A Republican Journal Of Thought And Opinion

Commonsense

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A letter from the publisher

The initial publication of **Commonsense**: **A Republican Journal of Thought and Opinion** in 1978 came as a surprise to many. Political parties had not been recently thought of as sources of ideas or forums for their serious discussion.

In the intervening years, perceptions of the two major parties have changed. The importance, even the centrality, of ideas to the political fortunes of each has assumed renewed prominence in American political discussion. It also seems to many that since the late seventies, Republicans have learned new habits of thought, while the Democrats have had trouble shaking their old habits. New ideas began to take hold and the terms of the political debate shifted.

In domestic debate, roles reversed. There was a time when Republicans said yes, we agree with Democrats that new federal programs are needed, only we want them smaller and we want to pay less for them than the Democrats. Now it is the Democrats who say yes, we agree that government got too big, we agree about tax and spending cuts, only we want to cut less and not so fast. On reasserting America's interests in the world, on maintaining an adequate defense, the refrain is a familiar "me too, but not so much" but that refrain is being sung in a new key by a new choir.

Commonsense was founded on two basic premises about politics in America: first, that the contest for votes must also be a contest of ideas; and, second, (in a borrowed dictum from G.K. Chesterton) that the essential things in men are the things they hold in common, not the things they hold separately.

As 1983 comes to a close, the two great parties are poised for just such a contest of ideas in the 1984 campaigns. The test of the ideas the two parties will offer is not, however, their theoretical symmetry or the beauty of their form. The test, applied by the electorate, will more likely be—which set of ideas is likely to, or does in fact, work better.

The democratic process that leaves that decision to the commonsense of millions of voters is something to be celebrated. The idea that it is also something to be shared with others around the world—and to be nurtured where that is welcome—is one essential thing the two parties, business, labor hold in common. For that reason, they put aside the things they hold separately to work together, for months of study and work with the Congress, to secure enactment of the National Endowment for Democracy born in President Reagan's speech to the British Parliament on June 8, 1982.

Commonsense is pleased, in its new issue, to welcome to its pages Chuck Manatt, Lane Kirkland, and Mike Samuels, who have joined two Republicans, myself and Bill Brock, not merely to write about our respective organization's plans under the National Endowment, but also, to celebrate the things we hold in common.

In keeping with its dedication to the discussion of ideas, **Commonsense** is also pleased to present an in-depth examination of the ever-present subject of campaign finance reform—a subject that deeply affects our political process, particularly the functioning of the parties. In this issue, experts on the subject present their views—John Bibby, Paul Laxalt, Bill Frenzel, Nelson Polsby, Richard Scammon, Bernadette Budde, Roger Moore, John Kochevar, Michael Malbin, and Bill Thomas—and we have also included a brief summary of the campaign finance proposals discussed, adding the recent bill introduced by David Obey and Mike Synar for the reader's information.

—Frank J. Fahrenkopf, Jr.
Publisher

The Democracy Program And The National Endowment For Democracy

The objective I propose is quite simple to state: to foster the infrastructure of democracy, the system of a free press, unions, political parties, universities, which allows a people to choose their own way to develop their own culture, to reconcile their own differences through peaceful means . . . . Over the past several decades, West European and other Social Democrats, Christian Democrats, and leaders have offered open assistance to fraternal, political, and social institutions to bring about peaceful and democratic progress. Appropriately, for a vigorous new democracy, the Federal Republic of Germany's political foundations have become a major force in this effort.

We in America now intend to take additional steps, as many of our allies have already done, toward realizing this same goal. The chairmen and other leaders of the national Republican and Democratic Party organizations are initiating a study with the bipartisan American Political Foundation to determine how the United States can best contribute as a nation to the global campaign for democracy now gathering force. They will have the cooperation of congressional leaders of both parties, along with representatives of business, labor, and other major institutions in our society. I look forward to receiving their recommendations and to working with these institutions and the Congress in the common task of strengthening democracy throughout the world.

It is time that we committed ourselves as a nation—in both the public and private sectors—to assisting democratic development.

President Ronald Reagan
Address to Members of Parliament
London, England
June 8, 1982

—Editor's Note

Eighteen months after President Reagan's historic 1982 speech to the British Parliament, history of another sort was made. Responding to his proposal for an American effort to assist democratic institution building abroad, Congress voted to authorize the National Endowment for Democracy which will assist private efforts by labor, business, and the two political parties to help others "foster the infrastructure of democracy." The Endowment's program, from concept to enactment, is a story that begins with a simple insight: in Ambassador Brock's words it is that "in fundamental terms, the United States is an idea, one whose beacon has drawn the hopes and dreams of many."

It is also a story of bipartisan cooperation. President Reagan proposed a more active U.S. effort to assist the "global campaign for democracy now gathering force." Democrats and Republicans, labor and business leaders worked together on a major study—the Democracy Program study—to determine how best to structure such an effort.

Often adversaries in domestic political terms, these groups share a commonsense of pride in the American democratic experience—and of obligation to those abroad who want to build a democratic experience for themselves and their people. The editors of **Commonsense** asked the individuals who represented these groups—and worked actively on the Democracy Program study—to contribute their thoughts about the effort and hopes for the future of their respective programs. **Commonsense** is pleased to present, in the pages that follow, Ambassador Bill Brock, U.S. Trade Representative; Frank J. Fahrenkopf, Jr., chairman of the Republican National Committee; Charles T. Manatt, chairman of the Democratic National Committee; Lane Kirkland, president of the AFL-CIO; and Michael A. Samuels, vice president, international for the U.S. Chamber of Commerce.

The Democracy Program: A Strong Foundation

by Bill Brock

Our symbol of democracy, the Statue of Liberty, is standing in New York Harbor, suffering from corrosion and neglect. Unfortunately, democratic institutions in far too many countries around the world are suffering from an analogous deterioration and our response to this, I believe, has been totally inadequate.

Since World War II, the American people have accepted the role and responsibility as leader of the free world. In exercising that responsibility, we have demonstrated an unselfish concern and commitment unparalleled in recorded history. Marshall Plans and military assistance, foreign aid and Food for Peace, global institutions to create jobs, such as the General Agreement on Trade and Tariffs, and programs to strengthen individual opportunity like the Peace Corps—these are part and parcel of the American commitment. Despite all this, something has been missing in U.S. involvement for the 38 years since the end of World War II.

Politics is a contest of ideas and Democrats and Republicans sally forth each day to engage in that contest. Why then have we not done the same in our role as international leaders? Are we so inarticulate that we must limit our exports to soybeans, Ivory Soap, and Rolaids?

In fundamental terms, the United States is an idea, one whose beacon has drawn the hopes and dreams of many. This idea has been nurtured into full reality by the existence of competing political parties, a free and competitive press, free collective bargaining, free religious expression—by all the instruments and institutions which constitute a bridge between individuals and their government. We have accomplished this and more, yet we have done relatively little to assist those in other countries who are struggling to create, strengthen, and sustain institutions essential to a free society.

Bill Brock is United States Trade Representative and served as chairman of the Democracy Program. He is former chairman of the Republican National Committee and a former senator from Tennessee.

This neglect is not illogical. It is far more convenient for the United States to limit its contact with other nations to the level of government-to-government economic and/or military aid. Then, if a government gets out of line, the U.S. can simply terminate the aid and wash its hands of further responsibility. It is far more difficult to stick our necks out in support of embryonic democratic institutions half-way around the world or right in our own backyard.

In fundamental terms, the United States is an idea, one whose beacon has drawn the hopes and dreams of many.

While various groups in the U.S. have shown an interest in international programs to a certain degree, only the American labor movement has had the courage to become extensively involved in assisting its counterparts in other nations, and its accomplishments have been significant. Until recently our two political parties have done almost nothing to promote democracy abroad. Paradoxically, the parties are uniquely suited for such a contribution and they could benefit from such involvement as well.

The United States has, on occasion, supported or opposed individual governments around the world. However, this has been undertaken almost invariably in *ad hoc* fashion and in response to opposition to Marxist or Facist attempts to subvert specific countries. We have not attempted to set in motion programs of positive support for pro-democratic forces for several reasons. The first, I believe, is due to a natural reluctance to hold ourselves up as a model for other nations to follow. Because we are blessed with freedom and the riches of a productive society, I think we are afraid this would be seen as flaunting our good luck over less fortunate countries. In the same vein, because of our heritage, Americans have a strong belief in self-determination. However, it is essential, not only to our well-being but also to that of others, to remember that we did not win our freedom by ourselves. Struggling democracies today need as much help as we did more than 200 years ago.

A third reason is the appropriateness of interfering in the business of another country's internal affairs. Americans generally balk at the idea. But I am not saying we should attempt to impose democratic governments around the world. The democratic process by its very nature cannot be imposed. What we can do is create a means of assisting democratic movements and pluralism so that individuals can establish freedom in their own country according to their own notion of democracy. Our reluctance to become involved in such international programs indicates a serious misunderstanding of the responsibility we have to the promotion of democracy. In other words, if we don't take the lead, those with

different values will. Needless to say, the Soviets do not feel the constraints we do.

We should now seek to strengthen what President Reagan has called "the infrastructure of democracy"—the network of private sector institutions within which democratic pluralism functions. These institutions include: the political parties that, in our country, are the hallmarks of democratic processes; the voluntary business associations and organizations that constitute the support for private enterprise systems; free trade unions that are the fundamental guarantee of democratically-oriented labor movements; privately-owned and competitive press and media that provide free expression of ideas; academic institutions that nurture essential freedom of thought and creativity; a judiciary that will assure the integrity of rule by law and the redress of grievances; and, the myriad other institutions which make up the checks and balances upon which democracy rests.

Our reluctance to become involved in such international programs indicates a serious misunderstanding of the responsibility we have to the promotion of democracy.

Over the last several decades, requests from the Third World and other countries asking the U.S. for assistance in developing democratic institutions have steadily increased. The Republican and Democratic Parties, the business community, the labor movement—all have received numerous requests. But while the AFL-CIO and business groups have been able to offer aid, for the most part, our international counterparts have not been able to gain the support they need from the U.S.

A Program For Democracy

Many political, business, labor, academic, and other leaders have long been aware of the need for a long-range, bipartisan approach to democratic institution-building. Congressman Dante Fascell (D-Fla.), for example, has been a staunch advocate of creating a permanent legislative mechanism that would encourage the American private sector to assist counterpart groups abroad and since the 1960s he has been pushing for the establishment of institutions to support such efforts.

During my chairmanship at the Republican National Committee, I became deeply convinced of the need for increased international activity by both political parties and by other private sector groups. Early in 1979, I was privileged to meet with then candidate Margaret Thatcher and a number of her colleagues. As a result of those meetings, I became persuaded that the American Republican and the British Conservative par-

ties had much to learn from each other and much to contribute to newly created parties in other countries, particularly in the Third World.

Charles T. Manatt, chairman of the Democratic National Committee and then chairman of the DNC's Finance Council, enjoyed similar experiences and also became a supporter of the idea. Together with other leading party officials, Chuck Manatt and I created the American Political Foundation as a bipartisan vehicle to forge a broader role for political parties abroad. At the same time, Michael A. Samuels, now vice president of the U.S. Chamber of Commerce's international division, and William A. Douglas, a consultant to the AFL-CIO's American Institute for Free Labor Development, provided a conceptual foundation for supporting democracy internationally in a 1981 **Washington Quarterly** article. They concluded that:

> U.S. national interests require a program for providing political aid to strengthen democratic pluralism in other countries. Since the advent of the Cold War, the United States has worked abroad politically, mainly covertly, with direct government action and secret financing of private student, cultural, and labor groups. The covert approach has proven inadequate. Experience in the fields of education, labor, and cooperatives shows that overt government financing of U.S. private groups working in politics abroad would be more effective than the covert approach has been.[1]

Samuels and Douglas specifically called for creation of a new private sector institution that could receive government funds but would remain independent of any administration. Such an effort, they felt, should include input from political parties, business, labor, academic, and other groups.

By early 1982, these ideas burgeoned into a series of meetings sponsored by Mike Samuels and myself and included representatives of the U.S. Chamber of Commerce, the Republican and Democratic Parties, the Administration, the AFL-CIO, and academia. Out of these gatherings came the decision to launch a study to see if a permanent mechanism could be designed to encourage private sector groups to become involved in strengthening democratic institutions and values on an international level. A formal proposal was then made to President Reagan, through the American Political Foundation, to create a study called the Democracy Program. The President heartily endorsed the idea and announced creation of the study during his historic speech to the British Parliament on June 8, 1982.

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[1]Michael A. Samuels and William A. Douglas, "Promoting Democracy," **The Washington Quarterly**, Summer 1981, Vol. 4, No. 3, p. 64.

The Study

The first step in structuring the Democracy Program study was to ensure that the full spectrum of our pluralistic system was represented. As then chairman of the American Political Foundation, I had the honor of serving as chairman of the study group's executive board. Frank J. Fahrenkopf, Jr., chairman of the Republican National Committee, and DNC Chairman Manatt served as co-chairmen. The vice-chairmen were Anthony Lake and Ben Wattenberg, both distinguished as academicians and foreign policy experts.

The business community was represented by Samuels from the U.S. Chamber of Commerce and Lane Kirkland, president of the AFL-CIO, represented labor. We were also fortunate to have a group of outstanding private and public sector leaders on the executive board: Richard V. Allen, former National Security Advisor to President Reagan; Senator Christopher Dodd (D-Conn.), a member of the Senate Foreign Relations Committee; Representative Fascell, chairman of the House Foreign Affairs Subcommittee on International Operations; Peter G. Kelly, chairman of the DNC's Finance Council; Thomas Reed, former assistant to President Reagan and former member of the National Security Council; and George Agree, former president of the American Political Foundation. Co-counsel to the Democracy Program study were Sarah Weddington, former assistant to President Carter and Edward Weidenfeld, former counsel to the 1980 Reagan-Bush campaign. Allen Weinstein, Georgetown University Professor and executive editor of **The Washington Quarterly**, served as the study's program director.

The proposals in the interim report, released in April 1983, were the recommendations of the executive board and staff as a result of hours of research and discussion with American and foreign political leaders interested in contributing their ideas to the concept. The major proposal called for the creation of a National Endowment for Democracy that would serve to:

(1) encourage free and democratic institutions throughout the world through private sector initiatives, including activities which promote the individual rights and freedoms which are essential to the functioning of democratic institutions;

(2) facilitate exchanges between United States private sector groups (especially the two major American political parties, labor, and business) and democratic groups abroad;

(3) promote United States non-governmental participation especially through the two major American political parties, labor, business, and other private sector groups, in democratic training programs and democratic institution-building abroad;

(4) strengthen democratic electoral processes abroad through timely measures in cooperation with indigenous democratic forces;

(5) support the participation of the two major American political parties, labor, business, and other United States private sector groups in fostering cooperation with those abroad dedicated to the cultural values, institutions, and organizations of democratic pluralism; and,

(6) encourage the establishment and growth of democratic development in a manner consistent both with the broad concerns of the United States' national interests and with the specific requirements of the democratic groups in other countries which are aided by programs funded by the Endowment.

The National Endowment would be a private, independent, non-profit corporation, not an agency of the government. The government would, however, annually appropriate funds for the Endowment; hence, it would be subject to congressional overview. The Endowment would provide funds and encouragement for American private sector groups engaged in activities aimed at strengthening democratic institutions and values in other countries. The Endowment would not administer programs directly; rather, programs would be carried out by private sector groups receiving Endowment funds.

The National Endowment would be a private, independent, non-profit corporation, not an agency of the government.

Another proposal in the interim report called for the immediate creation of specific private sector groups to carry out the task of institution-building abroad. These groups included two political institutes, a Center for International Private Enterprise, and a Free Trade Union Institute. This recommendation has already been acted on and each group is now incorporated or otherwise established. The separate Republican and Democratic Institutes for International Affairs are independent, drawing personnel and inspiration from representatives of Congress, academia, and the national committees, but they are not part of the national committees' structures. In the business community, the Center for International Private Enterprise is being operated within a foundation affiliated with the U.S. Chamber of Commerce and will include leaders of other representative business groups within its governing body. Similarly, the AFL-CIO's Free Trade Union Institute, established in 1978 as an independent organization designed to work in the international arena, will carry out labor's role in the Endowment. Other private sector groups, for example in the media, academia, clergy, and the legal profession, are also being encouraged to develop overseas programs under the Endowment concept.

The Pioneers

The pioneering example of West Germany's political party-related institutes provided the impetus for the design of the Democracy Program proposals. Each of the West German political parties has a foundation which is related to, but independent of, the parties' structures and each is organized to strengthen democratic values and institutions. Although the foundations were originally established to encourage the growth of a domestic democratic system in postwar Germany, they began international work in the late 1960s and early 1970s. In recent years, the West German parliament has appropriated as much as $150 million annually to support party foundation activities, most of which is spent on overseas activity.

The success of the West German foundations' work in Portugal illustrates the importance of private sector involvement in support of democratic pluralism. In 1974, the long-ruling Salazar-Caetano authoritarian regime was overthrown in the Portuguese revolution. The new leadership intended to establish a functioning democracy, but the only active political force remaining in the country centered on the Communist Party and communist ideology. The West German foundations, and other private groups, provided organizational assistance and training programs which enabled new political parties to become effective supporters of pluralist democracy. Similar work was done in Spain in support of the new democracy emerging under King Juan Carlos.

The West German foundations are also very active in the Third World. They support education programs, agricultural improvements, business and labor development, as well as such political efforts as voter registration, public opinion polling, and organizational training. They work with and aid a variety of groups—citizens' organizations, labor unions, businesses, academic institutions, government agencies, and various political parties.

The AFL-CIO's overseas programs, the Inter-America Foundation, the Asia Foundation, and other private non-profit groups—all served as models for the Democracy Program as well. Each of these organizations carries out a variety of development programs throughout the Third World, largely with government funding. The AFL-CIO's regional labor union institutes, as discussed in Lane Kirkland's article, are, perhaps, best known; their assistance to free labor unions has been one of the most effective tools the U.S. has possessed in the postwar period to halt the spread of communism through subversion of workers' movements in the developing world. Many other countries have established private sector programs similar to the West German foundations, notably in Spain, Portugal, Venezuela, Panama, and Austria. These foundations not only

provide assistance to counterparts abroad, they also create formal linkages between political parties and other private sector groups worldwide.

Legislative Action

Shortly after the Democracy Program's interim report was released, Congress began consideration of the proposal to create the National Endowment for Democracy. Representative Fascell sponsored legislation to create the Endowment as part of the State Department's authorization bill (H.R. 2915). In the beginning, the bill progressed smoothly. The hearing before the House Foreign Affairs Subcommittee on International Operations on April 19, 1983 evidenced widespread support of the proposal by both Republicans and Democrats. A similar hearing held on April 27 before the Senate Foreign Relations Committee revealed the same backing.

Yet, once the legislation was considered by the full House in early June, opposition emerged from both liberal and conservative members. The Endowment passed the House with funding for the business and labor institutes approved; however, the funding earmarked for the party-related institutes was disapproved by a vote of 267 to 136. Interestingly, there was no discernible pattern to the division of Republican and Democratic votes; liberals and conservatives appeared on both sides of the issue.

A similar pattern but a different result occurred in September and October when the Senate took up the Endowment proposal. Several amendments were proposed to remove the funding for the Endowment and its four institutes. All of these amendments failed, however, and the Senate passed the measure on October 20, 1983.

The main objections to the overall concept of the Endowment fell into several areas. The first, and most significant, was that the concept of providing government funds for political parties, labor, and business was seen as constituting a danger to the integrity of the American democratic system, and especially to the parties which have never received such funds. Second, the cost of the Endowment was thought unwise given the size of current budget deficits. Third, some Members felt that the use of government funds in support of private sector activity would inevitably make the program suspect in the Third World, where many would see it as a tool of the U.S. government. Finally, some Members objected to the proposal on the grounds that the private sector efforts could contradict and perhaps undermine U.S. official foreign policy. Each of these objections deserves serious consideration and, indeed, the Democracy Program's executive board spent long hours pondering these issues among ourselves and with our constituents. While we understand these concerns,

we feel that the Endowment, as structured, will satisfy these objections.

On the issue of providing funds to the parties, not one dime will go to either party's national committee. Both the Republican and Democratic Institutes for International Affairs are independent organizations which involve party leaders but are not part of the official party structure. Further, the legislation provides for congressional oversight as well as regular audits by the General Accounting Office, and specifically prohibits spending funds in pursuit of purely domestic activity.

With respect to the deficit issue, the board members concurred that the deficits are a deeply serious problem for the nation. But we also concluded that is all the more reason to plant this kind of seed for freedom, particularly if we are to prevent even larger expenditures in future years to counteract subversion abroad.

The only real answer to those who feel that people in the Third World will see the Endowment as an arm of the U.S. government, since it will operate at least in part with public funds, is that the program will function in full view with absolutely no secrets. Granted, the view in many Third World countries is that any American is an agent of the government no matter what the funding, yet, the AFL-CIO, the Asia Foundation, and others have been able to conduct successful programs for many years despite the fact that they operate with the support of government funds. The origin of funds is less important to being welcomed abroad than the types of programs and the open, public manner in which they operate.

The last concern with the program—the possibility of conflict with official U.S. foreign policy, is, in my view, the most potentially serious issue. Undoubtedly, there will be occasions when one or more of the private sector groups will undertake a program that crosses the grain of official policy. Well, why not? We are supposed to be nurturing a variety of institutions so that people can choose their own path to democracy. Are we so insecure in our own freedom that we oppose dissent? To do so would violate more than 200 years of U.S. history. It is important, though, not to overstate the case. The Endowment will be operated in full public view by responsible individuals with broad experience in international relations, and who will be held answerable to Congress and to the public for their actions. Given these constraints, it would be difficult for the Endowment or any of the groups operating with Endowment funds to carry out programs not in the national interest or damaging to official U.S. foreign policy.

These issues have been debated at length before the U.S. Congress and in our media as part of our historic tradition of public discussion. However, the capacity of our political institutions to unite after such discussion was exemplified again when both the House and the Senate

passed the National Endowment for Democracy Act (as part of the State Department Authorization Act) on November 18, 1983.

Domestic Concerns

One of the most interesting aspects of the Endowment concept is the degree to which the debate has concentrated on domestic concerns. The Democracy Program study, as originally proposed to the President and announced in his speech to the British Parliament, focused on the need to support democratic forces internationally. I wonder whether critics of the measure have really considered the nature of the global challenge the U.S. faces over the next few decades both from the Soviet Union and from the growing interdependence of the international system.

The Soviet challenge is simple to state. The Soviet regime can be counted on to continue its attempts to undermine and subvert other countries, especially in the Third World. Wherever local conditions are unsettled, the Soviets will seek to develop communist movements. Cuban involvement in Central America and Africa are just two examples of the Soviets and their proxies' techniques. The stronger the free world, the more the opponents of freedom will concentrate on launching assistance programs for Third World groups. Already far more Caribbean and Latin American youth are educated in Cuba and Russia than in the United States.[2] It is irrational to expect the U.S. private sector to fund and carry out programs on a scale to compete with the Soviet Union and the KGB without some government support.

The rise of interdependence in the international arena mandates an expanded involvement for the U.S. abroad, especially in the Third World.

The rise of interdependence in the international arena mandates an expanded involvement for the U.S. abroad, especially in the Third World. There is hardly a spot on the globe which is not linked into the worldwide economic, communication, and political system. The fate of a seemingly obscure country on the Persian Gulf can directly affect the price of oil in downtown Los Angeles, Denver, or New York. The same applies to any number of other commodities such as Brazilian coffee, Korean textiles, or Zambian copper.

Further, the world monetary system is directly affected by developments in India, South America, Europe, and elsewhere. Hence, it is in our national interest to ensure that the democratic system shared by the

[2]Gil Robinson, former deputy administrator, United States Information Agency, in testimony before the Senate Foreign Relations Committee, April 26, 1983.

U.S., Japan, Europe, and other nations continues to thrive and expand. Every country pulled out of the democratically-oriented system and forced into the communist system is a great loss to all.

One essential benefit of the Endowment will be the restoration of the bipartisan tradition in American foreign policy which served us well for most of the post-World War II period. That tradition was based on consensus among political leaders from both parties, and among business, labor, academia, and other private sector leaders on the basic outlines of American obligations in this world. In a relatively brief period of time, the Democracy Program executive board, a bipartisan group drawn from all points across the political spectrum, managed to reach agreement on new mechanisms to fulfill U.S. private sector responsibilities in the field of international democratic assistance. In doing so, it contributed to the strengthening of the continuity, consensus, and bipartisan cooperation without which the United States cannot function or perform effectively in the world.

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The Challenge Of Democracy: The Republican Response

by Frank J. Fahrenkopf, Jr.

It is an often-stated fact of international life that the world and the United States' role in it have grown increasingly interdependent in the last 20 years. Scholars, policymakers, and even casual observers have both praised and bemoaned the degree to which events in even the most remote and unlikely areas of the world have an impact on U.S. domestic and international decisions and actions. Within the last two years the icy shores of the Falkland Islands and the desert plains of Chad—and most recently, the tiny island of Grenada—have reminded U.S. citizens that we cannot afford the apparent luxury of isolationism.

The consequences and benefits of this modern interdependence have spread steadily throughout American society over the past two decades. Under presidents of both parties, U.S. foreign policy and military postures have been crafted around the recognition that in order to enjoy the benefits of a free and prosperous world, the United States must play an active role in helping to secure the freedom and prosperity of the world. This recognition has also been accepted well beyond our national institutions of government.

Academic and cultural exchanges have expanded markedly throughout the past 20 years as Americans have sought a greater understanding of and exposure to foreign history, culture, and languages. Similarly, during this period the American business community has adapted steadily to growing international economic interdependence as the world has moved into what many refer to as the Second Industrial Revolution. U.S. business firms, both small and large, have devoted increasing levels of resources and energy to export and import operations, as the world's disparate economies have found themselves drawn into a new era of economic interdependence—a product of, and a contributor to, greater political interdependence.

Frank J. Fahrenkopf, Jr. is chairman of the Republican National Committee.

It has not been until quite recently, however, that our American political institutions—especially the two major political parties—have recognized that they, too, have significant international roles and opportunities. While much of American society was busily engaged over the last two decades in preparing new international activities and contacts, our major political institutions were relatively insular, attempting to adapt to the changed political circumstances of what has come to be known as the "post-Vietnam, post-Watergate" period. Nevertheless, in recent years, as foreign policy issues and the internationalization of American society began to play a larger role in our domestic political life, it was inevitable that the parties would begin to attend to the need for a heightened international awareness and expanded international role on their parts.

It has not been until quite recently that our American political institutions—especially the two major political parties—have recognized that they, too, have significant international roles and opportunities.

What had also become obvious was the fact that major political parties and leaders throughout the world misunderstood our own political systems. The historical absence of direct contact between our parties and those of the European democracies had fostered a series of abiding misconceptions about the relationship between our political parties, and Congress and our government. During a 1981 speaking tour through the Federal Republic of Germany, I was amazed to find that most audiences—many of them highly sophisticated in U.S. foreign policy—were operating from an erroneous assumption that our political party system mirrored their own parliamentary structure. Misunderstandings such as these, which have tended to be the rule rather than the exception, can do little to contribute to stronger relations between the United States and our closest allies.

The Republican Party's first, and admittedly tentative, steps into the arena of international political affairs were taken during the late 1970s, when much of the Republican foreign affairs community found itself displaced by the Carter Administration in 1976. Associations with foreign leaders and politicians, developed during the intense foreign affairs activities of the Nixon-Ford years, were carried from the government to the private sector where they frequently languished for lack of an appropriate vehicle. Private research organizations and corporate entities provided some opportunities for sustained and regular international contacts, but it was not until the approach of the 1980 elections that serious consideration of the Party's long-term role in international affairs took place. As both the Republican foreign affairs and political communities

gathered for the reelection effort, the Party became a more logical vehicle for the development of contacts and links with foreign leaders and politicians. Political parties from all over the globe—particularly in Europe—had for years engaged in international programs and activities *as parties* and the recognition that our two major political parties were sadly deficient in this area became increasingly obvious during this period.

Out of these very tentative and informal beginnings grew a series of Republican international efforts that have found their collective expression in our involvement in the proposals to create a new National Endowment for Democracy and our own Republican Institute for International Affairs. The Endowment and the Institute will fill a significant void in the Party's international activity by providing both the structure and funding through which the Party's exposure to, and understanding of, international affairs will continue to expand.

The National Endowment for Democracy proposals are the product of a series of initiatives and trends, some that date back well over 20 years and others that are more recent. The longer-term influence derives mostly from the international programs of the AFL-CIO which for 30 years have served as an effective bulwark against the spread of communist influence throughout the world-wide free labor movement. More recently, the bipartisan American Political Foundation, founded in 1979 by Bill Brock and Charles Manatt, provided the first organizational vehicle for the implementation of international programs by the two parties on a regular basis. Similarly, the United States Chamber of Commerce, through its own international programs, played a key role in developing, and sustaining the momentum for the National Endowment for Democracy proposals.

By linking the parties' growing international interests to a truly American "crusade for democracy," the President struck at the very heart of the arguments in favor of an expanded international role for our political parties.

But it was President Reagan, in his historic speech to the British Parliament on June 8, 1982, who provided both the philosophical and moral impetus for what has become the National Endowment for Democracy. By linking the parties' growing international interests to a truly American "crusade for democracy," the President struck at the very heart of the arguments in favor of an expanded international role for our political parties. His message was a simple one: Americans, as guardians of the world's greatest democracy, should spare no effort in the struggle for individual liberty and freedom throughout the world. For far too long, the strongest and most dynamic democratic institutions—our political

parties—have remained on the sidelines of this struggle. The National Endowment for Democracy will provide an historic opportunity for the marshalling of the parties and other key sectors of our society in this effort.

The Republican Role: Expanding the Frontiers of Democracy

Republicans can play a unique role in this process as the Party's international programs continue to expand under the Endowment structure. For example, our position as a charter member of the world's newest international political organization, the International Democrat Union (IDU), offers a key set of opportunities.

The IDU, established in June 1983, brings together some of the leading conservative and moderate political parties of the world, including the Conservative Party of the United Kingdom, the German Christian Democratic Party, the Canadian Progressive Conservative Party, and a host of other parties from Europe and the Pacific. Together, IDU member parties can claim the voting support of 150 million voters worldwide, placing the organization on at least a par with the much older Socialist International. The objectives of the IDU are straightfoward and clearly in line with Republican philosophy—to provide new international support for the virtues of "political liberty, personal freedom, equality of opportunity, and economic development under the rule of the law."[1] After its formation in London this year, which was attended by nine heads of state and government including British Prime Minister Margaret Thatcher and Chancellor of the Federal Republic of Germany Helmut Khol, **The Wall Street Journal** hailed the IDU as "The Nonsocialist International."[2] With Vice President George Bush representing President Reagan, and former National Security Advisor Richard V. Allen in attendance, I signed the IDU's founding charter marking the first time that the Republican Party has joined an international political organization of this magnitude.

Our role in the founding of the IDU grew from our participation—again as a founding member—of the Pacific Democrat Union (PDU) which with the European Democrat Union formed the IDU. The PDU, whose political philosophy and objectives are nearly identical to those of the IDU, is comprised of parties from Canada, Australia, New Zealand, Japan, Papau-New Guinea, Fiji, and American Samoa. The PDU provides another important regional opportunity to stand up for, and where possible to put into practice, the precepts of basic conservative political philosophy.

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[1]Declaration of Principles, International Democratic Union, June 1983.
[2]**Wall Street Journal** editorial, July 1, 1983.

Again, an important gap—that of countering and providing an alternative to the democratic Marxism of the Socialist International is being filled on both a regional, and now, on an international basis.

Another key area of opportunity provided by the National Endowment for Democracy is what President Reagan referred to in his London speech as the effort to "foster the infrastructure of democracy, the system of a free press, unions, political parties, universities, which allows a people to choose their own way to develop their own culture, to reconcile their own differences through peaceful means." Here the tasks are more complex and the results less certain but Republicans have a role to play, and an obligation as well, that are fully consistent with our philosophy.

In many parts of the world, nations and peoples, young and old, are engaged in the struggle for personal liberty, individual freedom, and a just system of democratic rule. In many of these areas we can help to solidify gains already achieved and help prepare for those struggles yet to come. For example, within our own hemisphere, support for, and the practice of, democratic government are in historical ascendence. The "tides against democracy" of which Marxists-Leninists speak are nowhere to be found. There are as many as a dozen democracies in Central and South America, and only two communist dictatorships, both of these secured only by force of arms. Transitions to democratic rule are underway to varying degrees in places such as Argentina, Brazil, Uruguay, El Salvador, Panama, and others which promise to add to the number of free and truly just societies in the region.

Within our own hemisphere, support for, and the practice of, democratic government are in historical ascendence.

Republicans—and our colleagues in the Democratic Party, the business community, and organized labor—possess a wealth of experience and information that can contribute to the historic tide in favor of democracy and individual liberty. Our experience in political organization, communications, and the electoral process itself can help fledgling democratic institutions to stabilize and legitimize the overall political process throughout the period of transition to democratic rule. Afterwards, through our own legislators and other experts, we can also provide practical assistance in the conduct of open and fair government where such assistance might be requested. The parties, and other non-governmental institutions, can assist in many areas where the U.S. government lacks expertise, or in situations where the constraints of government-to-government relations might make political assistance ineffective, or worse.

Already at this early juncture, we have had direct requests from a whole range of political parties, governments, civic groups, and professional

associations to share with them our techniques and our experience in the electoral process and in the development of legitimate and durable political structures. We have held discussions with a number of regional political organizations regarding the creation of regional centers for the study of democratic trends, prospects, and institutions. Other discussions have centered around potential political/academic exchanges in which party officials from the United States would serve as visiting scholars at foreign universities and foreign politicians would do the same in the United States.

What seems abundantly clear from our consultations so far is that much of the developing world welcomes this new American political presence. Many nations whose bilateral relations with the United States government are perhaps less cordial than they might be, are, nonetheless, interested in maintaining contact with our political institutions. Other nations friendlier to the U.S., but whose position in their region is dependent on a certain "distance" from the U.S. government, recognize that non-governmental and especially party-to-party relations can be an effective means to maintain direct links between their political systems and ours.

It is also clear that contacts between the parties of the world will continue with or without the presence of our parties. Virtually every major political party in Europe has an active and effective international division which plays an important role in the development of each party's overall perspective on foreign affairs. With the addition of the National Endowment for Democracy to our own political landscape, our two major parties will now have the same opportunity—an opportunity which can only add to the United States' leadership role and capabilities.

As we move ahead in this process we do so with the recognition that as a party we have much to learn, particularly in the developing world where historically our ties and reputation have been weak. To this end, we have committed ourselves to an open, and enlightened political assistance program that begins with close study, and even closer consultation with those involved. Our consultations—encouraging as they have been—have been laden with admonitions against "quick fix," "made in America" solutions to the problems of the democratizing world. We are committed to recognizing that it is our beliefs, our values, our heritage, but not necessarily our own systems of government, that are of real value to those who long for individual liberty and freedom. And finally, as Republicans, we are committed to a series of efforts that will help add a new political dimension to U.S. leadership in the world, and which will remain true to the philosophies of our Party and our President.

The efforts to create, and now to implement the National Endowment

for Democracy, are a unique product of our political system and our history. Rarely have such diverse political organizations found such a strong and common commitment to an enterprise of this nature. This process itself has reaffirmed our belief in the ability of our political system to rally its disparate parts into a coordinated effort that speaks solidly and directly to core values of this nation. As we proceed in the months and years ahead, we could do no better than to be guided by the words of Abraham Lincoln, who when asked what great power or principle kept this nation together, replied that it was something in the Declaration of Independence "giving liberty not alone to the people of this country, but hope to the world for all future time."[3]

We are committed to recognizing that it is our beliefs, our values, our heritage, but not necessarily our own systems of government, that are of real value to those who long for individual liberty and freedom.

[3]Speech in Philadelphia, Pennsylvania, February 22, 1861.

Nurturing Democratic Impulses

by Charles T. Manatt

The American political parties are among the oldest and largest democratic parties in the world, and the U.S. is a major world power. Clearly, what we do in America, how we conduct ourselves politically, has an enormous impact on our friends and allies, on the status and hopeful reduction of continuing East-West tensions, and on the increasingly apparent disparities of North-South relationships.

Such global problems were not always America's concern. For too long we followed isolationist policies, turning inward to develop our own great potential and resources. Only the threat confronting Europe and Asia brought us out of our isolationism. The cold war that followed World War II saw the United States at the forefront of the battle to contain another threat—the threat of world communism. And so, first reluctantly, then with vigor, we assumed our new role as world power.

Today we see and feel the sobering implications of world leadership. The arms race that accompanied the cold war—the awesomely dangerous and expensive nuclear deterrent—means that for the first time we have the capacity to destroy ourselves and our adversaries many times over. And because of our preoccupation with the Soviets, we have not given sufficient attention to the ever vaster majority of people who live in the Third World without adequate food, clothing, shelter—people too preoccupied with basic survival to harbor hopes and dreams of a better life.

Today, both American political parties have decided it is time to break out of our isolated world position *as parties*, and expand our international experience and contacts. With the passage in Congress of the National Endowment for Democracy (NED) legislation, we have a chance to assist Third World nations with one of their fundamental needs: the need to nurture the impulse for democracy.

The stated purpose of the NED is "to seek new non-governmental approaches to help strengthen democratic values and institutions

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Charles T. Manatt is chairman of the Democratic National Committee.

throughout the world." I would like first to address the question of how we in the Democratic Party, through our National Democratic Institute for International Affairs, intend to cooperate with democracies, "latent democracies," and democratic forces in the developing world. By way of example, I will outline some of the programs we envisage:

- *International political development* will include projects undertaken overseas on a bilateral basis, with carefully selected partners. They will include political parties, educational, youth and women's groups, human rights, media and broadcasting organizations, and cooperatives. These will be groups committed to increasing democratic political participation in the host country. We will also propose programs that concentrate on electoral techniques, such as voter registration, poll taking, and general political party building. These programs will be operated openly and involve the host country's public authorities and government.

. . . we have a chance to assist Third World nations with one of their fundamental needs: the need to nurture the impulse for democracy.

- *Political colloquia and exchanges* will include participation by Democratic Party officials in international meetings, and sponsorship of conferences, seminars, and other meetings in the U.S. and abroad. These activities are quite normal for Western European parties, for example, but Americans have only recently begun to attend—as observers—transnational group meetings. Our National Democratic Institute will seek out those whose roles and activities are central to the strengthening of democracy in their societies, and invite them to the U.S. for substantive programs. These will include educators, journalists, party leaders and other opinion makers.

As our Institute will be affiliated with an *American* political party, we know that our efforts may be regarded by some with suspicion and certainly will be subjected to close scrutiny by many. Some may suspect us, mistakenly, of political, economic, and cultural "imperialism." But I stress that, as an autonomous party Institute, wholly separate from the U.S. government, we would hope to avoid such characterization. Our efforts will be circumspect and cautious. The Institute will work only where it is invited and welcome. Our host countries will play a large role in determining the kinds of programs we will implement. Above all, we harbor no illusions about our ability to bring democracy to the world overnight.

Many will find our aspirations and proposals familiar. In fact, we take as one of our models the Federal Republic of Germany's *stiftungen* and

their work in the Third World. And we are not alone in this regard—at least a half dozen countries have recently adopted this model of public funding for independent institutes tied to the political parties, and not just for work in the Third World.

We are all mindful of the very positive role played by Western European democratic parties in nurturing recent transitions from authoritarianism to democracy, in Spain, Portugal, and earlier, in Greece.

Above all, we harbor no illusions about our ability to bring democracy to the world overnight.

Most recently, in October 1983, that European contribution to democracy was expanded once again at a conference in Strasbourg, France, organized by the Council of Europe on the theme of parliamentary democracy. I attended the conference, along with friends and colleagues from the U.S. Congress and the Republican Party. We discussed how Americans and Europeans could cooperate to preserve and expand democracy in the face of tyrannies of the left and the right, tyrannies whose methods sometimes change but whose contempt for fundamental political liberties never wanes.

Everyone at that conference remembered well that in the not-too-distant past we all cooperated in a commitment unique in history—a commitment in which America grasped the outstretched hands of Europe and Japan and together developed and nurtured democracy and its institutions. That American commitment was bipartisan, conceived by President Harry Truman and carried out with the support of Republican Senator Arthur Vandenberg. Thus we felt it appropriate to launch at the Strasbourg conference another bipartisan American initiative, which, like its Truman-Vandenberg predecessor, can only be carried out through cooperation with our sister democracies. Under the auspices of the independent American Political Foundation, the Democratic and Republican Parties hope to host an international conference of democratic party chairmen from around the world to discuss concrete methods by which together we can carry on the "Spirit of Strasbourg." We want to show that the democratic forces of the world are not content to fall back on *defensive* positions, but can offer positive, assertive programs and strategies. As William Shakespeare said, "There is a tide in the affairs of men . . . ." We believe that tide is flowing with peoples committed to democracy. We Democrats, and our Republican friends, hope that a successful international party chairmen's conference in Washington will show the world that the tide for democracy is at full flood.

We all—Americans, Europeans, and others throughout the world—

want to get on with the task of fostering democracy and democratic processes. The groups and institutions we want to strengthen are precisely those in a democratic society that act as mediators between the individual and the state—associations, diverse in character and purpose, and dedicated to an essential pluralism. The processes which we seek to strengthen are not those which deny or negate conflict, but which peacefully resolve the inevitable conflicts found in a democratic society. Majorities and minorities come and go, ever-shifting; leaders and personalities rise and sink into oblivion; specific issues become prevalent and then are surpassed by others. But the search for the "common good" remains. And while we recognize that the institutions and tools for achieving that common good may vary according to cultural traditions, we never doubt the universal appeal of the basic democratic values of self-government and human equality.

While we recognize that the institutions and tools for achieving that common good may vary according to cultural traditions, we never doubt the universal appeal of the basic democratic values of self-government and human equality.

Such are our aspirations, our motivations. We believe our Party Institute and the National Endowment for Democracy offer great potential for becoming significant and integral parts of our American political and international landscapes.

Promoting Democracy: Labor's Enduring Commitment

by Lane Kirkland

The creation of a National Endowment for Democracy, as envisaged in legislation recently passed by Congress, will considerably strengthen the international programs of the American labor movement and also open the way for our major political parties and the business community to participate in the promotion of democratic institutions and values throughout the world.

At its core, the Endowment affirms that the promotion of democracy should be an essential ingredient of American foreign policy and that private, non-governmental organizations have an important role to play in the process. It recognizes, in other words, that democracy is not simply a model of governmental organization but a means of ensuring that plain people can effectively express their needs and views in all aspects of social life. This in turn requires that they enjoy the right to create and control their own institutions, independent of the state, and to seek the support of counterpart institutions in the democratic world. To enable counterpart institutions in the United States to respond, as only they can, to such appeals for assistance is a major purpose of the National Endowment for Democracy (NED).

Of the four entities composing the NED—labor, business, and the two parties—labor has the longest track record on the international scene and, if I may say so, perhaps the clearest philosophical rationale. It has to do with the centrality of freedom of association to democracy's prospects.

American workers have a vested self-interest in the improvement of wages and working conditions in other countries. They cannot compete with workers earning 50 or 75 cents an hour; nor can such wages generate the purchasing power to sustain markets for American exports. And with the proliferation of multinational corporations, organized workers in the

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Lane Kirkland is president of the AFL-CIO.

United States need counterpart workers' organizations abroad with which they can develop common strategies in response to common problems.

For us, human rights are bread and butter issues. In this sense, contrary to the specious arguments advanced by some Third World ideologues, one *can* eat democracy.

Experience teaches us (even if some remain to be convinced) that free and strong trade unions are the most effective instrument for improving wages and working conditions. Experience also has taught us that such unions cannot flourish except in a climate of respect for human rights—freedom of association, of assembly, of expression, etc. Some may agonize over a perceived conflict between the pursuit of such rights and the pursuit of national self-interest—i.e., between morality and expediency in foreign policy—but for American labor no such dichotomy exists. For us, human rights are bread and butter issues. In this sense, contrary to the specious arguments advanced by some Third World ideologues, one *can* eat democracy.

Of all the commonly enumerated human rights, we believe the most important is freedom of association—not only because it is the bedrock principle of trade unionism but because it enables and defends the exercise of all other human rights.

Freedom of association means, simply, the right of ordinary people who share common interests to form their own institutions in order to advance those interests and to shelter them against the arbitrary power of the state, the employer, or other strongholds of self-interest. Absent such sheltering institutions, not only are the people powerless to defend such other rights as they may have against state encroachment, but those rights are inevitably attenuated. Freedom of speech is reduced to the right to cry alone in the wilderness; freedom of worship is restricted to solitary meditation; and freedom of assembly is, literally, pointless. Effective political opposition—and therefore democracy itself—is impossible.

Given the special role of trade unions as embodiers and upholders of freedom of association, it is no accident (as the other side likes to say) that they are the first targets of dictators seeking to destroy any centers of power independent of the state and/or party.

Under some dictatorships, genuine trade unions are doubly obliterated: they are first destroyed and then "replaced" by instruments of the state designed to enforce worker discipline. Not only are the workers under such dictatorships deprived of an authentic organizational voice, but they also are compelled to be "represented" by phoney labor fronts and to acquiesce in the myth that these represent a more advanced form of

worker participation in economic decisionmaking. Under other dictatorships, where state/party control is not total, unions struggle under severe restrictions and their leaders suffer harassment, persecution, imprisonment, and torture. Between these two types of dictatorship—now frequently distinguished by the labels "totalitarian" and "authoritarian"—lies a range of subtypes in which trade unions confront a variety of threats to their existence or independence.

Absent such sheltering institutions . . . freedom of speech is reduced to the right to cry alone in the wilderness; freedom of worship is restricted to solitary meditation; and freedom of assembly is, literally, pointless.

The debate over "totalitarian" vs. "authoritarian" regimes—i.e., which is which, and how the U.S. should relate to each—while initially illuminating, has, as a matter of practical policy, entered a cul-de-sac. It has irked those who see the distinction as meaningless from the viewpoint of a single human-rights standard, and the rest it has polarized into two camps: those who would respond to human rights violations with "quiet diplomacy" and those who would respond with public denunciations, economic sanctions, etc. Some would use "quiet diplomacy" on the totalitarians so as not to exacerbate international tension (the totalitarians have nuclear weapons), while others would reserve this approach for friendly authoritarians (we need them for reasons of national security). Some would use public denunciations, etc., on the totalitarians (that's the only language they understand), while others would use it on the authoritarians (they need us too badly to incur our wrath).

An alternative to this confusing merry-go-round lies in making freedom of association the touchstone of U.S. relations with other nations rather than the character of the regime in power. Specifically, the closeness of U.S. relations with a given nation should be determined by the *extent* to which it permits freedom of association: the more freedom of association, the closer the relationship. To illustrate: if the government of Poland permitted Solidarnosc to function, even though it remained a communist government, the AFL-CIO would favor lifting the sanctions imposed by the Reagan Administration. This would not imply an acceptance of the communist regime, any more than encouraging the South African regime to recognize black trade unions implies an acceptance of apartheid. In both cases, the policy aims at strengthening the position of democratic institutions within undemocratic political systems.

But it should be noted that the AFL-CIO not only supported strong sanctions against the Jaruzelski junta (stronger than those implemented by the President); we also gave direct material and moral support to

Solidarnosc itself, in response to its appeals for help. Similarly, while we support external pressures on South Africa to dismantle apartheid, we are providing direct assistance to the black trade union movement in that country. The point here is that a policy which emphasizes freedom of association is not concerned only with external coercive action directed against an offending government but also focuses on institution-building.

This positive element has been largely missing from American foreign policy. Understandably so: there are limits to what governments can do directly to encourage and assist popular institutions, especially when they are not to the liking of governments with which ours must maintain relations. And surely, democratic institution-building is not the proper mission of the CIA, even if it were equipped for the task. The promotion of democratic institutions should not be a covert activity. It should be a proudly proclaimed goal of American foreign policy, and it should enlist the best efforts of citizens in the private sector. The National Endowment for Democracy will help significantly to stimulate such efforts.

The internationalist outlook of the American labor movement goes back to Sam Gompers, who took a strong interest in the Mexican revolution and who helped to found the International Labor Organization (ILO). More recently, in the postwar period, the American Federation of Labor (AFL), at the urging of its European colleagues, helped to repair what was left of the European union structures and to prevent their being taken over by the communists using the World Federation of Trade Unions (WFTU) as a front. The AFL's efforts were also important in defending the Marshall Plan from the attacks of the WFTU. The transatlantic trade union cooperation of this period led to the creation of the International Confederation of Free Trade Unions (ICFTU) and the Trade Union Advisory Committee to the Organization for Economic Cooperation and Development, which to this day remain important centers of free labor's international work.

Membership in these organizations strengthens American labor's contacts and relationships with emerging democratic unions in other countries. It also gives us the opportunity to reinforce and uphold free trade union standards in international bodies like the International Labor Organization, where the ICFTU, with our support, has pressed complaints against the Soviet Union for the use of forced labor on the gas pipeline, against Poland for its denial of freedom of association, against Chile for its ruthless suppression of trade unions, and against other offending regimes. (Of course it would be helpful to our efforts in the ILO if the U.S. government would ratify the ILO conventions on forced labor, freedom of association, etc.)

In the Third World, the AFL-CIO works with fledgling trade union

organizations through its three regional institutes—the American Institute for Free Labor Development (Latin America), the African-American Labor Center (Africa) and the Asian-American Free Labor Institute (Asia). Our programs in these regions range from helping to set up cooperatives to providing workers housing to training unionists in how to conduct a union meeting.

Many AFL-CIO affiliates also participate in International Trade Secretariats (ITS), which are organized along occupational lines—e.g., metalworkers, teachers, communication workers, public employees, food workers, etc. Though little publicized, the ITS are an important international labor arena, enabling unions to cross national boundaries to cooperate with their counterparts on issues closest to their members. The International Metalworkers Federation (in which American steelworkers, autoworkers, and machinists are represented) offered key support to Solidarnosc at the beginning of its fight, and the International Transport Workers Federation marked the anniversary of martial law in Poland by closing docks to Polish ships.

This summary by no means exhausts the range and variety of the AFL-CIO's international work, which also includes maintaining ongoing bilateral relationships with important trade union centers abroad. Nor does it describe the international activities of many European trade union movements, which—like the Swedish, Dutch, Danish, Canadian, and Norwegian movements—receive public funds for this purpose. The German labor federation, the DGB (Deutscher Gewerkschaftsbund), works through the publicly-funded foundation of the Social Democratic Party, the Friedrich Ebert Stiftung.

In sum, the AFL-CIO has a long history of internationalism, a history which has yielded a unique understanding of the process of democratic institution-building and of the long-range programs required to sustain that process. We have a preference for being on the scene, where the action is, not on the sidelines delivering exhortations and pronouncements.

. . . the great global issues arise not from the foreign service bureaucracies but from the workplaces where ordinary people try to shape the forces that shape their lives.

Even with the additional funds for the National Endowment, American labor will still be a long way from matching the resources poured into the international labor field by the enemies of democracy. But we will be able to do much more than we can do now. More important, we will be able to work in the context of a renewed American commitment to support democratic forces around the world and a recognition that in our day the great global issues arise not from

the foreign service bureaucracies but from the workplaces where ordinary people try to shape the forces that shape their lives.

The Role Of Business In Political-Economic Development Abroad

by Michael A. Samuels

The Democracy Program, described by Bill Brock in his introductory article, represents both one of the most interesting challenges and one of the most interesting opportunities facing the American business community in recent years. By and large, business organizations, like most other private sector groups, have not become directly involved in efforts to help build counterpart institutions abroad. While the U.S. Chamber of Commerce and other business organizations have conducted international programs for many years, for the most part these programs have focused on international business and economic issues such as trade, investment, and taxation.

Thus, the decision to become involved in the Democracy Program study and the National Endowment for Democracy represents an important initiative for the business community. Initially, some business people expressed reservations about becoming too involved in political-economic development as advocated by President Reagan in his 1982 speech to the British Parliament. After extensive consideration, however, the U.S. Chamber concluded that the need for positive action in support of democratic ideals mandated a departure from the traditional role of business. This article will present the reasons for the Chamber's decision and describe the types of programs that will be carried out by the Center for International Private Enterprise as one of the new private sector organizations established to carry out the purposes of the National Endowment for Democracy proposal. First, though, some background on the relationship between private enterprise and democracy is necessary to clarify the underlying reasons why business participation is essential to the Democracy Program effort.

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Private Enterprise and Democracy

Business and the private enterprise system must be seen as intrinsic parts of democratic pluralism. This principle of a business-democracy linkage should be self-evident, especially to Americans. After all, the American ethic has always been based on success stories of upward mobility through economic achievement. Even today, the United States is thought of as the land of opportunity. Nearly everyone dreams of becoming an entrepreneur by opening a small business which will grow into a bigger business. Most of us, of course, never act on these dreams, but many do—as shown by the large number of new business starts every year.[1] It is the opportunity to achieve economic success through business that is the essence of the American dream and, in large part, the foundation of our pluralist democratic system.

It is the opportunity to achieve economic success through business that is the essence of the American dream and, in large part, the foundation of our pluralist democratic system.

Few Americans ever consciously reflect on the relationship between political freedom and economic freedom despite the intrinsic appeal of small business. In part, this is a product of our own historical experience. The Constitution does not explicitly deal with the concept of economic freedom. Rather, it places limits on the power of government while reserving economic and political power for the people. Nevertheless, economic opportunity and private enterprise are integral elements of our political-economic system.

In a more general sense, some claim that a private enterprise system can exist alongside both democratic and authoritarian forms of government. Clearly in many countries, business people are able to work with whatever leadership is in power. Conversely, others believe that a democracy can coexist with a variety of different economic systems. Despite these views, practical experience demonstrates that the development of political-economic systems must be seen as a whole. In functioning democracies, the private market system provides the economic growth and opportunity necessary for democratic stability. Where the market system of free choice among competing producers is abandoned, governmental authority soon comes to control an ever-increasing amount of everyday life. A private market system does not omit some appropriate role for government, primarily as rule-maker and enforcer. However, no

[1] "New Business Concerns," **Statistical Abstract of the United States**, Bureau of the Census, Government Printing Office (1982), 103rd edition, p. 532.

nation has ever succeeded in creating a free society based on governmental ownership of all or most business activity. This should lead us to reject the notion that political freedom can endure without economic freedom.[2] The two are inseparable, as the fate of Solidarity in Poland amply demonstrates.

No nation has ever succeeded in creating a free society based on governmental ownership of all or most business activity.

Nor can closed political systems provide as propitious an environment for private enterprise as democracy. That is why it is in its best interest, in the long run, for the business community to support democratic pluralism. Democratic pluralism recognizes the right to engage in private enterprise and the right of free association through chambers of commerce and other business organizations free from government control. Authoritarian statist regimes of both the left and the right often curtail free business associations as well as privately-owned businesses. In fact, control of such organizations through government financing or mandatory membership is a common practice of these regimes. While a few businesses may prosper in such an environment, most suffer.

Pluralist democracy assures that business people will retain the political freedom that guarantees economic freedom. In turn, economic freedom supports continued political freedom and stability. Hence, business people should advocate a positive message geared to the concept that private enterprise and democracy are essential to each other's existence.

Why Business Involvement?

The key to advancing democracy is to provide assistance to establish the major institutions elsewhere in the world that will be able to support a pluralist democratic system. Given the preceding views, business' involvement in the Democracy Program study and the National Endowment for Democracy is a natural complement to the functions of the parties, labor, the media, and other private sector institutions.

There are many reasons why the American business community feels that it is important to join in the national effort to support democratic development abroad. First, business shares the national interest, as do other private sector groups, in the development of stable democratic systems worldwide. Other nations, including the Soviet Union, have long been involved in efforts to promote systems of government compatible with their own. The global competition of ideas and values is now much

[2]See, for example, **Freedom In the World**, Raymond D. Gastil, editor, Greenwood Press, Westport, Connecticut (1982) pp. 33–38.

closer to home as seen in recent events in Latin America. The United States simply cannot afford to lose the worldwide struggle between values and systems that can be expected to intensify in the coming decade. We need to take that challenge seriously and actively pursue winning it. Although the competition is naturally centered on the American-Soviet rivalry, it is also important to remember that there are other aspects of this competition—between advocates of authoritarian regimes, whatever their ideology, and those espousing the democratic ideal, and between those who advocate socialist policies and those who oppose them.

The key to advancing democracy is to provide assistance to establish the major institutions elsewhere in the world that will be able to support a pluralist democratic system.

A second reason for business' involvement in the National Endowment for Democracy stems from the need to strengthen our private enterprise system as a supporter of democracy abroad. Obviously, each of the institutions addressed by the Democracy Program—private enterprise, labor, political parties, media, the legal community, etc.—can be either a supporter of democracy or a supporter of authoritarianism of the left or right. History abounds with examples of parties, labor unions, business groups, and other institutions that have been instruments of authoritarian control. Maintaining a democratic system is very difficult, unless support for democratic values exists among all institutions, including business. The major goal of the National Endowment for Democracy is to strengthen those indigenous institutions and groups abroad, especially businesses, that are genuinely committed to pluralist democracy. Helping business communities abroad to develop their own identities is an important part of that goal.

By carrying out a program of assistance to foreign business associations, the American business community can also act to strengthen the international private enterprise system. Many Third World leaders and Third World business groups feel somewhat isolated from the international economic system. To overcome this feeling, it is essential that they become committed to the common framework adopted by the industrialized democracies. Supplies of vital raw materials, increased export opportunities, and stable international markets are increasingly vital both to Third World nations and the industrialized democracies, including the United States. It is beyond the means of the National Endowment for Democracy to solve the major issues dividing the developed and developing nations. However, the increased appreciation of private enterprise economics will assist growth in developing countries which, in turn,

will support the international private enterprise system. Our goal is to create an international forum to address the issues of development within a private sector perspective.

Finally, the American business community is uniquely equipped to undertake a program of assistance to other business associations abroad for the same reasons that labor, political parties, or other groups are best equipped to conduct assistance programs with their counterparts. Whereas government programs are appropriate for large scale government-to-government forms of assistance, the private sector is best able to assist non-governmental groups. It is difficult, if not impossible, for government employees to work directly with non-governmental groups abroad since the host governments usually resist such activity by insisting that foreign government programs work through government agencies in their countries. Private sector groups, however, normally are allowed to work directly with their counterparts, even when these private sector programs are government-funded. Direct private sector-to-private sector programs are much more efficient in providing the types of assistance necessary for democratic development. Further, most government programs are not attuned to private enterprise principles or to the ways business organizations such as chambers of commerce or other associations function. While the U.S. government could hire people with the capability and expertise, it would be less costly and more productive to fund American business groups to provide direct assistance to their counterparts. Such efforts have been almost entirely absent from the foreign assistance programs conducted by the United States since the end of World War II. On the other hand, government support for other institutions, notably labor, has long been recognized as being in the national interest. Business can fill this gap and thereby perform a vital service in the national interest as well.

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The Democracy Program Study

Once it was determined that business must be involved in the Democracy Program study and the National Endowment for Democracy, it became necessary to conduct a formal review of existing international business programs and, based on that information, consider the need for new efforts. As a member of the Democracy Program's executive board, I formed a separate task force to consider the issues raised by business' participation in the Endowment concept. Members of the task force in-

cluded representatives from the Committee on Economic Development, the Conference Board, the National Planning Association, the Public Affairs Council, the U.S. Council for International Business, as well as representative academic and international business experts.

The task force found that there are a number of existing international business programs that could contribute to the accomplishment of the mandate proposed for a National Endowment for Democracy. The U.S. Chamber of Commerce, the U.S. Council for International Business, and other business-related organizations conduct exchanges, association development, communications assistance, and other training programs. In addition, a number of international business groups conduct similar multi-lateral programs that provide useful complements to an American effort. These include programs conducted by the International Chamber of Commerce, the International Employers' Organization in conjunction with the International Labor Organization, and a variety of other international business-related groups.

While these existing programs have considerable merit, the task force concluded that much more needs to be done. It felt that future efforts should be designed around several principles essential to the accomplishment of private enterprise development in the context of democratic pluralism.[3]

(1) There needs to be a conscious expansion of the number and type of programs currently being conducted by the organized U.S. business community with their counterparts abroad.

(2) There needs to be a central body developed that will focus on this activity.

(3) Coordination of programs is necessary to share experience and maximize use of resources.

(4) Continuity and sustained effort over a period of years are essential to accomplishment of program goals.

(5) Political development programs need to be designed to complement existing approaches and encourage emergence of business leaders as advocates of pluralist democratic values and private enterprise economics.

(6) Programs must be carefully tailored to meet the needs of individual countries and business communities.

(7) The programs should be conducted in a low-key fashion with host country business, political, youth, and other private sector leadership groups providing public credibility for joint efforts.

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[3]Report of the business task force to the Democracy Program (available upon request from the U.S. Chamber of Commerce).

(8) Care should be taken to work within the confines of national foreign policy goals.

The task force also supported the creation of a Center for International Private Enterprise to develop and coordinate programs based on the above principles.

The Center for International Private Enterprise

Following completion of the task force report and in anticipation of legislative approval of the National Endowment for Democracy, the Center for International Private Enterprise was established within the National Chamber Foundation. The National Chamber Foundation is an independent public policy organization affiliated with the U.S. Chamber of Commerce. The Center's advisory council will include representatives of leading business organizations, business leaders, and regional experts. Robert T. Thompson, senior partner of Thompson, Mann and Hutson and a former chairman of the U.S. Chamber Board, serves as chairman of the advisory council, while I have the honor of serving as vice chairman. The other members of the advisory council are to be announced shortly.

Advanced planning for the Center's activities, conducted in conjunction with the business task force from the Democracy Program study, led us to adopt as a major goal the encouragement of the growth and organization of the private enterprise system and voluntary business associations internationally in support of democratic pluralism. In order to meet this goal, the Center will seek to accomplish the following objectives:

(1) provide assistance to business communities abroad in strengthening their organizational capabilities as democratic institutions;

(2) create exchanges among business leaders throughout the world in the context of business associations to foster growth of democratic institutions and values, and to strengthen the international mechanisms of the private enterprise system;

(3) encourage development of business leaders in democratic political processes and exposure of political leaders to private enterprise economics to ensure political pluralism;

(4) provide leadership development and training for association executives and their voluntary leadership throughout the world to strengthen the voluntary business institutions as supporters of democratic pluralism;

(5) develop communications programs and materials for youth, employees, women's groups, academics, political leaders, and other audiences to encourage entrepreneurship and support for private enterprise systems;

(6) establish an international research and demonstration effort to provide a central point of information on the efforts of business organizations;

(7) provide support for an effective international coordinating mechanism for business and encourage an active role for such a mechanism in international forums; and,

(8) encourage local chambers of commerce in the U.S. to develop international exchange programs at the local level.

Taken as a whole, the objectives described above indicate the full range of activities necessary to strengthen the voluntary business associations and the private business community as key institutions supporting democratic pluralism. Returning for a moment to the underlying concepts of the relation between private enterprise and democracy, it can be seen that a program of business assistance abroad must focus on developing indigenous business associations to enable them to effectively represent business in a democratic society.

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For example, political-economic development in many Third World countries requires the active involvement of business people and business groups in the political system. Such participation may or may not be part of the electoral process. In many countries, the role of the business association may be limited to general support for the democratic system through communication and education programs aimed at their membership as well as legislative action programs and public policy advocacy. In other countries, however, business groups may want or be expected to become more actively involved in supporting political parties or even individual candidates in the same fashion as the American business community does through the political action committee mechanism. The Center's role, in either case, is to provide the essential training and exposure necessary to transfer the skills from American businesses to their counterparts abroad.

Additionally, in many Third World countries, youth do not receive thorough exposure to business or private enterprise economics as part of their civic education. Political-economic development, however, requires business growth, enterpreneurial drive, and public commitment to a private enterprise system. In this context, the Center's role is to assist chambers and other associations to develop the types of communication and education programs which will contribute to development of democratic private enterprise. Such efforts include encouraging business

communities in other countries to develop new curricula for business-related civic education. In addition, employee economic communication programs need to be developed in many regions of the world as a stimulus to enhanced productivity and participation. Finally, the recent success of business organizations in the United States, such as the U.S. Chamber, in adapting or adopting mass communications to business development can serve as a model for others. These and other business and economic education programs will be made available to business groups abroad by the Center.

Conclusion

Business involvement in politics, education, and other areas in democratic societies requires organization through chambers of commerce and other voluntary business associations. In many countries, business is often thought of as a large corporation, rather than the entire community of small, medium, and large firms. Too often, the governments of these countries see their role as talking down to business. A priority task for the new Center for International Private Enterprise, therefore, is to assist the chambers and other groups abroad to create a sense of a business community and a private enterprise system so that they can communicate with their governments. Business associations can represent the business community and provide leadership for political action programs, communications, legislative action, business and economic education, advocacy of economic policy, small business development, and other public policy initiatives essential to a thriving democratic system.

Business advocacy—that is, feeling comfortable enough to stand publicly and be counted in the interests of business, economic development, pluralism, basic human rights, and peace around the world—is our goal. It is not a goal which will be easily realized in many parts of the world. Patience will be necessary and success will be measured in decades, not in years. Nevertheless, the American business community's involvement in the Democracy Program and the National Endowment for Democracy signifies an historical event. For the first time, business and its other companions in the private sector have the opportunity to meet, in a concerted effort, the global ideological challenge presented by the Soviet Union and its allies. It is long past time for the American private sector to become an essential element of the national endeavor to provide support for democratic pluralism worldwide. Indeed, the private sector is American democratic pluralism. What better way to confront our most dangerous adversaries than through our own democratic pluralist institutions.