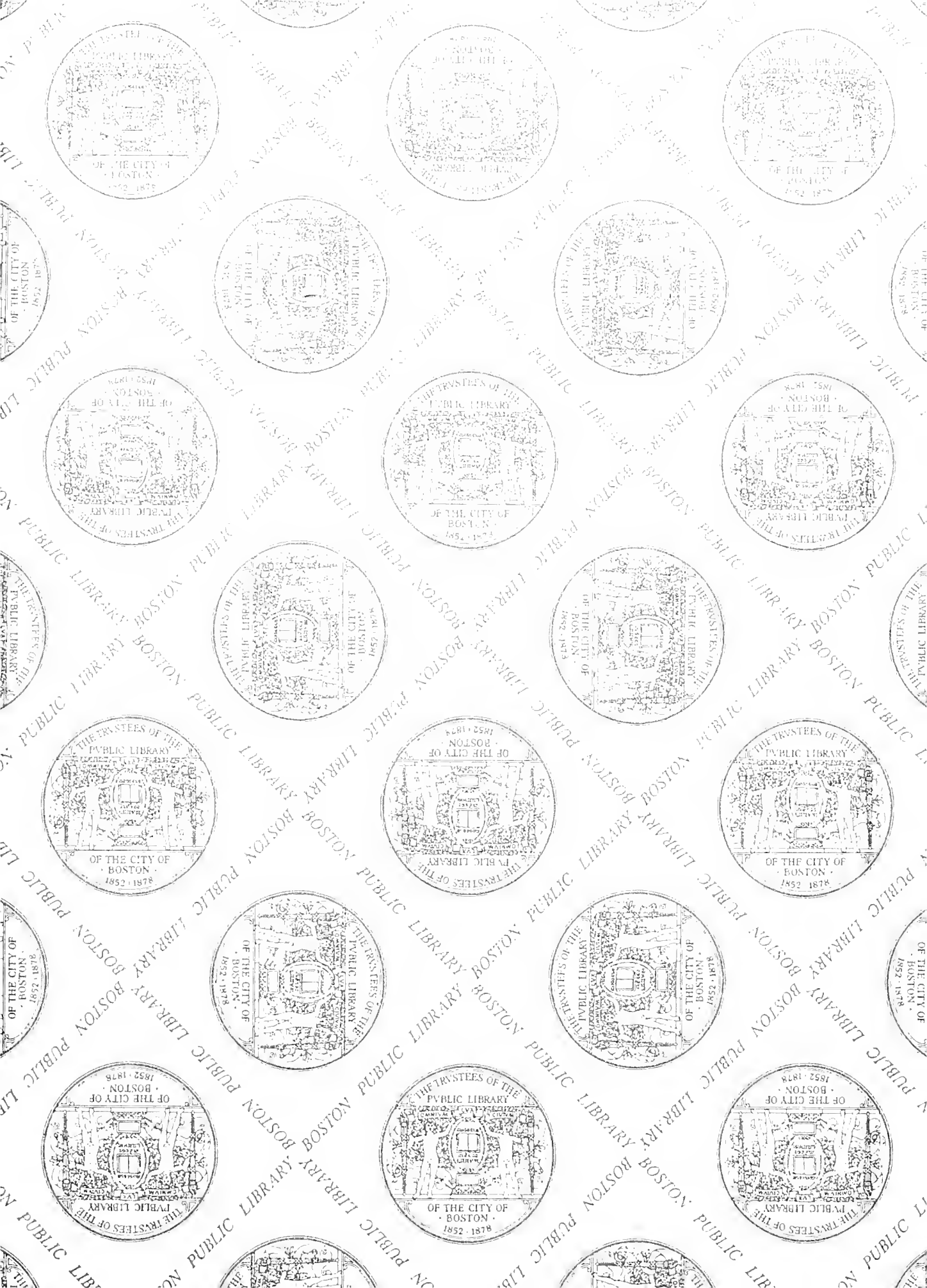
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