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## A FOREIGN AND DEFENSE POLICY AGENDA FOR THE POST-100 DAYS

### INTRODUCTION

The first hundred days of the Republican majority Congress are over. Most of the debate has been over welfare, the line-item veto, and other domestic issues. But important foreign and defense policy issues were raised as well. In the first hundred days the House of Representatives took steps to limit U.S. participation in United Nations peacekeeping operations, to urge the expansion of NATO, and to begin building defenses against ballistic missiles. But more remains to be done to restore the credibility of America's foreign policy. In fact, the heavy lifting in foreign policy has been reserved for the post-hundred days when tougher issues will come not only before the Senate, which still needs to act on much of the "Contract With America," but also before the House as it takes up new, post-Contract issues.

### WILL CONGRESS TACKLE CLINTON'S STRATEGY?

One of the most difficult of these foreign policy issues will be whether Congress decides to challenge President Clinton's national security strategy head-on. Already approved by the House but still undecided in the Senate is a bill, the National Security Revitalization Act (H.R. 7), calling for the creation of a "Revitalization of National Security Commission." The job of this commission would be to re-examine the President's entire national security strategy. Asking for this commission amounts to a vote of no-confidence in the President's defense policy, which Congress charges with weakening combat readiness and underestimating the long-term costs of national defense. Because it is so far-reaching, it may not be approved by the Senate, which already has shown itself to be more cautious than the House.

This would be a mistake. The nation badly needs a credible post-Cold War strategy based on a clear definition of America's national interests. Without it America lacks a strategic anchor and is unable to decide what is in the national interest and what is not. Clinton's famous flip-flops in foreign policy—on Bosnia, China, and even Haiti—are

the result of the strategic myopia that plagues his foreign policy thinking. So, too, is the President's lack of credibility with respect to defense budgets. His Bottom-Up Review of defense requirements, for example, cannot do what is promised, which is to win two regional wars "nearly simultaneously," and will cost a lot more than the President is willing to spend.

## THE DEFENSE BUDGET WARS

The battle over the National Security Commission is merely part of larger war on defense spending which also will be waged in the post-hundred days. President Clinton already has cut the defense budget by \$113 billion from the level proposed by the Bush Administration for FY 1993-1997, or 88 percent more than the \$60 billion reduction he promised during the 1992 presidential campaign. His five-year defense budget, not yet approved by Congress, would harm combat readiness and dangerously weaken the nation's ability to project military power overseas. With the force Clinton has budgeted, the country would be lucky to win one major regional war, not the two called for in the President's plans. Lacking the muscle to meet U.S. overseas commitments, Clinton's defense budget is a recipe for the slow-motion disengagement of the American military from world affairs.

So, too, are congressional calls for a defense budget "freeze" over the next five years. In this budget there would be no adjustments for inflation. While not as draconian as Clinton's defense budget, which foresees deep reductions over the next two years and very limited real growth in the subsequent three years, a defense freeze is not much better. It still is not enough to fund fully the Clinton Bottom-Up Review (BUR) force, which is at least \$100 billion short over five years. Because of budget shortfalls, a defense freeze would lead to a smaller and weaker force than even the President says he is willing to tolerate, assuming he fully funded the force he has outlined. It would force the U.S. to choose between withdrawing its troops from Europe or withdrawing them from Asia; America could not afford to maintain a military presence in both regions. A defense freeze, like the Clinton defense budget plan, would require that the U.S. write off either Europe or South Korea as regions or countries to be defended with military force. It also would sound the death knell for new initiatives such as ballistic missile defense.

## NEEDED: A MISSILE DEFENSE PLAN

While H.R. 7 calls for a more serious commitment to missile defenses, progress this year and in subsequent years will depend not only on the availability of money, but on whether a credible deployment plan can be devised. With the support of some Republicans, the House on February 15 rejected a bill that would have required the U.S. to develop a plan to build national missile defenses as soon as possible. Despite this defeat, the missile defense program is still alive, but only if the Congress can come up with a credible deployment plan and the funds to make it a reality. The lack of such a plan was partly responsible for the House defeat of missile defenses. The Heritage Foundation has assembled a "Team B" of experts to come up with such a plan. Under the chairmanship of Ambassador Henry Cooper, the Heritage Team B report will describe how systems to defend American territory and U.S. troops and allies abroad can be built as quickly as possible.

The best way to do this is to advance theater missile defense capabilities. This can be done by taking advantage of the \$50 billion the Navy already has invested in its AEGIS weapons system. This approach would use 22 AEGIS cruisers to deploy 650 theater missile defense interceptors and provide a wide area of defense. This "Upper Tier" system could be fielded in three to four years for some \$2 billion to \$3 billion more than the Clinton Administration is already committed to spend on naval theater missile defenses. Also needed would be a constellation of sensor satellites called *Brilliant Eyes* to detect and track both theater-range and long-range ballistic missiles in flight and relay targeting information to the interceptor systems.

A homeland system to defend American territory would require more than theater missile defenses. Also needed would be space-based interceptors and space-based lasers to destroy incoming intercontinental ballistic missiles heading for U.S. territory. Both systems would cost around \$30 billion to acquire and maintain. This space-based approach would be cheaper than the deployment plan proposed by the Bush Administration, called Global Protection Against Limited Strikes (GPALS), which relied more heavily on ground-based interceptors for homeland defense.

## SELLING NATO EXPANSION TO THE AMERICAN PEOPLE

Another piece of unfinished business in the Contract's National Security Revitalization Act is the question of expanding NATO. The House bill specifically mentioned Poland, the Czech Republic, Hungary, and Slovakia as candidates for NATO membership, calling for their entry into the alliance once certain conditions are met. Those conditions also are provided in a Senate bill encouraging NATO expansion, introduced on March 23 by Senator Hank Brown (R-CO).<sup>1</sup> To meet the criteria for membership in NATO, applying countries, among other things, must have made progress toward establishing shared values and interests, democratic governments, free market economies, and acceptance of the obligations and costs of NATO membership.

Such criteria for membership in the Atlantic alliance are important to ensuring that the U.S. and its West European allies do not allow NATO to expand beyond its ability to function as a meaningful military and political alliance. Meeting these conditions will take a serious commitment to democratic capitalism and will help ensure that new entrants become an asset to, rather than a burden on, history's most successful alliance.

But the 104th Congress has an obligation to begin a national discussion of the idea of expanded U.S. security commitments. Should Poland become a NATO ally, the U.S. would be bound to consider an attack on Poland the same as an attack on itself. But there has been nothing approaching informed discussion of the merits of such a commitment.

Despite the apparently bipartisan support for NATO expansion in the U.S. Congress—both houses passed similar legislation by wide majorities in 1994—Americans remain in the dark about the plan itself, not to mention the merits of expanding the alliance. The bipartisan congressional leadership, together with the Clinton Administration—whose officials share the objective of NATO expansion—should take every opportunity, including

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<sup>1</sup> "NATO Participation Act Amendments of 1995" (S. 602), March 23, 1995.

public hearings, media appearances, and constituent meetings, to discuss the additional obligations the United States intends to undertake through NATO expansion.

## WAR POWERS, PEACE POWERS

Yet another piece of unfinished business from the Contract with America concerns United Nations peacekeeping. The House bill prohibits U.S. troops from serving under U.N. command and demands that the cost of America's involvement in peacekeeping operations be subtracted from America's regular financial contributions to the U.N. The Senate peacekeeping bill, the Peace Powers Act of 1995 (S. 5), sponsored by Majority Leader Robert Dole (R-KS), adopts most of the provisions of the House legislation but adds something new: repeal of the 1973 War Powers Resolution. This resolution requires the President to withdraw deployed military forces within sixty days if Congress has not voted its approval.

U.S. participation in U.N. peacekeeping operations certainly needs to be limited. As has been seen in Somalia and other failed ventures, the U.N. is ill-equipped to carry out military operations. Any administration contemplating the deployment of U.S. troops to a U.N. operation should be required to explain how it serves the national interest and how it will be planned, operated, and financed. Rarely, if ever, are peacekeeping operations vital to U.S. national security interests. Thus, lacking an urgent threat, Congress can and should closely scrutinize U.S. involvement in any U.N. peacekeeping operations. Such scrutiny would not endanger U.S. troops, but it might save them from misguided involvement in an ill-defined U.N. operation.

The War Powers Resolution presents a very different problem. It should be repealed because it inhibits the President from defending the nation in an emergency. The President should have the authority to deploy forces in an emergency without having to gain congressional consent, although consultations with Congress should be conducted immediately upon the dispatch of troops. If, after troops are deployed, the President desires to continue U.S. involvement in a major military conflict, he should ask Congress for a declaration of war. In this way, Congress can exercise its constitutional obligation to declare war, while the President can exercise his authority to make war. Only if these two obligations are kept separate can the original intent of the Constitution be preserved and the security of the nation protected in a national emergency.

## REFORMING FOREIGN AID AND THE STATE DEPARTMENT

Of all the foreign policy issues to be examined by Congress this year, few will be as controversial as foreign aid. Congress undoubtedly will cut and possibly will reform foreign aid this year. This is absolutely necessary. Reductions should focus primarily on development assistance, which differs from emergency relief and security assistance. Development assistance is supposed to promote economic development. It does not. Most development assistance is wasted because it goes to countries lacking economic freedom. Governments which over-tax, over-regulate, and generally repress the market use aid to compensate for the devastating consequences of their misguided economic policies. Thus, development assistance perpetuates poverty by enabling repressive governments to continue the economic policies that cause it.

It makes no sense to subsidize the economic policies that cause poverty in the developing world. U.S. development aid should be focused on free markets and on encouraging economic reform. It should not be an international form of welfare that creates dependence. Development assistance should be allocated according to how well recipient countries meet the criteria established in the Heritage Foundation's Index of Economic Freedom, a study of how well 101 countries score on a scale of economic freedom. The Index demonstrates conclusively the link between economic freedom and prosperity. Before a country receives development assistance, the U.S. should certify that it is making progress toward free market reforms. Only in this way can development assistance be directed toward countries which help themselves by making these reforms.

Also on the congressional agenda this year is reorganization of the State Department and the country's foreign policy bureaucracy. Senator Jesse Helms (R-NC) wants to reorganize the State Department, abolishing the Agency for International Development and other independent foreign policy agencies. Most of what Helms says makes sense. AID is a wasteful and ineffective bureaucracy and should be abolished. A relic of the Cold War and no longer necessary, the Arms Control and Disarmament Agency (ACDA) also should be abolished, with most of its remaining functions transferred to the Department of Defense. So, too, should two other unnecessary departments: the Department of Energy and the Department of Commerce.

However, AID should not be folded into the State Department without a major change of focus. In short, AID needs to be eliminated, and what remains of it needs to be reprogrammed. If its programs stay more or less the same—that is, focused on treating the symptoms of poverty rather than the root causes of it, the principal cause being a lack of economic freedom—it will make little difference whether AID remains a separate agency or is absorbed by the State Department. Moreover, it does not make sense, as Helms proposes, to fold the United States Information Agency (USIA) into the State Department. State Department bureaucrats lack the necessary expertise, understanding, and interest to make public diplomacy work. Nor should foreign agricultural and commercial services now administered by the Departments of Commerce and Agriculture, be turned over to the State Department. These services should be eliminated altogether. The U.S. government should not be picking and choosing which private business interests should be promoted overseas.

## TRoubLED COUNTRIES

**North Korea.** In addition to foreign aid, the post-hundred days will find Congress grappling with problems in a host of troubled countries around the world. At the top of the list will be two of the world's remaining communist dictatorships—North Korea and Cuba. The Republican majority will and should monitor closely the Clinton Administration's nuclear deal with North Korea. Above all, congressional support for the "Agreed Framework" with North Korea should be made contingent upon progress in improved North-South Korean relations. At no point should pursuit of non-proliferation goals on the Korean Peninsula be de-linked from the broader purpose of encouraging greater North-South dialogue.

**Cuba.** As for Cuba, Senator Helms and Representative Dan Burton (R-IN) are proposing legislation to step up the pressure on Fidel Castro. Helms and Burton are right that this is not the time to let up on Castro. Lifting the embargo would only throw Castro a lifeline, prolonging his survival and postponing the inevitable day when Cuba leaves communism behind. Those who argue for lifting the embargo must assume that Castro wants reform and is willing to change his stripes in exchange for aid and investments. So far, however, there is no compelling evidence to suggest that Castro has become a reformer willing to risk what happened to Mikhail Gorbachev, who lost his job peaceably, or Nicolae Ceausescu of Romania, who did not: Ceausescu in 1989 ended up shot in a *coup d'etat*. Supporters of ending the embargo fail to realize that Castro wants outside help to stay in power, not to abandon it.

**Mexico.** Another Latin American country on the crisis list will be Mexico. While the immediate danger of a debt crisis has passed, the \$20 billion pledged by the Clinton Administration through the Treasury Department's Exchange Stabilization Fund may prove to be insufficient for stabilizing the Mexican currency. This would force the Administration to expand its financial support for Mexico. If limits are not placed on the President's discretionary power to use the ESF, he could tap the ESF for up to \$100 billion in direct financial aid from the U.S. government to foreign governments. At best, using the ESF buys Mexico time to reschedule its foreign debts for the seventh time since 1982, but it will not solve Mexico's underlying political and economic difficulties.

Congress should continue to monitor the political situation in Mexico, paying particular attention to the process of electoral and democratic reforms pledged by President Ernesto Zedillo. It also should become more mindful of Mexico's problems with narcotics trafficking and corruption. On the economic front, Congress should watch closely the continuing fallout caused by the peso's collapse, including soaring interest rates and unemployment in Mexico, the instability of Mexican banks, and the likely bankruptcy of thousands of small, medium, and large Mexican firms.

**China.** Another troubled country attracting Congress's attention in the post-hundred days will be China. In June will be the vote on whether to approve most-favored-nation trading status for the People's Republic of China. The PRC should (and probably will) continue to receive MFN status, mainly because international trade with China is, unlike trade with Cuba, conducive to economic and political liberalization. However, Congress should take a hard look at Beijing's bullying of its neighbors, particularly the Republic of China on Taiwan, and its flaunting of international standards and agreements with respect to the Spratly Islands, trade, and arms control. Congress should not let Beijing's protests prevent the U.S. from expanding relations with Taiwan. In particular, the PRC should not be allowed to derail a private visit by ROC President Lee Teng-hui to Cornell University.

**Russia.** Also on the troubled countries list will be Russia. The Republican majority will be taking a critical look this year at relations with Russia. There are two main reasons for this: 1) the military operation in Chechnya; and 2) Russia's help in building Iranian nuclear reactors. Many in Congress are beginning to doubt the wisdom of aiding a country that brutally represses its own people and which may be helping a well-known enemy of the United States — Iran — acquire nuclear weapons.

These concerns are justified. To send a signal of dissatisfaction with Russian actions in Chechnya and toward Iran, Congress should curtail the aid provided by the International Monetary Fund, the World Bank, and other multilateral financial institutions to Russia. This government-to-government aid has not been working. Much of it has not even been spent, being tied up in a pipeline awaiting Moscow's slow compliance with Western preconditions. To end this waste, Congress should encourage the Clinton Administration to stop U.S. contributions to the IMF and other multilateral financial institutions that loan or give money to Russia. If these loans or aid are not ended this year, Congress should withhold funding from its 1996 appropriations for multilateral financial institutions that lend money to Russia. It should withhold up to or equal the amount that the IMF and other institutions have given to Russia in 1996. This is not a time for a wholesale elimination of bilateral aid to Russia — most U.S. aid programs encourage the growth of democratic and market institutions and enhance U.S. security— but ending U.S. participation in multilateral aid programs for Russia is a good way not only to signal American displeasure with Moscow's behavior in Chechnya and Iran, but to stop something that is not much helping Russia's economy anyway.

**Iran.** Congress should also keep a watchful eye as well on Iran. Iran is the chief threat to American security interests in the Middle East. While its revolutionary ardor has been dampened somewhat since the death of Ayatollah Ruhollah Khomeini in 1989, Iran still is source of instability and terror. It has embarked on a military buildup, including nuclear, chemical, and biological weapons of mass destruction, that poses a long-term military threat to the security of Israel, Saudi Arabia, and other oil-exporting states in the Persian Gulf. To contain Iran, the Congress should reject any attempt to normalize relations until the government clearly has moderated its aggressive foreign policy. The U.S. should take a hard line against Iranian-sponsored terrorism, deny Iran Western loans and aid, and prohibit American oil companies from buying Iranian oil. The U.S. also should be doing more to support Iranian opposition groups, which are growing in number.

**Japan.** Nor is this a time to overlook Japan's growing economic problems. Since the collapse of the bubble economy of the late 1980s, deflation at home and a rapidly rising yen abroad have squeezed the Japanese economy. A flood of bad loans is undermining Japanese banks, while industrial firms are relocating manufacturing operations offshore to remain competitive. Regulatory barriers increase consumer prices, decrease import consumption, and boost the savings rate, all of which forces the yen even higher in a vicious cycle. The tentative economic recovery underway in Japan is faltering. Tetsuo Tsukimura, Chief Economist for Smith Barney in Tokyo, predicts that Japan will slip into a financial depression unless Prime Minister Tomiichi Murayama implements sweeping structural reforms, trade liberalization, and deregulation.

Unfortunately, the Murayama government is so politically weak that it cannot liberalize without strong encouragement from Japan's trading partners. Therefore, Congress should support the efforts of the Clinton Administration to open Japanese markets through deregulation. However, Congress must reject calls for managed trade with Japan. The Clinton Administration is wrong to demand that Japanese auto makers accede to import "targets" for American parts. Such numerical import quotas violate the commitments the United States made in the General Agreement on Tariffs and Trade and would force the World Trade Organization to authorize retaliatory sanctions on American exporters.

## FAST TRACK TO TRADE

Also on Congress's post-hundred days foreign policy agenda will be the issue of international trade. The Chairman of the House Ways and Means Subcommittee on Trade, Representative Phil Crane (R-IL), is planning to draft a bill granting "fast-track" trade authority to the President. This would be necessary to expand the North American Free Trade Agreement to include Chile, which is next on the list to join. Fast-track enables a President to negotiate trade agreements which are then submitted to Congress for approval in an up-or-down vote.

Fast-track legislation will face an uphill battle in Congress. The Clinton Administration may try to add labor and environmental restrictions that would fuel Republican opposition. This would be a serious mistake. Fast-track cannot pass without Republican support. And without fast-track, the Clinton Administration will not have a Latin American policy. Trade has been, and continues to be, the centerpiece of U.S. policy in Latin America. If fast-track fails, the momentum already established by the NAFTA will be lost. This not only will create a vacuum in U.S. Latin American policy, but also will slow the trend toward free trade, free markets, and democracy throughout the Western Hemisphere. It also would deny U.S. business a growing foreign market for its goods and services, thereby ceding the field to the Japanese and other Asians who want to outflank the U.S. on its trade front to the South.

Fast-track authority is also important for America's growing trade and investment partnership across the Pacific. On November 15, 1994, in Bogor, Indonesia, President Clinton agreed with other leaders of the Asia-Pacific Economic Cooperation (APEC) forum to achieve the goal of "free and open trade and investment in the Asia-Pacific [region] no later than the year 2020." As the host for the next APEC Leaders' Meeting at Osaka in November 1995, Japan will supervise development of the trade liberalization framework in APEC. Given Japan's political uncertainties and reputation for closed markets, this will be a serious challenge for Prime Minister Murayama. To devise and win approval for a trade liberalization framework, the Japanese government must exercise political and economic leadership. The Clinton Administration must encourage Prime Minister Murayama to overcome bureaucratic resistance and protectionist elements in his own coalition. Congress should reinforce the Clinton Administration's commitment to APEC by passing fast-track. Without it Pacific trading partners will believe America is not serious about liberalizing trade through APEC.

## ARMS CONTROL TREATIES

Also to be decided this year may be the fates of two arms control treaties—the START II nuclear weapons treaty with Russia and the Chemical Weapons Convention, which seeks to ban chemical weapons worldwide. These treaties may come before the Senate for ratification sometime this year. START II is in the interests of the United States only if two conditions are met:

- ① The Russians do not try to change it during the ratification process; and
- ② Congress conditions ratification on progress toward missile defense, the implementation of an enforcement procedure, protection against the proliferation of nuclear and other weapons of mass destruction, and the resumption of nuclear testing.



However, under no circumstances does the Chemical Weapons Convention serve the national interest. It is unverifiable, unenforceable, and will amount to unilateral disarmament by the U.S. as rogue nations develop their own chemical weapons program.

The future of the 1972 Anti-Ballistic Missile (ABM) Treaty may also be considered by Congress, particularly the Senate, during the next several months. The Clinton Administration is negotiating with Russia and other states of the former Soviet Union to expand the scope of the ABM Treaty and to designate the countries succeeding the Soviet Union as ABM Treaty partners. Despite repeated warnings from congressional leaders not to do so, the Clinton Administration may conclude an agreement that imposes limits on U.S. theater missile defense systems. Theater defenses were never meant to be limited in any way by the ABM Treaty. Nevertheless, the Administration has talked to the Russians about limiting the speed and range of theater missile defense interceptors, among other things. The Administration may also attempt to designate up to ten countries as successor states under the ABM Treaty without Senate consent. If the Administration concludes an agreement to expand the scope of the ABM Treaty, the Senate should refuse to grant its consent to the agreement. Further, if either an agreement on expanding the scope of the ABM Treaty or one designating successor states is concluded with the Russians, the Senate should halt the consideration of all arms control treaties, including START II and the Chemical Weapons Convention.

## CONCLUSION

Behind the patchwork of foreign policy initiatives sponsored by the new majority in Congress lies an unmistakable purpose: keeping America strong, internationally engaged, yet clearly focused on defending and advancing America's national interests. This is a far more disciplined and focused world view than the vague multilateralist and nation-building philosophies found in the halls of the Clinton State Department.

The Contract With America is not isolationist, as Clinton officials have charged, but an attempt, within the legislative confines of Congress, to correct some of the worst failures of the Clinton Administration, while laying the foundations of a foreign policy that truly serves the national interest. Only a foreign policy based on a clear definition of the national interest can sustain the support of the American people for U.S. leadership in a post-Cold War world. In this respect, the Contract is a beginning—a beginning that is sorely needed. The real foreign policy test for the Contract will come in the second hundred days and beyond.

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