

The Economic Club of New York

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The Honorable Henry Kissinger

56<sup>th</sup> Secretary of State

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Questioners: James Goodale  
Law Firm of Debevoise and Plimpton  
Former Vice Chairman, *New York Times*

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President, Rodman-Downs, Inc.  
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## Introduction

Chairman, Donald B. Marron

Good evening everybody I am Don Marron, Chairman of the Economic Club and I want to welcome you to the 342<sup>nd</sup> meeting of the Economic Club in its 87<sup>th</sup> year. And I have to tell you in all of those meetings in all of those years; I doubt that we have had a speaker with more accomplishment or more insight into the areas in which he is focused, Henry Kissinger.

Now I was trying to think of what to say about Henry Kissinger, the man who truly everybody knows. I could talk about his marvelous record in the war, where among other things in his early 20's he was put in charge of reorganizing municipal governments in occupied Germany. It worked out pretty well Henry too, over time.

His great success at Harvard which was becoming a full professor. His, at a very young age, impact he made as an advisor on the Eisenhower, the Kennedy, and the Johnson administrations, while at the same time carrying that big load at Harvard. His ability to translate ideas into words, culminating in his book, *Nuclear Weapons and Foreign Policy*, in 1957 which won him the Woodrow Wilson Prize in the next year and established his reputation as an expert in global diplomacy. His recognition very quickly by Richard Nixon of his unique ability and his appointment in 1973 as Secretary of State. It was a very good year for Henry that year. Because in 1973 he also won the Nobel Prize for the work that he did in Vietnam.

But I think what I would like to say about this man is what makes him unique is he had an enormous success in government, and when he left government he was able to continue that success. He remained an advisor to many administrations. He is a man who has enormous impact on what governments think and how they act. And he continues to be a great contributor to the literature and diplomacy. Most recently writing a marvelous book, entitled *Diplomacy* which gives advice and insights into how America ought to proceed in the future.

I think summing up Henry Kissinger is very, very difficult, but what I would say, he is a man that has a perspective of a historian and the judgment and the decisiveness of a great leader. In short, Henry Kissinger is an historian who makes history and we are very pleased to have him this evening. Henry Kissinger. (Applause)

Henry Kissinger

56<sup>th</sup> Secretary of State

Don and ladies and gentlemen, this introduction, which does great credit to the Club's reputation for objectivity, (laughter) leaves me in the position in which I found myself once at a reception where a lady walked up to me and said, "I understand you are a fascinating man" she said, "fascinate me". (Laughter) It turned into one of the less successful conversations.

Now I have been, it has been suggested to me that I talk between 20 and 25 minutes. Which

guarantees that all of you can say, if I keep to this, that you were present at a historic occasion.

(Laughter) My native language being German I have gone for 25 minutes before I placed a verb.

I would like to talk to you tonight; I think the title of my speech says something about America's international challenge. But I would like to talk to you about what I take to be the fundamental challenge which we face. In the question period I am sure we will cover a lot of specific issues like Haiti or Iraq. I would like to talk to you about an almost philosophical problem. We keep talking about a new world order, as if it were already here. But what has really happened is a huge success of American foreign policy. Which forces us to rethink all of our previous preconceptions.

George Bernard Shaw once said there are two tragedies in life, one is to fail to fulfill your heart's desire, and the second is to fulfill your heart's desire. And we are in the second position. If you compare what American leaders were saying around 1950 with what in fact happened, there is an almost total correspondence. We have run out of the concepts of the Cold War. There is no longer an ideological challenge. There is no longer a specific geopolitical challenge. There is no clear cut enemy. Instead there is a world of four, five, six, more or less equal power centers in their capacity to affect events. Not in their military potential. And the United States is in a position unique in its history. It can neither withdraw nor can it dominate.

And we have to face that how unique the American approach to foreign policy has been. We are

the only major nation whose origin can be dated precisely. We are the only major nation that is populated by immigrants or largely populated by immigrants. The only major nation that has never had a powerful neighbor and the only major nation that has never been under physical threat. And therefore we have tended to develop ideas about foreign policy that are peculiar to Americans. The identification of personal with international morality. The idea that relations among nations are like relations among people. The idea that everybody in the world, is some form of misunderstood American, (laughter). And that therefore the principle survivor can be applied in Central Russia. And the tendency to oscillate between excesses of hostility and excesses of conciliation. The idea that everybody in the world has the same interest in the problem of peace, and therefore, the doctrines of collective security and all of the other cardinal principles of American foreign policy.

In the world in which we find ourselves is not very hospitable to these ideas. And we have to get used to the world in which we find ourselves. We now find conflicts, suppressed by the Cold War that really can best be understood by reading the history of the last century. The Bosnian Crisis is a replay of what happened in the Bulgarian Massacres, or what we called the Bulgarian Massacres of 1876 that led to the Congress of Berlin. And all over the world ethnic conflicts come up whose specific characteristics is that the participating actors do not care about world peace, do not care about stability and care, above all, about prevailing. So when we say we Americans, we want to be an element for stability. We have to know where, how, and in what manner.

The Cold War Policy was dominated by the Doctrine of Containment. Which was very precise and quite measurable. Our present policy is described as enlargement of democracy. Which overlooks that only about 15% of the world is technically Democratic, and many of those countries interpret it quite differently from us. And anyway, it begs the question of what can we do to enlarge Democracy, especially what is the relationship between the use of military force, and the spread of our convictions, which is one of the problems raised by Haiti.

I have no difficulty with opposing the dictatorship in Haiti. I personally have great difficulty using military force for that purpose, as I did in using military force in Somalia and all of this gets to my fundamental point which is, we have to develop an idea of our national interest. We have to define what it is that we can do by ourselves. What we must do with others. And what we cannot do at all. And then we have to be able to explain why we have given the answers we have given.

And our key problem, now contrary to the Cold War and not to be described in a slogan like enlargement democracy, is, what structures do we want to bring about in the world and what is our margin for creating it.

Let me begin with the former Soviet Union. The common argument is that the former Soviet Union whose principle inheritor is the Russian Federation, can become democratic, market oriented, and will then become integrated in the international system. And this tempts us into

believing one that we can identify foreign policy with one particular Russian leader, and secondly that we can solve our foreign policy problems by social engineering within Russia.

But I would advance a number of propositions. One, no Russian government has ever left office voluntarily in the 500 years of its recorded history. So you could argue that democracy does not come naturally. (Laughter) Every Russian government in every generation has expanded its territory. Without exception, from which I deduce perhaps unfairly, a certain proclivity in that direction. And if you travel around the borders of the Russian Republic, you will not find one country that is not terrified of these tendencies. I know no exception to that rule. So I have a very simple minded approach to the Russian problem. Not so elevated. I don't care about great personal relations with individual Russian leaders, I welcome them, but I have seen them come and go. And they are always contrasted with some terrible person that is waiting in the wings. Harry Hopkins wrote from Oldum, we have no doubt about the moderation and goodwill of Mr. Stalin, but we do not know who might be lurking in the dark recesses of the Kremlin to thwart his designs.

I have one basic requirement of Russian foreign policy. I want them to stay within their borders. Now their borders go from Saint Petersburg to Vladivostok. Nine time zones. Saint Petersburg is closer to New York than it is to Vladivostok. Vladivostok is closer to Seattle than it is to Moscow. Hence, I feel that the Russians should not feel claustrophobic. (Laughter) And what I want from American foreign policy is that they encourage Russian economic development,

cooperate in the process of recovery, but make it clear that it is not compatible with reassembling all of the former Republics and having Russian armies again appear at the borders of Poland, Czech Republic, Turkey and all of the other countries in which there are now buffers of weak, nonthreatening Republics. I would even argue that it is in Russia's long-term interest. Because with 20,000 nuclear weapons nobody is going to attack Russia over land.

And therefore, Russia could free itself from this compulsion of constant expansion that has dominated it for 400 years. My criticism of American foreign policy has been that we have been so obsessed with social engineering and so concerned with general phrases like peace keeping, that we have lost track of this very simple proposition. We have had a tendency to equate what we do in Haiti with what Russia does in the near abroad. In fact, we said so publically. And the other day the President said, "We don't really object to what they are doing in the....I can never pronounce it ....the Armenian Enclave, if they only make it look a little bit more like Haiti". I frankly don't know what he is talking about. (Laughter)

Russian expansion changes the security situation. American actions in Haiti do not affect the security situation anywhere. And anyway, the art of foreign policy is to make distinctions, not to make or put down some abstract general rule. And in the name of peacekeeping, in the name of U.N. actions, all of which reflect a certain American tradition.

We may not understand some of the key requirements. A corollary of this is that when, during



the Cold War when Germany was divided, the structure of Europe was quite clear. America looked for military protection, the European community gave Germany a divided Germany a home, in which Germany was economically the strongest and France was politically dominant. That too has changed. With unification Germany has no reason to support NATO itself to France. And with the Russian armies withdrawing, NATO needs a more clearly defined mission. And there is growing up between the Russian border and the Germany borders, in Eastern Europe, a nomads land neither in NATO nor in the European Union which is bound to tempt both Russia and Germany into historic attitudes of trying to fill the vacuum. I believe that the countries of Eastern Europe should be integrated as rapidly as possible into the European Union and at least a few of them should be admitted into NATO in order to prevent precisely this danger. And I say all of this as somebody who in the 70's was a strong advocate of the policy of detente, as somebody who believes today that friendly relations with Russia are the key element of world stability, but there will not be friendly relations if these issues are all kept unresolved and if the impression is created that every vacuum can be filled and that all of the traditional prejudices of Russian nationalism are encouraged from the outside. And these, this is one of the key structural problems that concerns me. We have a great need to create some redefinition of NATO, of the European Union and of the relationship of Western Europe to the United States. Because at the end of the day, with all of the differences, with all of the inadequacies of the relationship, you look through the crisis of the post-war period, the countries that have stuck with us most, and most consistently, the countries that are with us now in the Gulf, are the countries with whom we fought in two World Wars, which are fairly substantially now joined by

Germany.

Now, when we go further east and look at Asia. Last year there was a meeting in Seattle of all of the Asian Heads of State which was all of the Pacific Heads of State hosted by President Clinton. I think it was a terrific idea. Then we made a classically American speech. We spoke of a Pacific Community, of a great structure embracing all of the nations of the Pacific. Now those of you who do business in Asia and who travel in Asia, know there is not any Asian leader who believes this. Japan, Korea, China, Russia–the Siberian part of Russia, Southeast Asia, India, do not look at themselves as members of the same community. They look at themselves, at each other as fiercely competitive. Western Europe has given up any idea of military conflict, or all of Europe I would say. But in Asia, the nations view each other as the nations of the 19<sup>th</sup> century did. So the United States faces a challenge we have not confronted before. Which is, when you deal with a group of countries of more or less equal strength, you are operating something that in my Harvard history courses was violently attacked. But you are operating a balance of power. You have to concern yourself with the equilibrium. And there are two ways of doing that. One you could wait until the equilibrium is disturbed and then intervene. We don't have the patience for that or the aloof power orientation for that.

The second is to create a set of relationships in which we America is closer to each of these actors than they are to each other. So that you can throw your weight, so that you have the maximum options of throwing your weight in the direction of greater stability. It was this

conviction which caused some of us, many of us, many of you in this room to advocate that the pressure of MFMs on China should be ended. We cannot play this role in Asia without China.

Aside from the fact that the Chinese having governed themselves for 5,000 years without significant advice from the United States, (laughter), we not even having a system for 4,800 of those...(Laughter)...without significant advice from the United States, do not take it as axiomatic that we should be prescribing their domestic politics to them.

But from the point of view of American self interest it is not possible to have a creative Asian policy without China, or for that matter without Japan. Now there was one heroic moment last April where we were heading into confrontation with both China and Japan, which is the hard way of doing Asian policy. So this would be a conceptual approach to Asian policy. And on top of all of this we have the western hemisphere. Now that is actually a success story. There we are dealing with genuine democracies in most countries with growing market economics in almost all countries. We have NAFTA, if we are wise we will expand it as rapidly as possible to as many more countries in the western hemisphere as are ready and many of them are ready. And now that Brazil has had a reasonably election, that process can accelerate even more.

And while we talk about free-trade and while most of us even believe in free-trade, the fact of the matter is that in global free-trade somebody wins and somebody loses very often. And if the loser as a political process he tries to protect himself, so a western hemisphere economic arrangement gives us the best of all worlds. If there is global free-trade it can be the essence of it.

If regional organizations develop, it gives us a much stronger bargaining weapon.

And so I think that this is one of the most creative opportunities for America. Now all of this has to be done at a moment when the attention of anybody who would be in government today is constantly deflected by a whole series of issues; Bosnia, Rwanda, the Gulf, Haiti, which are really only symptoms of a deeper problem. And which deflect us from reassessing the fundamental philosophy on which we ought to be basing our foreign policy.

I have not been an unqualified admirer of the foreign policy of this administration. But, I also recognize that it is not simply a question of an administration. It is a question of national attitudes, of a national tradition. It really should be done on a bipartisan basis as it was at the end of World War II. We have to get a clearer sense of direction and above all we should stop talking about a new world order as if it already exists. It has to be built, it has to be rethought and the one thing one can say for America, is that no other country is in a position where its own ideas can be so decisive for the future of stability, peace and progress in the world. And let me stop here and take some of your questions. Thank you very much. (Applause)

#### QUESTION AND ANSWER SESSION

CHAIRMAN DONALD MARRON: Henry thank you very much, that is very provocative and it sets the stage for the next part of our evening. Traditionally we have two questioners at either

end of the table. On one side is Jim Goodale the former Vice Chairman of the *New York Times*, and now with the law firm of Debevoise and Plimpton. On the other side, David Hartman, President of Rodman-Downs a Television Documentary Company, and we all know him well as a former host of ABC's Good Morning America. Jim, can we ask you to start with the first question.

JAMES GOODALE: Let me pick up Dr. Kissinger on your central theme, if I may, which is that we should look to historical balance of power relationships to guide us in the future. Some have said that the communications revolutions that satellite cable, computers, is the greatest revolution since the industrial revolution. And there are those who I think as a consequence of that revolution countries will be drawn closer to each other and therefore the old balance of power relationships are not as relevant to that future civilization as it has been in the past. And I am wondering, if you don't mind me asking you a very provocative question, whether your views may be terribly old fashioned with respect to your views of the world as it has been and maybe not in tune with the way the world is going to be, particularly I am thinking of walling off a little bit of Russia from the European partnership which I think was the implication of your remarks on Russia.

DR. HENRY KISSINGER: I will wait until you work up to an unfriendly question. (Laughter)  
The communication revolution certainly makes it possible to experience events in different parts of the globe simultaneously. On the other hand, closeness does not seem to have heightened the

affection of the Croatians, Muslims and Serbs, for each other, who certainly are not lacking knowledge of each other's intentions. Nobody says that the United States should invent a balance of power when none exists. Certainly if the whole world lived with a consciousness of harmony, that would be a very desirable objective, a desirable world. Looking around the world I find little empirical evidence for it. If you go back to Asia in the relationship between Japan and China, Korea, India, Southeast Asia, I do not find any evidence that the communication revolution has altered or affected the perception of these nations as competitive with each other. Not because I want them to be competitive with each other, but because they perceive themselves as competitive with each other. In their economic policy, in their strategic policy, and what is the reason that China despite all the problems that have existed in our relationship, what is the reason that China is so eager for better relations with the United States? Not because they can pick up CNN in Beijing. The reason is that following traditional Chinese attitudes they believe that they won't be using the distant Barbarian against the close-in Barbarian. That is my interpretation of Chinese foreign policy. Now, somebody can offer an alternative interpretative geared to communication technology, I haven't heard it. And the art of foreign policy seems to me to be to analyze the world as it is, now, and I have tried to describe it as I observe it.

DAVID HARTMAN: Dr. Kissinger, picking up where you left off with your remarks, realistically if we were to create a new national tradition, a consensus foreign policy, a new national attitude about foreign policy, given the political contentiousness today, realistically who is going to do this, how are they going to do it, so that in a reasonable period of time, we could

see some results from it. How do you pull it off?

DR. HENRY KISSINGER: That is a very good question. I don't have the answer. I do not have the answer to that and I am in the position of the fellow who during the war said, the way to solve the submarine problem is to heat the oceans and boil them to the surface and somebody said, how are you going to do that, and he said, I have given you the idea, the technical implementation is up to you. (Laughter) At the end of World War II we had a number of huge advantages. We had a coherent leadership group that was very sure of itself. And we had an unusual number of extraordinary leaders in both parties, who moreover did not feel deeply divided from each other. And when you read what people like George Kennan, Dean Acheson and John Foster Dulles, the architect of this policy wrote Nixon. They produced really outstanding synched pieces and were willing to implement them. I do not see that consensus today and I do not see the personality. Another problem is that our political process is not very hospitable to long-range thinking. And finally I think that the advent of television to speak about communication changes the mentality from concepts to pictures so that instead of thinking long-range you react to stimuli rather than to long-range perceptions. So I don't have a brilliant idea on how to do that. Ideally it should be led by a president who manages to get the problem addressed. We were lucky at the end of World War II we had Roosevelt during the war, Truman, Eisenhower and a group of outstanding people. And I must tell you I have also my doubts about the intellectual community. When I was a young professor, none of us ever thought we would get into government. So the only way to affect the things with our knowledge was to take a five to

ten year perspective. Sometime in the 60's the intellectual community in my view split into two groups, job applicants who wanted to get to Washington, and revolutionaries. The job applicants wrote position papers like everybody else, and the revolutionaries specialized in pointing out what an evil country they were dealing with, and that it had to be uprooted, root and branch, and some of them then later reemerged in government particularly lately. (Laughter and applause) So I don't have a good answer to your question.

DAVID HARTMAN: It is fair to say you are not optimistic however.

DR. HENRY KISSINGER: No, I think actually this is still, when you go down the road, with all of the problems you describe, this is the most vital, the most optimistic country in the world. It is the only country...if you ask yourself which other country would have said at the end of a victorious war, that the way to have a stable world is to rebuild your enemies. It would never have occurred to any other country. If you ask yourself with all of the great thoughts of free-trade, if any other country had the competitive advantage we had at the end of World War II, which of them would have said, we have to transfer a lot of technology and we have to help a lot of other countries so that they can compete with us and provide for the welfare of humanity. I don't know another country that would have done it. So that the basic values of America, even the value that I have described that I would say no longer fully apply, they are still the hope of the world and therefore I believe that we will solve this problem, even if I can't exactly describe how we are going to do it.



JAMES GOODALE: Dr. Kissinger, let's see if I can make this more friendly, but as provocative. Could you comment on the role of former President Jimmy Carter, in international affairs. For example, had you been Secretary of State or President, would you have sent him into Haiti when President Clinton did? (Laughter)

DR. HENRY KISSINGER: I tell you, if I had been Secretary of State, one of us wouldn't have been there after the Korean venture already. (Laughter and applause) But let me say this, first, I believe that President Carter has behaved since his retirement in an exemplary, dignified and outstanding manner until he got himself involved in foreign policy during the last year. Secondly, there are two aspects of the question, one is, should a former president undertake a diplomatic mission. And the other is, should he appoint himself to diplomatic missions with the attitude that he really knows better than the government. Second I object to I think what is a dangerous policy which undermines any administration. The outcome in Haiti was actually good in the sense that if we would have had to shoot our way in we would have suffered some, but not very severe casualties, but we would have led to the collapse of the military and police forces in Haiti and therefore there would have been such chaos that the American occupiers would have had to act as policemen in a country where they didn't speak the language, didn't know the social forces. So that I favor the outcome of the mission. I do not favor the fact that President Carter assembled the team himself, and proposed himself to the President, giving him no real choice. In Korea he was used. He was given what we already had, either because to be ....what he was

given was that there would be no reprocessing and that the international inspectors could come back. There could be no reprocessing anyway no matter what they said because the material was still too radioactive and for six months they couldn't reprocess. So they were making a concession which we already had. The second, restoring the international inspectors was not the problem. Because the divergence had occurred with the international inspectors in place, and our concern arose because there were a number of incongruities and side step, they would not let us inspect it, they are still not letting us inspect. And that is the disadvantage of going in with good intentions but inadequate briefing. And dealing with a highly technical subjects. So if he went there on behalf of the president with precise instructions and if he were prepared to follow them, then his prestige might be very useful in certain specific situations.

JAMES GOODALE: Continuing on that, what signals does former President Carter being involved in foreign policy to this extent, what kind of signals does this send to the other communities, the other countries of the world, and what potential affects might they have on our ability to conduct what you might consider foreign policy.

DR. HENRY KISSINGER: I don't think it should become a pattern of foreign policy, that no crisis is genuine until Carter has had a crack at it. (Laughter) You don't want crisis to be encouraged to see whether Carter will show up. Did Saddam send his divisions to the border to see whether Carter would come to try to mediate the sanctions. So, it should not be a basic principle that a self-appointed ex-president mediates between his own government and whoever

the cause of the crisis is. But I do want to pay tribute to President Carter's conduct up to this last spasm because he has been really, I think he has behaved with enormous dignity and for a very good cause.

DAVID HARTMAN: Touch on the specifics, please, would you, of two items that just came up. One, North Korea. The North Koreans have said we will never, the U.N. will never get to see those two nuclear sites. What is at stake? How dangerous is this situation? And how likely is it that talk is going to defer the North Koreans from nuclear program?

DR. HENRY KISSINGER: Well first of all let me define my understanding of the issue. The issue as I see it is this, here is a poor country of rather small industrial capacity that with enormous self discipline has managed to create maybe three nuclear weapons now and if they reprocess the material that they have, maybe they will have ten nuclear weapons. That is not very much compared to us. But it is enough to destroy South Korea. And therefore they can have a major impact within the strategic area with which they are concerned. Secondly, if they maintain their nuclear capability I think it is nearly certain that Japan will also develop nuclear weapons and indeed the Japanese peaceful nuclear program is designed, or they fell into it, in the accidental way things happen in Japan, so that they can turn it into a nuclear weapons program very easily and of much greater magnitude than North Korea. And if North Korea can do it, many other countries, including Iran, can follow suit. So we have a genuine problem. I do not believe that talking alone is going to remove this program. It can only be removed by incentives

or by threats. The danger if you make the incentives too great is that you are really telling nations start a nuclear program, build yourselves seven nuclear bombs and the Americans are then going to give you light water reactors and \$2 billion of aid which is what North Koreans have asked for. Now, I have one difficulty with this bilateral approach with North Korea. It is not clear to me why the danger to us, of what I just described is so unique that we have to be the only country negotiating with North Korea. I don't know why South Korea, China, Japan, Russia, at a minimum, and maybe the other nuclear powers, Britain and France are not drawn into this negotiation and forced to face the consequences that I have described. And why we cannot say to them, we are willing to impose any sanctions that you are prepared to do and might even leave open the possibility that we might go beyond them. But I believe we need a stage of internationalization of this issue, and not do it bilaterally because we are running a huge risk that somewhere down that road we are going to be faced with the dilemma of either caving in or conducting a major crisis at the borders of China, Russia, Japan and with a South Korea, as you can tell from the newspapers, is clearly getting extraordinarily restless. Now do you want to try your hand at another one?

JAMES GOODALE: Let's talk about Iraq. Assuming that the Iraqis stop, what should we do next in Iraq and by that I mean should we be in favor of something that is comparable to a no fly zone, but would be geographical near the Kuwait border and what would you do about the mission. Would it be a peace keeping mission? Would it be an American mission? How many troops and that sort of thing?

DR. HENRY KISSINGER: What is a peace keeping mission?

JAMES GOODALE: Well if the Iraqis stop and everything is at a standstill, presumably there will have to be some force along the line that is greater than it is now. And if so, what would that kind of force be?

DR. HENRY KISSINGER: Well first of all, Saddam, the qualities that make Saddam so dominant in Iraq seem to make him tone deaf to the outside world. He seems to have no understanding at all of the world in which he finds himself. This is now 1994, he came to power in 1979. In 1980 he started a war with Iran which went on for eight years and which he would have lost but for the help of the United States, Britain, and France. Just say in 1998 he takes on Kuwait and indirectly the role of Gulf and of course suffers a huge defeat by the United States. Now he is under sanctions which are beginning to bite and are obviously lowering the standard of living of the population and creating considerable restlessness. The Security Council is supposed to have a discussion this week on that issue. France, Turkey and Russia are in favor of easing the sanctions. He chooses this moment to concentrate a number of divisions. Now actually those divisions cannot be very strong after the defeat they suffered in 1991, they cannot have many supplies and even those are the undamaged divisions, their supplies must have been severely disrupted. Reinforcement would be extremely difficult. And the fact that this is always proved by the fact that he has immediately caved when we put down the, when we concentrated

our forces and began to threaten him. Now I believe we ought to insist on something like these no fly zones which prevent, with respect to the concentration of his forces. I would actually not be in favor of permanently sanctioning American forces in Kuwait or permanently sanctioning foreign forces in that region. We cannot scatter our military forces all over the world in every threatened spot without exhausting ourselves, particularly at a moment when we are cutting our defense budget as severely as we have. I think the last few days were a rather good exercise of American capabilities and I would leave it at that. To keep American soldiers in this culturally unfriendly environment where they would sooner or later rub up against local habits, and local convictions, would I think be extremely unwise. The second thing we have to keep in mind is, it is a pity that Saddam was not overthrown two years ago because the long term threat in the area if you will, bear with me on another balance of power analysis, the long-term threat in the area is Iran, not Iraq. Iran has the manpower and it has the capability and in the past, Iraq and Iran to some extent balanced each other off. So the greater the vacuum that emerges in Iran, the greater has to be the outside force that will sooner or later have to be introduced as crisis develops. So the ideal situation would be the overthrow of Saddam and the institution of some government in Iraq with which we could have, if not great, at least tolerable relations. Failing that we should not become so obsessed with Iraq and so key all of our actions to Iraq that we overlook the potential danger from Iran, thereby reversing the problem of three years ago when we were so obsessed with Iran that we forgot that Iraq was a great problem.

JAMES GOODALE: I wonder if I could just ask a quick one on the question of overthrowing

Hussein, do you agree with A. M. Rosenthal who today said in his column was one of the great mistakes in the history of foreign policy, or something to that affect, not to have gone all the way to Bagdad.

DR. HENRY KISSINGER: Well I agree that it was a mistake. I also believe that most people who are saying that have no moral right to say it because the vast majority of those, that doesn't include Abe, but the vast majority of those who say it were opposed to Desert Storm to begin with. And were criticizing every step of the way into Desert Storm and one reason why President Bush stopped as he did was because he felt that if he kept the war going and some American unit were destroyed, as can always happen in the war, he would be blamed for having, by the very people who had opposed the war to begin with. But objectively, as someone who was in favor of using military force from the very beginning, during Desert Storm I thought we should have kept it going for 48 or 72 hours more. I would have said, we don't have to go into Bagdad, we should have systematically destroyed the Republican Guards until they overthrew Saddam. I think that was attainable and I think it was a mistake. I also think that President Bush deserves huge credit for having mobilized forces and kept his eye on the main objective. Because it is now clear that the people who said we should maintain, do it with sanctions, that it would never work in any time-frame relevant to the issues.

DAVID HARTMAN: Geographically staying in that area of the Middle East where you spent so much time and energy in your career, how likely is it that the current attempts to create a

nonviolent atmosphere between Israel and its neighbors, how optimistic are you this is going to be long-term, what signals should we look for to tell us whether or not there is going to be “peace” in the Middle East or not.

DR. HENRY KISSINGER: I am actually quite optimistic. I have never believed that one should look for peace in the way it is conceived in the textbooks. That is to say that a magic day arrives, everybody signs a document and thereafter everybody lives with a consciousness of harmony. I have never seen that happen between Arab nations. So it is not clear to me why it should happen between Arab and Israeli nations. But the key issue is not whether there is a document that its then for all eternity maintained but whether they can work out practical arrangements of coexistence. Coexistence more than peace. When I first saw the agreement I looked at it as a professional, and I had serious doubts about it, because it really had so many loose ends to it. Now I am beginning to think that the loose ends are its advantage. Because it forces them into almost daily negotiations to work out the practicalities of how you live together on the West Bank. Which is after all the overriding reality of the area since the Israelis cannot expel the Arabs and the Arabs cannot defeat the Israelis. So gradually I can imagine a process emerging. I am Chairman of a group called the....it awards an annual prize...named after an African Leader, the \_\_\_\_\_ prize and we gave the award last year or this year to Rabin, Peres and Arafat. In fact I handed them the award. Then there was a dinner where we all sat together. And it had somewhat of the atmosphere of veterans of the 30 years war seated around the table, telling each other war stories of their struggles against each other. Now I think that it is considerable progress



and I actually believe, not that, there will be a magic day where you can say now they are going to live together in bliss, but that by rubbing against each other, by working out the practicalities and by the Palestinians having to face the trouble makers in their own ranks and the Israelis the same, I am actually quite optimistic on the West Bank. On the golden heights, there will be the usual international agreement that will be kept or not kept depending on what balance of forces excess at any particular moment. And on top of it all I believe that the struggle between the fundamentalists and the secular Arabs will so subsume the Arab/Israeli conflict that all of this will work to the benefit of what ten years ago was considered a dominant issue of the area.

JAMES GOODALE: I have a combined question from the four of us here who want to know whether you think in the next election, the slogan will be, its foreign policy, stupid? And the real question that follows on that is, what do you think as a political matter has happened to President Clinton as a result of the events of the last week. Has he been enhanced?

DR. HENRY KISSINGER: I think that probably I am no expert on domestic politics. I proved that by supporting Nelson Rockefeller in three unsuccessful presidential campaigns. We found new ways of losing each nomination. But, as a layman, I believe President Clinton was strengthened by the events. Not in Haiti, Haiti I think will in the long-term turn out to be a negative because the easiest part of Haiti is now behind us. And from now on I don't see any great prospects. But I think the conduct in the Gulf deservedly will earn him high marks. How that translates into votes, I cannot judge. Now in 1996 will foreign policy be a major issue? The

sort of thing that I have talked about is very difficult to put into a political campaign. And the danger of not recognizing some of the things that I have tried to describe is not as there was in the 70's some debacle like Iran falling. But rather a gradual deterioration of America's ability to affect events so that gradually more and more crisis grow more and more out of control, but I don't think this will happen by '96. So it is very likely that by '96 foreign policy will still not be an issue that would affect presidential votes.

DAVID HARTMAN: Dr. Kissinger, an issue that may be of tremendous interest to a lot of people here in the room, ten days ago what was called a "partial deal" was negotiated with Japan on certain trade issues. To what extent did this agreement really level any playing fields, and how likely is it that we are ever going to see free-trade by our definition with Japan?

DR. HENRY KISSINGER: Well before I answer that question I must remind some of you who did not follow comments about me with the same intensity as my mother; that when I was in government the then Secretary of Treasury Bill Simon once said, that my knowledge of economics was the best argument against universal suffrage that he had ever seen. (Laughter) He then immediately proved his knowledge of politics by calling the Shah of Iran a nut in the middle of the oil crisis. (Laughter) And when I corrected him on that subject, he said, he would fix it by the end of the day. He put out a statement saying he had been quoted out of context. (Laughter)

DAVID HARTMAN: Should I retract the question?

DR. HENRY KISSINGER: No I will answer the question in this way. A number of people with whom I deal with, having earned a living as a consultant, are quite pleased by this agreement. I can see that in specific areas it undoubtedly created some benefits. I find it hard to believe that the idea of a level playing field is fully compatible with the Japanese way of looking at things. And therefore, I would expect that a year or two or three down the road we find that they found some other area which they can un-level in compensation for what they have now leveled. But I would not make investments on the basis of what I have just said.

JAMES GOODALE: What should we do in Bosnia. The former Yugoslavia was very much in the news until Haiti and Iraq came along, and it is a very explosive situation. Do we have any options left other than those that we have used and also, what does the U.N. do which is caught in the middle of a power struggle, it seems to me?

DR. HENRY KISSINGER: Well the question, what to do about Bosnia depends on your basic analysis of what Bosnia is. If Bosnia is a nation, like France or other nations of Europe, then what the Serbs did in Bosnia is foreign aggression. Then if you treat it as foreign aggression, then you have a situation which you can compare to Nazi aggression or communist aggression and you can say the world community should have done something. That is one way of looking at it. That is how Mrs. Thatcher looks at it. And many people look at it this way. I would like to offer a different interpretation. And it is this. Bosnia has never been a nation in history. Bosnia

was an administrative subdivision of Yugoslavia in which there lived Serbs, Croats, and Muslims. And when Yugoslavia broke up, every subdivision was made a state, thoughtlessly, by the United Nations, by all of us and in my view that should never have been done. In a way it violated the principle of self determination because if there is one thing clear, it is that Serbs, Muslims and Croats do not want to live together in the same state. There was an opportunity and this happened in the previous administration, there was an opportunity when all of the parties there were prepared to petition the country and then some people were afraid this would set a precedent for Russia where it happened anyway, and the outside world, partly us, partly NATO discouraged this. So then it blew up and turned into a Civil War. Ford in the classic Republican way, and if you read any number of....if you read what happened in the Balkan Wars in the 19<sup>th</sup> century or there was a study by some Carnegie Commission in 1911 that George Kennan published recently which if you didn't know the date you would think it was written in the modern period. So my view has always been that the best solution would have been to petition the country and we have gradually come to that point of view now. In the latest U.N. proposal US, everybody agrees on it the only thing is, so much blood has now been spilt that the parties no longer agree on what the appropriate dividing lines are. I do not think that we can risk American lives on the ground on the issue of what the dividing lines ought to be in Bosnia. I do not think it will be supported by the American public. I do not know how we would explain it to the American public. And I think we have to curb our taste for permanent interventions. I think the way it is going now, it is actually not so bad. The UN is preventing large scale attacks. When there are large scale attacks, there is not very heroic but anyway, some kind of NATO response

and probably the best thing that can happen is to convince all the parties that they have very little additional to gain and then come up with a result that will not undo the suffering, no undo the injustices, but prevent further bloodletting. That is the best that I can see. I am not in favor of intervening, I am not in favor of ending the arms embargo either. Because now I think the Muslims are getting quite enough arms. Secondly if we end the arms embargo we have to send trainers in, we have to send it in through Croatia. Croatia will take its cut and we will then be involved in a certain Serb offensive that will start afterwards. I think we are now on a course which is not great, and which we could have avoided if we had taken more decisive action in favor of partition two years ago, but that is water over the damn now.

JAMES GOODALE: How do you solve the NATO/UN conflict with respect to the use of air power. That is institutionally difficult because the UN has a series of resolutions that imply neutrality for their role where NATO's role isn't really as neutral perhaps as the UN and they want to be more aggressive. Would you side with NATO or would you side with the UN, how would you work that out?

DR. HENRY KISSINGER: Well the problem is you can't have UN and NATO operating side by side in Bosnia and you also have to keep in mind that beyond a certain level of military action Russia will intervene, maybe not very effectively but Russia will put itself on the side of Serbia and it is the one ally that they have had historically that seems to be attached to them without the presence of Russian troops. So if you look at World War I, Russia supported Serbia even though

it had no visible interest in the issue of concern. So I would take the UN out of military operations to begin with. I do not think the UN is designed for military operations. And I think that is the beginning of wisdom.

CHAIRMAN DONALD B. MARRON: David, can we ask you to do a last question. And then I am going to follow up.

DAVID HARTMAN: Very well, last question Sir. Have Don Fehr and Dick Ravitch asked you to become involved in solving the baseball strike? If they did, would you accept, and if accepted, what would you do?

DR. HENRY KISSINGER: I have been waiting for it. I am a great baseball fan. That is something for which I would have great passion.

DAVID HARTMAN: What would you do?

DR. HENRY KISSINGER: I have no idea. (Laughter)

DAVID HARTMAN: I would like to ask one more serious question, not that, that wasn't serious Sir. Back to China. You mentioned China. It is reported that China by our standards has not improved its human rights record recently. Also that they have not committed totally to nuclear

non-proliferation. To what extent should we overlook these disagreements in the interest of maximizing trade?

DR. HENRY KISSINGER: I don't think that is the right, if you forgive me, I wouldn't put the question that way. Because it implies that we have a universal charter all over the world to judge what every nation is doing and then punish them accordingly. Of course we are doing it. I mean we are publishing an annual report on human rights in which we list 140 nations to the enormous chagrin of the vast majority of them. And in its splendidly democratic way, we have now listed ourselves as human rights violators in that report and we have a section on American shortcomings, which is surely a historic first that a Foreign Ministry of a country publishes a self-indictment of its domestic policy. (Laughter) So we surely have a concern for human rights. And we certainly have an area of discretion in which we should give expression to that concern for human rights. At some point on that curve we will have to balance that against other considerations. The political ones I mentioned, the trade ones, and the impact of the growth of the Chinese economy on if not human rights, then constitutionalism. It is not going to be possible in China to continue to operate a system. It isn't possible now anymore without more predictability, without more legal protections and then it is clearly happening. That does not mean that human rights abusers have ended, but gradually the unlimited power of the bureaucracy seems to me to be somewhat diminished. For anyone conducting American foreign policy, has to weigh the trade issue but he also has to weigh the importance of a tolerable relationship with China on peace in Southeast Asia, peace on the Korean peninsula, relations

with Japan and relations with Russia. And so we cannot give total priority, we cannot subordinate everything to human rights. Now on the non-proliferation issue, that is a simpler issue because we have declared ourselves as the unilateral guardians of non-proliferation and we proclaim a canon of non-proliferation to which we then ask China to adhere without having consulted them, whether they agree with it. That is not self-evidently plausible to them. The second problem the Chinese have is this, what we call violation of non-proliferation is that they sell missiles to Pakistan which don't threaten us, but we sell advanced weapons to Taiwan, actually in violation of an agreement signed in the Reagan administration. And the Chinese would like to discuss these two issues simultaneously which does not seem to me totally unreasonable. And I think the non-proliferation issue can be settled as a diplomatic issue. In fact, considerable progress was made on that when the Chinese foreign minister was in Washington. I think the non-proliferation issue will be solved as soon as we find the right form of dialogue and we will find the right form of dialogue. The human rights issue is embedded in Chinese culture and Chinese history, in Chinese perception of the outside world, telling them how to run their own affairs, that will be more difficult. But I think at a minimum we should not subordinate everything to the human rights issue.

CHAIRMAN DONALD B. MARRON: Henry, I wonder if we could close with a semi-economic question. The recent administration and the Congress have built the improvement in our deficit on cutting defense spending. At the same time we read in some cases that America might get stretched if there are more of these problems around the world. Do you think that these kind of



problems will continue, Somalia and Haiti and all the rest, and do you think if they do that the budget cutting will at some point be a problem and will defense spending again be an issue?

DR. HENRY KISSINGER: I think Somalia and Haiti were self-inflicted. And they were not something that was imposed on us that we could not have avoided. So I think the solution to Somalia and Haiti is not increasing the defense budget but not to do it. (Laughter) Or at least not to use military force for it. With respect to the defense budget, my gut feeling is that it has gone too far. But it is very difficult to get your mind around this problem, I have been collecting studies and documents trying to understand where we are. Because one of the problems is this, whenever you cut the defense budget, there are two broad ways of proceeding. One is to maintain immediate readiness and in effect sacrifice future developments. The other one is to go in the opposite direction and to sacrifice immediate readiness for the future. My impression is that we have chosen the first course, that we are cutting back on a lot of future projects and that we are cutting back on training, and some maintenance and it is very difficult to prove, to what degree this degrades the readiness of your forces. I have tried to talk to a lot of people who know something about defense policy and I used to study it. It is a strange situation. There is a vague uneasiness. Everybody tells you they are not happy but nobody can tell you exactly...nobody says it like we did in the 50's, if we had four more divisions we would have...or whatever it is that we think we need. So I think it might be useful if the administration created some strategic, some study group within the Pentagon or NSA to take a look at three to five year or maybe make it a bipartisan group. I am uneasy. Almost every defense expert I know is uneasy. But we are not

uneasy to the point that any of us have gone public yet. So it is a question that is not yet...that I cannot answer you fully.

CHAIRMAN DONALD B. MARRON: Henry, on behalf of the Economic Club, thank you very much for a marvelous evening. (Applause)