

a serious blow to the effectiveness of US foreign policy. By the end of 1986, the buoyancy of Reagan's earlier years was no longer there and his presidency was mortally wounded.

Demolition by Wall Street

The coup de grace came with the stock market crash in October, which signalled the final bankruptcy of Reaganomics and the end of the President's ability to overcome the public's doubts about his management of national affairs. Just at a time when American leadership is essential to achieve policy changes needed to prevent a slump, the authority of the President is at its most frail and the administration is engaged in a struggle on two fronts: internally, it is trying to limit the damage done by Congress to the capacity of the executive to make foreign and defence policy; and externally, it is trying to regain the initiative with some foreign policy successes.

On the internal front the administration has enjoyed little success so far. The pitched battle with Congress continues — over Central America, over the Persian Gulf, over the ABM Treaty and over defence appropriations. The administration was particularly humiliated when the Speaker of the House of Representatives received the President of Nicaragua in the face of an administration boycott. And its authority was further undermined by Congress' defeat of the administration's budget bill and of Judge Bork's nomination to the Supreme Court.

In line with these declining fortunes, the administration seems to have accepted tacitly the inevitability of a congressional cap on defence spending. As far back as the summer of 1986 the handwriting was on the wall. By that time there was a majority of Republicans and some Democrats in Congress who were against both increasing the budget deficit and transferring resources further from the civilian to the defence sector. With an election in the offing, they were also against raising taxes.

Their approach was therefore to limit the defence budget to zero real growth and to exert pressure on the administration to improve management and efficiency. A side effect was to sharpen the struggle for resources within the defence sector, particularly between strategic and conventional forces, and to reopen the question of US military commitments abroad.

Battleground Star Wars

In this struggle the Star Wars project (officially known as the Strategic Defense Initiative, or SDI) was bound to become a pawn. There were those who wanted to rush into development and deployment in order to turn the project into an accomplished fact, regardless of the effect on the ABM Treaty, while going for a system which would be far less expensive and sophisticated than the President's "astrodome." On the other hand, there were those who wanted to spend the least possible to keep SDI in being as a research project, simply because the President's prestige was involved and it was prudent to keep up with the Russians. While the outcome may not have been finally decided as yet, it appears that to date the first school has failed to carry the day and that circumstances are combining increasingly to favor the second.

On the external front the administration has had one outstanding success at least, thanks in large part to Gorbachev, and that is the signature of the INF Treaty in December. To get there Reagan had to travel a long way from his denunciation of the Soviet Union in his first press conference in 1981 and his "evil empire" speech in 1983. What explains this transition? The President's supporters would say that it is because, having kept

his campaign promise to increase defence spending and having used SDI to bring the Soviets back to the bargaining table, he is now in a position to deal with them from strength. His critics, on the other hand, would say that he is really a "reluctant dove" — that he cannot admit what he has done in improving relations with the Soviet Union, any more than he was prepared to admit what he had done in the Iran-Contra affair, but that there is a direct link between the latter and the former.

Next President's assignment

So what does the future hold? There is no doubt that Reagan's successor will face some daunting security policy problems. He will have to help the United States come to terms with its diminishing preeminence in the world, both as a political and as an economic power. He will have to acknowledge the security dilemma which has arisen from the disparity between American aims and resources. And he will have to rebuild mutual trust between the President and Congress, since without that no national consensus is possible, and without a national consensus there is no way to maximize use of the country's diminished power.

In addition, the next President will doubtless have to review the thorny problems of allocating US military resources abroad and burden sharing with the allies. There is a widespread (if mistaken) feeling in the United States that the Europeans, among others, have not increased their share of the collective defence burden in accordance with their growing economic strength and that they have at the same time taken advantage of that strength to run large balance of payments surpluses with the United States. The resulting sense of alienation threatens to erode popular support in the United States for meeting US defence commitments in Europe. Moreover, there is some sentiment in the United States that military resources should be reallocated from NATO to the Middle East and other parts of the Third World, where American commitments exceed capabilities. In these circumstances it will be important to be able to convince Congress that the NATO allies are assuming their share of the responsibility for strengthening conventional forces in the post-INF environment.

West-West relations are in this way likely to become more important in the future. In a situation of declining living standards at home and declining influence abroad, Americans will be all the more tempted to blame foreigners for conspiring to exploit their good nature. Such sentiment only distracts attention from the real causes and does more harm to the United States than to those accused of the misdeeds. Moreover, the United States will in the future have more need of allies, not less. It will have to forge closer bonds of cooperation with them than it has been inclined to do in the past, and that cooperation will have to be on a basis of greater equality and greater reciprocity.

This is likely to be one of the most difficult challenges facing the United States. Unless the next President can meet it successfully, the United States may get the worst of both worlds — still claiming the right and shouldering the blame of leadership, while losing the capacity to shape events. But it is not only a challenge for Americans; it is also a challenge for the rest of us. If we expect the United States to take greater heed of our views, we in turn must be prepared to share the responsibility when our views are heeded. The way we all meet that challenge will determine to a large extent the sort of world we shall be living in in the next decade. □