None of these countries has had recent experience with democracy. And in many of them there is <u>no</u> history of democracy. Teaching tolerance in societies which have spent the last 40 years enduring <u>in</u>tolerance is not an easy task. The limits of acceptable debate and the techniques of compromise are not easy to define. Democracy is not a gadget to be assembled with an instruction booklet. It is a state of mind, a cultural habit.

Eastern Europe is attempting to do in a matter of months - peacefully - what has taken us centuries to achieve.

One year ago, not one country in Eastern Europe had held a democratic election in over 40 years. By the end of this year, with the exception of Albania, the ballot box will have been tried in every country of the region.

So what awaits these brave, pioneering democrats? What awaits them is what has brought them to the threshold of power: economies in a state of virtual collapse, in such bad shape that it would almost be easier to start from scratch to salvage prosperity from the current mess.

Although the problems vary from country to country, there is a common illness and a common pathology. The symptoms are all too evident:

- outdated, and in some cases non-existent infrastructure;
- old, inefficient and outmoded industrial sectors;
- mountains of foreign debt;
- inflationary pressures;
- price and wage structures totally unrelated to cost;
- and currencies worth not much more than the paper they are written on.

Finally, there is a crisis of attitude. We tend to think that born in every human being is the desire to compete, to take the initiative. But these habits too are cultural. What if the people do not want to do what a successful market place requires? What if they resist the promise of profit and seek refuge in the old predictability of a command economy? What if they sit back and wait for the state to tell them how to be free?

The period of economic transition will be terrifying. Wages will drop. Prices will rise. Unemployment will soar. The clear danger here is that <u>democracy</u>, not the previous regime, will be blamed for the misery.

What is the role of the West in all this? Our role relates to the <u>attitudes</u> and <u>principles</u> we bring to this historic challenge, as much as it does to concrete initiatives. For it is these attitudes and principles which will help determine the choices we make and the risks we take.