

And at home, by challenging the Soviet system - and the Soviet people - to discard the failed machinery of the command economy, to accept a new challenge: the challenge of building a new system based on self-reliance, initiative, and openness.

But Mr. Gorbachev's domestic message has gone well beyond the Soviet border. That message was also received by the people and ultimately by the governments of Eastern Europe. Gorbachev has done what we in the West would never have expected of a Soviet leader: he has accepted - even encouraged - the dissolution of the Soviet Empire in Eastern Europe.

The other authors of this great change are the peoples of Eastern Europe themselves. From Berlin to Bucharest, from the streets of Prague to the town square of Timasoara, they have risen in an unprecedented demonstration of the power of popular will. They have thrown out the old guard, seeking a freedom and prosperity denied them for over 40 years.

The reaction there - and the reaction here - to this remarkable revolution have been one of euphoria. But the time for euphoria is over. It is time to consolidate the gains made so far and to render real and enduring what has, until now, been hope and promise. The opportunity is immense, but so too are the challenges.

The countries of the East are embarked on an unprecedented two-track process of reform. One track is political - the abandonment of single party structures, the introduction of the ballot box, the construction of democracy.

The other track is economic - discarding the crippling constraints of the command economy and introducing a more open and freer market.

Each of these tracks has its challenges. But the pursuit of both simultaneously poses particularly various risks.

Glasnost throughout the East has been an impressive success. On television, radio and in the print media, the news is full of exposés, charges of past misdeeds and critiques of the old ways. In fact, the degree of frankness at times exceeds what we in the West have come to expect from our own.

However, the freedom to criticize and express becomes a double edged sword when reality itself is slow to change. Hidden failure is one thing. Openly acknowledged failure is another - particularly when the failure is allowed to remain unaddressed.

There is another challenge - the challenge of constructing democracy. Having wrested power from the old regimes, the new regimes must learn how to exercise power. And it is a new sort of power. Democratic power - the most subtle form of government.