

from our position as a wealthy, politically-stable member of the Western Alliance. We draw on other assets as well, but we cannot avoid the hard truth that if we don't pay, we don't play.

For these reasons, the Green Paper suggested that priority attention be accorded to refurbishing our traditional assets, to improving our international economic competitiveness and increasing our influence on international political and security issues. We must be in a position not just to talk about the future but to do something about it.

In general terms, what makes foreign policy today so complex is the formidable number and sheer stubbornness of the interlinkages -- linkages among countries and among issues. More than ever before, countries have been drawn into mutual dependency through trade, investment and technology flows. Problems of joint management of structural change, of resources and of cross-border environmental pollution have created a new agenda for international diplomacy. Economic and political crises intersect, for example in the Mideast, with disastrous consequences.

Economic and political issues are bound together in intimate ways. Consider the global economy. The links in the chain include high budgetary deficits and interest rates in the US and elsewhere, currency misalignments, high unemployment and slumping competitiveness, structural distortions, Third World indebtedness, and -- globally -- looming trade protectionism. There is a very real danger that positive economic adjustments and political accommodations may not be made. Mounting protectionist pressure may yet permanently damage the international trade and payments system. And even if that doesn't happen, competition within the system is obviously going to remain very tough, and the political pressures difficult to bear.

In looking at the problems of managing this tangle, certain realities are clear.

First, international affairs cannot be managed only by the political and economic Superpowers. They don't have the solutions; on the other hand, they do have national self-interests that may or may not accord with the general good. There is no White Knight country, superpower or otherwise, which has the key to unilaterally managing the problems of the international system.

Second, -- this is the corollary -- management has to be multilateral, plurilateral, collective, joint. Management must also be flexible and adaptable. There is nothing, no dominating or restraining force, that can replace the world order system embodied in the major