

AN INTERVIEW WITH BRUCE E. BABBITT

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FORUM: Since World War II, the United States government has tended to formulate its foreign policy in the context of East-West relations focused on containing the Soviet Union. Should there be a shift in the emphasis of U.S. foreign policy, and what should be the central organizing principle of U.S. foreign policy?

BABBITT: I think there are two broad issues in [U.S.] foreign policy. The bilateral relationship with the Soviet Union remains central. What has changed in the last 20 years is the slow evolution towards a multipolar emergence of the Third World as an important force. What has happened in the last 20 years is the emergence of dynamic market economies in the Third World: the emergence of the incredible success story of East Asia. It is now happening in other parts of the world. It is the most hopeful fact of the last decade. I believe that we are on the threshold of a decade in which Third World development and tension is going to accelerate, and the momentum is on the side of market economics. Marxism essentially has been discredited as an economic theory. It has failed in the experiments of the Third World and no longer has any real effect. I think that creates a world in which we must pay much more attention to successes and talk about how it is we can restructure a multinational economic institution solely to deal with Third World debt and chronic imbalances in the trading system.

FORUM: What do you think are the major lessons of Vietnam?

BABBITT: The major lesson of Vietnam is that the political leadership of the United States must carefully define, in precise terms, the national interest of the United States. We have to understand that in an emerging multipolar world not every sparrow that falls from the nest need be viewed as an American security issue. This is especially true of conflicts in the Third World that take place outside the traditional bipolar sphere of U.S.-Soviet relations that are driven by the rise of nationalism, by the revival of religious fervor, by all kinds of extremist things. We must understand that many of these developments are not involved in a significant degree with the national interest of the United States or ought not to be viewed primarily through the bipolar lens of the Cold War, if you will.

FORUM: What are your views on the "Reagan Doctrine"? How do you propose that we deal with leftist Third World regimes such as Nicaragua or Angola while avoiding "another Vietnam"?

BABBITT: We must view each case individually and make a realistic assessment of what our national security interest is, if any; [and make a realistic assessment] of what will be a relative claim to legitimacy of the various factions and whether or not there was some reasonable chance that American support will succeed and have some meaningful result. That's a complex calculation. The case of Afghanistan is easy: Afghanistan involves direct intervention of the Soviets into a Third World country. We should use every measure short of direct intervention at our disposal and insist that they continue defending their country against Soviet aggression.

FORUM: So you would advocate directly supplying the *mujahidin*?

BABBITT: We have been doing that since 1978.

FORUM: What about the case of Nicaragua? Do you support aid to the *contras*?

BABBITT: I would withdraw support of the *contras*. They have little or no claim to legitimacy. That is, there is no moral imperative and they have no chance of winning.

FORUM: What about Angola? Do you advocate a continuance of our policy of support for UNITA?

BABBITT: I am not sufficiently conversant in the details to make a flat-out statement. I view our support of UNITA with skepticism based on a less than complete command of the facts.

FORUM: Let us discuss the foreign policy apparatus, which is so often discussed in the news now. What is the proper role of the National Security Council and Central Intelligence Agency in foreign policy? And do you think that there is any role for covert actions to support foreign policy objectives?

BABBITT: The role of the National Security Council is to coordinate inter-agency decision-making and to advise the president. It should have no direct foreign policy role of any kind. There are times when covert actions are proper and in the national interest. The appropriate place for covert activity is either the Joint Chiefs of Staff or the CIA, depending on the nature of the activity. The president must obey the law. The law is, I believe, quite clear. We need

the courage to recognize that the foreign policy of the United States of America cannot be conducted without the cooperation of Congress and the continual effort to formulate consensus. It's an old problem of American foreign policy. This is how the Korean War started. [President Lyndon] Johnson's backdoor entry into Vietnam with the pretext of the emotionalism of the Gulf of Tonkin led to another disaster and we are now seeing yet a third disaster brought about by the president's attempt to make an end run around Congress [with the Iran-contra affair]. We simply can't do this: it is not something that will yield a workable result in this democracy.

FORUM: What specific arms control agreement would you make with the Soviet Union and why?

BABBITT: I believe that there are two important arms control agreements within reach. First is the 50 percent reduction of land-based intercontinental ballistic missiles [ICBMs]. The president got within a hundred yards of this issue at Reykjavik and then backed off because of "Star Wars." I would revive those discussions and accept, in principle, the Soviet offer of 50 percent reduction, and then I would deal with the remaining Soviet condition which is "Star Wars." The differences there are so minor that they could be resolved. The Soviets have agreed that in principle they accept a 10-year moratorium on deployment. Then all we are arguing about is the schedule of permitted activities short of deployment (in the next ten years). It is a negotiator's paradise: the differences are very minor. The president inexplicably failed to negotiate on the threshold of the most important agreement since the dawn of the nuclear age.

FORUM: What are your views on "Star Wars"?

BABBITT: I would stuff the genie back into the bottle.

FORUM: So you would not continue the research program?

BABBITT: I believe that the deployment of "Star Wars" would destabilize nuclear deterrence, resulting in a new arms race. It is essentially the same set of issues that were raised in the 1970s and that resulted in the ABM [Anti-Ballistic Missile] Treaty of 1972. All that "Star Wars" is is another ABM system; it involves the same issues that were involved in the seventies and it should not be deployed. Of course there is always room for research and I support research, because I support a hedge against technological surprise.

FORUM: Would you be willing to devote as much money to the research as the Reagan administration does?

BABBITT: No. Most of the research that they are doing is deployment research, it is not basic research. Now the second thing that I believe we should do is move towards a comprehensive test ban treaty. Again, it is within reach. The verification issues are susceptible of solution with the Soviets now willing to negotiate about on-site verification. With the advances of seismology, the verification issues are very manageable. I would support a comprehensive test ban treaty.

FORUM: What about the arguments that the Soviets have cheated on arms control agreements, that, for example, they have violated the SALT I [Strategic Arms Limitations Talks] Treaty by employing a large radar system in Siberia?

BABBITT: There is a mechanism in the SALT II Treaty for dispute discussion and resolution. The Krasnoyarsk facility [in Siberia] needs some discussion. There are some ambiguities, and it may in fact be a treaty violation. But there is a dispute resolution provision in the SALT Treaty and we ought to sit down and deal with it rather than use it as a pretext to abandon the treaty.

FORUM: Would you advocate a nuclear freeze?

BABBITT: I think that a reduction treaty is a much more important objective.

FORUM: What is your evaluation of the current Soviet regime? It is assumed that Gorbachev will be leader of the Soviet Union throughout the 1990s. What do you think of his policies? For example, is *glasnost* really a change?

BABBITT: It is too early to tell. Furthermore, we have no significant influence over what happens internally in Soviet society. Furthermore, our dealings with the Soviets should be based upon realism and our ability to verify agreements. Now, changes do occur, [but] whether or not this is a major change, no one can tell. I think it important to remember that a generation ago, the right wing in this country was arguing that China was monolithic and an agent of the Soviet Union. And there was a lot of divisiveness in this society over the notion that China had been irretrievably delivered to the Kremlin. A generation later we have seen some staggering changes which are underlain by the fact that China is pursuing its national interest as it sees it. Change does occur; change is inevitable. What direction will it take in the Soviet Union? I think it is impossible to tell, but our dealings with the Soviet Union need to be based upon the principle of verifiable realities, and one may hope that the Soviet Union will evolve to an openness and decentralization of power and progress on human rights. But in the meantime we ought to get

on with the business of making deals which are verifiable and of mutual benefit.

FORUM: The U.S.-Soviet relationship since World War II has contained elements of both conflict and cooperation. You just spoke of some areas of cooperation. Which other areas of cooperation would you like to see advanced between the United States and the Soviet Union, for example, in the field of economic relations?

BABBITT: Economic relations ought to be the subject of skeptical bargaining where there is mutual benefit — where there are clear gains for both sides. I see no value in one-way delivery of economic benefits and technology to the Soviet Union or anybody. Economic benefits and technology always have to be linked to progress on human rights, on Third World issues, on immigration and other relevant issues.

FORUM: This sounds like the language of detente. Is that the kind of policy that you would advocate?

BABBITT: I have a fairly narrow view of detente. My view of the meaning of detente in the 1980s is primarily arms control. I am not optimistic about a broad development of any other kind of detente. The areas of cooperation have to be worked out on a very narrow and specific, reciprocal basis.

FORUM: What is your analysis of and prescription for solving the U.S. trade deficit?

BABBITT: I believe that the trade imbalances are now a chronic problem and what we must have is a third way that is neither laissez faire nor protectionist. I advocate a third solution which consists of rewriting the GATT [General Agreement on Tariffs and Trade], obviously on a multinational basis, to adopt brand new rules of trade which sets out objective rules of multilateral balance among the industrialized countries. I underline that because it is a radically different view. My view is that the GATT as it was written at the end of World War II is no longer workable; it is fundamentally flawed. The GATT was written in a world in which there were two economic powers: the capitalist system of England and the United States, and the communist system of Moscow, which was excluded. And it was a system which was policed by two things. One was by the Anglo-American concepts of fair trade. The other one was by exchange rates which were moderated to bring the system back in balance. Both of those concepts that were written into the GATT Agreement have disappeared. The concept of unfair trade practices was an Anglo-American concept that is impossible to define in a world of mixed state and private

economies. Unfair trade is just sinking in a swamp of irrelevance. Exchange rates no longer buffer trade balances, because they have been displaced by capital flows. What this means is that trade imbalances are now chronic; they are no longer self-correcting. It is for that reason that I believe we must scrap the GATT and now write an international agreement that has objective rules which will require multilateral balance among the industrial countries. Now that is very different from the stuff that's being talked about in Congress. What they are talking about is bilateral retaliation. That's not a sound concept. You don't balance individual trading relationships. What you do is look at multilateral balance and require a written, new agreement that the system be balanced, and that the countries are required to achieve multilateral balance.

FORUM: What would you do then if a country practices predatory dumping against the United States?

BABBITT: I believe that you have to rewrite the rules entirely. [If] you agree with objective rules of multilateral balance, [then] dumping is no longer relevant. Balance your accounts on a multilateral basis and after that the predatory dumping issues aren't very relevant. The balance of the system will be objectively required.

FORUM: So, for example, the system would objectively forbid practices such as unfair trading practices?

BABBITT: We would not have to worry about it. The issue is that exports will have to be balanced by imports on a multilateral basis and if you want to do predatory pricing, all you have to do is make sure that you are importing enough to offset the profits from selling below cost. Now who is going to continue to do that? So, the issues of unfair trading practices like predatory dumping would be reduced to clear irrelevance. Not completely, though; there would be some minor issues. But by and large the mandate of balance would displace all these old rules and quarrels about who is subsidizing what upstream or downstream in the production process, and whether or not it is a health and safety standard or exclusionary standard of law and on and on.

FORUM: How would you propose to reduce the U.S. budget deficit?

BABBITT: I think the president needs to go to the Congress and propose a triangular compromise which calls for restraint in defense spending and clear priorities and restraint in domestic spending and revenue increases as a package. Not as separate elements, but as a binding package.

FORUM: What types of defense cuts would you propose?

BABBITT: What we need to do is stop the increases; we don't need to cut. We need to hold defense spending steady at approximately its current level.

FORUM: Does that mean that you would like to maintain the current allocation of resources for programs such as SDI?

BABBITT: Assuming that we get an arms control agreement, which we must, you scratch deployment of SDI. You look critically at some of the nuclear systems. We should scrap the MX [missile]. It is a destabilizing first strike weapon which is a bad idea and ought to be scrapped.

FORUM: Does that mean that you would increase the budget for U.S. conventional forces?

BABBITT: Sure. The price of raising the nuclear threshold is increased reliance on conventional forces. They are the big dollars in the budget, and that is why you cannot honestly — in my judgement — call for cuts in the defense budget as opposed to restraining any more increases.

FORUM: How would you propose to overcome the inherent dilemma between stimulating economic growth in developing countries and protectionist sentiment at home?

BABBITT: Once again, we must rewrite the rule book. Developing countries are an exception to the requirement of multilateral balance among industrial nations. Developing countries must run trade surpluses in order to service their debt. We need a comprehensive approach to the Third World debt, investment, and trade issues. Once again, the system is obsolete and it is collapsing. The Third World debt, in its current form, is unsustainable. The events in Argentina and Brazil are simply a foretaste of what is yet to come. The administration has abdicated to the New York banks. The American-Third World economic policy is being dictated by clerks in green eye shades with yellow pencils — the New York banks — and it is going to lead to tragedy abroad. We must get together on an international basis and restructure the Third World debt and tie it, as much as we can, to the liberalization of the Third World economies. And by "liberalization," I mean what you do is use debt restructuring as a way to encourage the internal liberalization of Third World economies and to rewrite the rules of Third World trade; to regularize, to have some rules, some guideposts about what kinds of trade surpluses are reasonable, how they relate to the servicing of indebtedness, and how they relate to the economic reform of the countries involved.

FORUM: What about the Baker Plan? Do you think that is a good start?

BABBITT: No. The Baker Plan is simply throwing good money after bad. It's created rebellion among the banks, and it's inadequate. I believe that we have got to get rid of this idea that we can bail people out by loaning them more money so they can pay the interest, thereby increasing the debt. The most urgent issue is Mexico. Mexico is in absolute gridlock; it's in the midst of a political crisis, and an economic crisis that is the most important issue of the Third World. We have a national security interest of absolute, unparalleled proportion for reasons that are obvious. I would argue that in many ways it [Mexico] is the [United States'] third most important bilateral relationship in the world, behind the Soviet Union and Japan. I believe that we should sit down on an urgent basis with the Mexicans to cut their debt service in half through a combination of reducing interest rates, recapitalizing and restructuring the debt maturities, and some write-downs in debt for equity swaps. The burden of Mexican debt, as a percentage of GNP, is greater than the reparations that were imposed on Germany by the Treaty of Versailles at the end of World War I, and that ought to be a warning that it cannot continue. Now to restructure the debt, [we need] to cut the debt service in half on an extended basis, in exchange for some agreements that relate to the liberalization of the Mexican economy, the accelerated entry of the Mexicans into the GATT system and away from the import substitution system, and all of the other issues: sale of parastate industries, encouraging foreign investment, and those kinds of things. We must do this on a case-by-case basis. Mexico is the most urgent issue. We should work it out on an ad hoc [basis] with Mexico and then turn around and see if we can generalize from a good Mexican solution to how it is we can deal on an ad hoc basis with other countries. The relative burden of the Third World debt varies tremendously among countries. Some Third World countries are in reasonable shape. The decline in the oil prices has worked to the benefit of some countries and to the detriment of others. The debt as a percentage of GNP is very, very different among countries, and therefore you can't have a cookie cutter solution. You have to start with the most urgent case first, and then see to what extent you can generalize from it.

FORUM: How would you be able to convince the banks to accept lower interest rates on their payments?

BABBITT: I don't propose to convince them. I propose to tell them.

FORUM: Would the government support them with federal funds?

BABBITT: No.

FORUM: Then they would have to accept losses?

BABBITT: They would have to accept losses. What I'm saying is there must be the recognition that some of it must be write-downs as a matter of national policy. I can tell you the goal: the goal is that we must cut debt service in half. We must also remember that the debt that is owed is part public, part private, part European, and part American. You can distribute the write-downs in varying ways among public and private sectors and it may be that a larger proportion of the write-downs should be in the public sector debt. As I have said, some of it can be lowering interest rates, extending the maturities, debt for equity swaps. The mix is debatable, but the end result, I believe, cannot be debated for much longer.

FORUM: As you said, and as some analysts predict that the political instability in Mexico in the coming years may pose a great national security threat to the United States. As a former governor of Arizona, a state which borders Mexico, what do you think we should do to ensure that Mexico remains a stable ally apart from helping them solve the debt problem?

BABBITT: The most important issue is using debt adjustments as a way of bargaining for a revival of the Mexican economy in terms of foreign investment, liberalization of the economy, and other economic issues. What Mexico needs most is systematic, thoughtful attention. The Reagan administration is obsessed with Nicaragua, and has been ignoring Mexico. What we need, obviously, is to pay more attention to the other issues [such as] narcotics and illegal immigration. But economics is the most important issue.

FORUM: What about advocating a change in the political system, perhaps the liberalization of PRI [Partido Revolucionario Institucional — the political party which has ruled Mexico since 1929]?

BABBITT: Americans don't understand that Mexicans view this relationship in a very asymmetrical way. The ability of the United States to influence the evolution of the political system in Mexico is very limited. The Mexicans view an American discussion about their political system in the context of a hundred years of American intervention and we must recognize that there are great sensitivities and limits to our concern and to our ability to change the course of events. My own assessment is that the evolution of the Mexican political system is probably, in the short term, going to take place within the context of the one-party state. The experiments that we see being discussed in Mexico, such as open primaries within the PRI. A variety of decentralized possibilities are being discussed: getting the government out of the economy, liberalization of the economy, are all things that can happen, that have support in Mexico, and that are do-able. I believe that the policies of Senator [Jesse]

Helms [R-North Carolina] and others who believe that we can intervene directly in the Mexican political system by supporting the PAN [Partido de Accion Nacional] in the conservative opposition [are based upon] a very mistaken reading of Mexican history.

FORUM: How can we ensure long-term stability in the Middle East, and what specific role should the U.S. play?

BABBITT: There is no golden arrow. Historic tensions and conflicts pervade the Middle East all the way from Iran to the Mediterranean. The United States must continue its unequivocal support for Israel, manifest its willingness among Arab countries to sponsor and discuss any reasonable means of negotiating differences directly among the parties, and return to a policy of rejecting ransom for hostages. And, I believe, see if we can repair the damage that those policies have caused. I am particularly concerned that we not, through the mistakes of the past, contribute to an expansion of Iranian influence in the Middle East. One particular unfortunate result of the mistakes and chaos of the last year is that we may have inadvertently contributed to an extension of Iranian influence to a degree that is highly destabilizing [and could lead to an Iranian] military victory.

FORUM: Should we pursue the Camp David outlines for an Arab-Israeli peace?

BABBITT: Yes.

FORUM: Do you support self-determination for the Palestinian people?

BABBITT: I believe that the ultimate form of the resolution of the West Bank issues must be guided by just two or three or four principles. The first is that the Israelis must have a security perimeter up to the Jordan River. This is an irreducible component of the security issue. Secondly, an independent Palestinian state is incompatible with the security of Israel, and within that context, we must continue to encourage the evolution of some limited form of Palestinian autonomy, probably in some kind of federal association with Jordan. I think it is important to understand that the exact outline of that is impossible [to predict]. Americans get very frustrated by their inability to foresee an exact result, but it's impossible to tell. That's the framework [within] which I think we must continue to support, in every way we reasonably can, discussions among residents of the West Bank, Jordanians, and Israelis.

FORUM: You mentioned the issue of international terrorism before, especially terrorism directed against U.S. citizens abroad. How should we deal with this problem?

BABBITT: By persuading ourselves that we only make matters worse if we pay ransom for hostages, and understanding that that means that our leaders must be prepared to tell the American people that hostages may not be coming home. We have to establish that principle in this society. The president has made it very difficult. We must then establish the principle that wherever we can identify people responsible for taking hostages, that will be treated as an act of war which justifies direct and proportionate retaliation.

FORUM: Did you condone the [U.S.] attack on Libya? Is that an example [of "proportionate retaliation"]?

BABBITT: I am not sure that the American people have adequate explanation of the nexus between terrorism and Qaddafi. I do not disapprove of an attack on Libya at this time. Whether or not I would have approved it, in that specific circumstance, depends on the facts, which I do not have access to, but it must be a proportionate response.

FORUM: Do you agree with the current U.S. economic sanctions against South Africa?

BABBITT: I think we must go further. My view of South Africa is that we must reaffirm the principle of "one man, one vote" and we must, by stronger sanctions to South Africa, move to extend recognition to the ANC [African National Congress] and other groups in South Africa.

FORUM: To what extent should the U.S. Government deal with the ANC?

BABBITT: I believe that we should extend recognition to the ANC and begin discussions with them.

FORUM: What about aiding them [militarily]?

BABBITT: No. I do not support the notion of sending guns to anybody in South Africa, but I do believe that the ANC and other African groups, that we should extend them diplomatic status, we should extend them recognition to escalate the process of negotiations involving [all the parties]. Now I would extend them quasi-diplomatic recognition; I would recognize their leaders as representative of a great many South Africans.

FORUM: You would cease recognition of Pretoria?

BABBITT: No. I would say that our policy is to recognize that Pretoria is not the exclusive representative of South Africa, and that there is room to have multiple recognition of the different groups.

FORUM: Let's turn to China. What would your policy be towards Taiwan? Should we continue unofficial commercial relations with Taiwan and military cooperation with the PRC?

BABBITT: The important thing about China is that both in Taipei and in Beijing there is agreement on this principle: there is one China. That means that we must adjust our policies to recognize what is conceded by both sides. Our policy towards Taiwan must be carried out in the context of the one-China policy. There is a lot of nuance in that relationship, but we cannot support any Taiwanese pretension to exacerbate the differences.

FORUM: In other words, you would continue to recognize Beijing as the capital of China?

BABBITT: Yes.

FORUM: You mentioned nuclear proliferation earlier on. Currently there is speculation that Pakistan has the ability and wherewithal to produce nuclear weapons. What should the U.S. do if Pakistan tests a nuclear device or officially announces that it has assembled an atomic weapon, and what should we do to prevent other countries from acquiring such weapons?

BABBITT: I believe that we must be more direct in our dealings with the Pakistanis. We have become deeply entangled in the affairs of Pakistan, which carries with it an even greater responsibility to deal with the nuclear issue with Pakistan. It's a problem everywhere: Argentina, Brazil, India, Pakistan. What we must do is reach a test ban treaty with the Soviets which would have real importance. If we could get a comprehensive test ban treaty with the Soviets I believe we would then be in a position, together with the Soviets, to really get tough about proliferation, and the key to that is testing. If there's one thing that the Soviets and Americans have a joint interest in, it is to get a comprehensive test ban treaty. It would give us a lot of leverage to stop any attempts to build a nuclear capacity elsewhere. I would say that is the single most important issue [involving proliferation].

FORUM: What about economic or military sanctions against countries that either test nuclear devices or officially announce that they have assembled such

weapons? Should we launch a preemptive attack on the nuclear reactor, such as Israel's attack on [Iraq's] Osiraq reactor? Specifically, what should we do?

BABBITT: Specifically, what we should do is get on with the comprehensive test ban treaty. Let's sit down with the Soviets and jointly get on with discussions with the rest of the world about joint sanctions and joint procedures and rewriting some of the provisions of the Non-Proliferation Treaty. I don't think that unilateral sanctions hold out much prospect for dealing with this problem. We also ought to be a lot tougher with the Europeans about the export of nuclear technology. I believe the Europeans are fudging on the export [controls] on nuclear technology because they believe that the United States does not care. This can only lead to a lot more problems.

FORUM: What kind of human rights policy would you advocate? Specifically, how would you deal with the situations in the Soviet Union, South Africa, South Korea, Central America, and the PRC?

BABBITT: The evolution of human rights is the cornerstone of American foreign policy. It is one of the great achievements of the Carter administration. Jimmy Carter is widely praised and acknowledged, all over South America, for having laid down that policy and encouraged it. Through the insistence upon human rights, he stimulated the evolution back toward a springtime of democracy in South America. The Reagan administration, after having denounced Carter's human rights policy, has adopted it. It has now become a consensus part of American foreign policy. The application of human rights issues is something that has to be carried out in the context of our ability to influence change, and the best means of going about it. It is a very complex set of issues. We cannot generalize, we have to act according to each case. It is easier in some circumstances than in others; that's what foreign policy is all about.

FORUM: What about specifically in the case of South Korea?

BABBITT: We have a very high degree of responsibility in South Korea, because we are directly committed to shed American blood in defense of South Korea. President Carter, to his great credit, intervened to prevent the execution of Kim Dae Jung and there has been some attention by the Reagan administration to that issue in South Korea. It is something that we have to keep after.

FORUM: Should we impose economic or military sanctions in response to continued allegations of human rights violations in South Korea?

BABBITT: I suppose that the sacking of the interior minister over that last round of violence was in some measure prompted by American concerns. I just think that we should continue our efforts.

FORUM: To what extent should the U.S. defend the Aquino government in the Philippines against armed revolution from either pro-Marcos forces or communist forces?

BABBITT: We have a substantial stake in the success of a democracy in the Philippines and I believe that we should give it a high degree of political, diplomatic, and economic assistance.

FORUM: So you would stop short of sending U.S. forces?

BABBITT: I think that it is inadvisable to say, in the light of changing circumstances, that any given country would never involve a sufficient implication of American national interest so that you can say that our military power will never be sent there. You can't and shouldn't say that.