
THE POLITICAL CHRONICLE

The Journal of the Florida Political Science Association

The Underside of John Locke's Philosophy: The Politics of Distrust

Peter O'Brien
(Trinity University)

Prospects for a Single European Currency

Beat Kernen
(Southwest Missouri State University)

The Growing Fragmentation of the World Economy

Darin H. Van Tassell
(University of South Carolina)

The Reagan Tenure: The Domino Principle Fails To Return

Thomas M. Jackson
(Marywood College)

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Introduction

Both the current and previous issues of *Political Chronicle* were put to press a couple of months later than scheduled due to the journal's transition in editorship and unavoidable printing delays. Nevertheless, the quality and style of the journal remain unchanged in the best tradition of Dr. Bernard Schechterman's past work. The current issue's body of work reflects four views on the unending intellectual debate concerning foreign influences on domestic politics:

Dr. Peter O'Brien's "The Underside of Locke's Philosophy: the Politics of Distrust" analyzes the less-known active philosophical and political campaigning of Locke against all divisive influences in British society and polity. His theory of conflict aims on one hand at eradicating all sources of instability and false ideologies propagated by "enemies of civil society", while on the other hand facilitating the natural (non-disruptive) regulation of conflict in society through the correct definition of key political ideas aimed at promoting trust.

Dr. Beat Kernen's "Prospects for a Single European Currency" studies the evolution of European integration in the financial-monetary field, specifically the need and policies used (European Monetary System) to regulate the wide fluctuations of national European currencies in the post-Bretton Woods system, as means to promote economic growth and stability, all essential elements in achieving a single supranational European currency. However, the wide discrepancies in currency stability and national economic growth, international financial speculation, and domestic resistance to devolving national currencies which are seen as symbols of national pride (Germany, France, Britain), have practically postponed the Maastricht Treaty provisions on currency unification and will lead to a transitory "two-speed" Europe around Germany and a single-currency core until later inclusion of all E.C. members.

Darin Van Tassell's "Growing Fragmentation of the World Economy" also examines the impact of international economic trends on nations, especially the growing fragmentation of the world economy into different specialized geographic regions, or "trade blocs": the European Union; NAFTA; Asia's Free Trade Association. By analyzing 25 years worth of trends in imports and exports among and within each of these main trade blocs, Van Tassell perceives a strengthening of the trend towards regional blocs integration, and the growing international economic marginalization of countries left outside these industrialization and bloc-integration trends.

Finally, Dr. Thomas Jackson's "The Reagan Tenure: the Domino Principle Fails to Return" studies the evolution and fall of the "Domino Principle", and its role during the Reagan Administration's campaign to offset the "Viet-Nam Syndrome" and expand U.S. military commitments worldwide. However, the impact of difficult foreign crises (Lebanon, Nicaragua-El Salvador, Persian Gulf), and Congressional plus domestic hostility to large-scale U.S. military interventions abroad, forced Reagan to rely mostly on a "domino rhetoric", rather than an effective return to the domino principle as a guide to expand anti-communist containment abroad through active military interventions beyond the U.S.' most immediate vital interests.

Marco Rimanelli and
Michael Gibbons, *Editors*

The Underside of John Locke's Philosophy: The Politics of Distrust

Peter O'Brien

Abstract

Locke's writings reveal him as a man obsessed with conflict; obsessed first with understanding it and second with controlling it. To understand it Locke developed a complex theory of conflict. He avers that conflict originates primarily due to divergent and false definitions of ideas. He devises his political theory with an aim to controlling conflict. In this scheme politics becomes fundamentally the search for and application of reasonable, correct definitions of key political ideas. The definitions function in a twofold manner. First, they facilitate trust among members of civil society who observe them and thereby lead to the effective regulation of conflict. Second, all persons who do not share these definitions Locke labels enemies of civil society. He advises his readers not to tolerate such persons — to distrust them. This second feature draws our attention to a "politics of distrust" parallel to the "politics of trust" commonly attributed to Locke's political philosophy. Finally, because Locke ultimately fails to prove the existence of "correct" definitions, both his "politics of trust" and "distrust" turn out to be grounded in English ethnocentrism and Protestant theocentrism.

We do not normally count John Locke among the philosophers who treat extensively the issue of human conflict. Our conventional picture of Locke portrays him as man who underscored the brighter side of human life. He advocated tolerance and government only by consent. He assigned a prominent role to reason in guiding human affairs and even spoke of civil society held together through the mutual trust of its citizens.

This portrait paints far too rosy a picture of Locke. It omits a significant dimension of his thought which explores the darker side of life: sin, irrationality and distrust. This darker dimension arises out of Locke's burning concern with conflict. Indeed, Locke developed a full

theory of conflict. Multi-faceted in its analysis, the theory examines conflict on a variety of levels. On the most superficial level, Locke tells us that conflict divides primarily into two sorts: material and confessional. At the deepest level, he teaches that conflict is really all about words; it festers only among persons who define their terms differently.

Furthermore, elaborating Locke's thoughts on conflict gives us cause to recast our understanding of his political thought. For Locke authors his political theory in response to his study of conflict. This need not incite us, however, to discard our rosy image of Locke altogether. For Locke's political philosophy basically aspires to liberate persons from the mischief of conflict. Peace, he claims, can get a foothold only in societies whose politics turn on tolerance, consensus, reason, and trust.

But Locke said much more about politics. He warned his readers to safeguard their commonwealth from enemies in order not to squander the peace achieved amongst the citizenry. Defense involves, first, identifying enemies. For Locke, all immoral and irrational persons come under the category of enemy. Second, it necessitates not tolerating such people — distrusting them. Given the deserved prominence of John Dunn's interpretation of Locke¹, it seems sensible to refer generally to the brighter aspects of Locke's politics as the "politics of trust" and to the darker aspects as the "politics of distrust."

This essay seeks to etch out the latter by following a design which points us to each of the topics mentioned above. As each is considered, we will recognize that Locke traverses this vast theoretical terrain with the aid of two guiding assumptions: that there is a law of nature whose moral dictates persons can know through reason; and that these dictates are the same as those enunciated in the Christian revelation. After outlining Locke's politics of distrust, the essay takes up his attempt near the end of his life to demonstrate the validity of his guiding

assumptions. His failure holds grave consequences for his political thought. It certainly dulls the brighter side; and it nearly blackens the darker side.

Conflict enveloped Locke's world. He sensed its threat all around him—at Oxford, in England, in Europe, in the world at large. Accordingly, Locke's concern with conflict runs through all of his works. He wrote the *Two Tracts on Government*, for example, as a contribution to the fierce battle over indifferent things in the 1660s. He laments over "what disasters this one issue has caused, what tempests, military no less than civil, it has provoked"². The tracts also allude to other "hotly disputed" issues of the day: "paedobaptism, church government, ordination, excommunication, etc"³. Such issues disturbed Locke because they provoke men and incite "the many Revolutions which have been seen in this Kingdom, in this and former Ages"⁴. In addition to domestic troubles like the Puritan Civil War, Stuart Restoration and Glorious Revolution, Locke felt England endangered by external designs, particularly Papist ones.⁵ In short, Locke's picture of England was marred with the "marks of men striving for power and empire over one another"⁶.

Vigorous conflict did not confine itself to England. Thus, Germany "is notorious for civil disasters"⁷. Conflict raged through the whole of Europe like "those flames that have made such havoc and desolation in Europe and have not been quenched but with the blood of so many millions"⁸. Conflict plagued lands far beyond the borders of Europe as well. Locke tells of the continental Christians' struggle with the Turks⁹ and of the Turks' own gory clashes with their eastern neighbors¹⁰. Both immediate experiences and reports from abroad, in other words, convinced Locke that "traditions vary...much the world over and men's opinions are...obviously opposed to one another and mutually destructive, and that not only among different nations but in one and the same state"¹¹.

Human diversity deeply impressed and

alarmed Locke. He frequently remarks how different peoples manage to develop fully different, even opposing beliefs and traditions; how, for instance, "Our deformity is others' beauty, our rudeness others' civility"¹². And in the *Essay Concerning Human Understanding*, he devotes considerable space to developing a theory of the "association of ideas" to explain rampant human diversity¹³. Locke harbors no fear for diversity in and of itself. Rather, it menaces him only when it exists in the absence of a common, recognized authority to which men can turn to adjudicate their disputes. Without such an "Authority to judge between them" force becomes the umpire among men. That is, diversity degenerates into a state of war, that "State of Enmity, Malice, Violence, and Mutual Destruction"¹⁴.

Men need not search far for such an authority. For Locke maintains that God has given mankind the Law of Nature, which "lays down what is and what is not to be done"¹⁵. Moreover, God creates men with the capacity to understand the Law of Nature through reason. As a result, Locke believes the law's fundamental precept to be clearly ascertainable to all men: "And reason, which is that law, teaches all Mankind, who will but consult it, that being all equal and independent, no one ought to harm another in his Life, Health, Liberty, or Possessions"¹⁶. Locke feels confident that this duty emanates from God because Jesus stated it clearly in his enunciation of "this general golden rule. Matt. 7:12, 'All things whatsoever ye would that men should do to you, do you even so to them; for this is the law and the prophets'"¹⁷.

Moreover, the "Execution of the Law of Nature is... put into every Mans hands, whereby every one has a right to punish the transgressors of the Law to such a Degree, as may hinder its Violation"¹⁸. Unfortunately, men can use or abuse this God-given power of execution. They can employ it just as easily to invade and oppress their neighbor as to discipline and rehabilitate him. Humans thus always live in the balance between concord and conflict, between the "state of nature" and the "state of war." And it is by their own decisions and deeds that they come to enjoy the one or suffer the other.

Locke is aware that persons far more frequently choose the latter over the former. And this seeming enigma sparks his interest in understanding the causes

of conflict. Locke often lays the blame for conflict at the doorstep of unethical behavior, such as avarice, covetousness, dishonesty and pride¹⁹. Indeed, as John Dunn advances²⁰, Locke ultimately traces such wrongdoings to the Fall. Yet, Locke often associates immorality with irrationality. For instance, troublemakers are *both* "dishonest" and "foolish"²¹; or "moved by avarice and insatiable desire of dominion," yet *also* "confounded"²². In Locke's eyes, conflictual persons are not merely sinners in the sense of transgressors of ethical precepts; they are also stupid, or at least intellectually lazy.

Locke often characterizes them as being unaware of the obvious. In the *Second Treatise*, for instance, he claims that the distinction between private and communal property should be obvious to all. There can be "no doubt of Right, no room for quarrel," since "there cannot be a clearer demonstration of anything"²³. Or in the *Letter Concerning Toleration* he criticizes the doctrine of Papal infallibility for resting on a "frivolous and fallacious distinction between the court and the church"²⁴.

The association of immorality with irrationality strikes at the core of Locke's theory of conflict, indeed, of his entire epistemology. In *An Essay concerning Human Understanding*, Locke labors to erect the epistemological cornerstone of his thoughts on conflict. He aims to demonstrate that the irrationality of conflict issues, at heart, from opposing definitions of ideas; "which is nothing but this, that they [persons] are not agreed in the signification of those words, nor have in their minds the same complex ideas which they make them stand for, and so all the contests that follow thereupon are only about the meaning of a sound"²⁵. The *Essay* reveals Locke as a theorist profoundly interested in the role of language in society, especially in the confusion it provokes. Here Locke zeros in on conflict as the consequence of the "abuse" and "imperfection" of language. Here he endeavors to disclose the roots of the persistent diversity and conflict he sensed all around himself.

In order to follow Locke's manner of thinking in the *Essay*, it helps to begin with his definition of knowledge. Knowledge consists in "the perception of the connexion of and agreement, or disagreement and repugnancy of any of our ideas"²⁶. Knowledge exists, to take

simple examples, in perceiving that white is white and not black, or that the three angles of a triangle are equal to two right ones²⁷. Furthermore, it inheres in being able to draw the corresponding connection between, say, the idea of white and the actual white substance snow²⁸; or in connecting the idea of horse with an actual horse and not, say, with a cassowary²⁹. Then truth signifies "nothing but the joining or the separating of signs, as the Things signified by them do agree or disagree one with another"³⁰. Moreover, Locke strives to persuade that such knowledge can be attained for more abstract, moral ideas. Such "moral knowledge," he contends, "is capable of demonstration, as well as mathematics"³¹, "without leaving any room or any contest about it"³². Accordingly, persons can not only accurately define a moral idea such as justice, but they can with equal "exactness" connect or disconnect the idea with just or unjust acts in reality³³.

Locke's optimism rests on the assumption that persons can initially agree on definitions. Locke repeatedly contends that such consensus is possible among human beings, if only they apply themselves diligently and reasonably to the task³⁴. The premium to be won from such an effort easily requites the labor exerted. For all disputes "may in good measure be remedied by definitions, setting down that collection of simple ideas, which every term shall stand for; and then using the terms steadily and constantly for that precise collection"³⁵.

As he is wont to do, though, Locke neutralizes his theoretical optimism with realistic pessimism. He tells us persons rarely agree on definitions. And he devotes the ninth and tenth chapters of the *Essay's* third book (on the "imperfection" and "abuse" of words respectively) to detailing how persons mistake and confuse definitions. Locke employs countless examples of controversies arising from divergence in the meaning of words and ideas. Thus, even persons within the same sect, "who have a mind to understand one another"³⁶, disagree—or at least confuse themselves—because they use ideas and definitions inconsistently. Hence we find with moral ideas, for instance, that "one man's complex idea seldom agrees with another's, and often differs from his own—from that which he had yesterday, or will have to-morrow"³⁷. In relations

between different sects, matters deteriorate all the more. Here persons often refuse even to try to agree on definitions with their adversaries. To the contrary, each sect establishes its own distinct definitions and ignores those of others. Consequently, "there is scarce any sect...[which] has not a distinct set of terms that others understand not"³⁸. Locke cynically concludes that "the multiplication and obstinacy of disputes, which have so laid waste the intellectual world, is owing to nothing more than this ill use of words"³⁹.

Naturally, these reflections concern debates among persons who speak the same language and live in the same age. "But when to this natural difficulty in every country, there shall be added different countries and remote ages"⁴⁰, controversy stemming from divergent meaning becomes practically insurmountable. For when persons interact without "any standing rule to regulate themselves and their notions"⁴¹, it "fills their discourse with abundance of empty unintelligible noise and jargon"⁴². In short, Locke considered as the seed of irreconcilable conflict the failure to establish and apply lucid and correct definitions of ideas (especially moral ones). And this failure he called "the foundation of the greatest, I had almost said of all the errors in the world, if it does not reach so far, it is at least the most dangerous one, since, so far as it obtains, it hinders men from seeing and examining"⁴³.

These reflections exhibit Locke's determination not to rest content with a simplistic explanation of human conflict. He resists attributing discord merely to human evil and self-interest. "Interest, though it does a great deal in the case, yet cannot be thought to work whole societies of men to so universal a perverseness, as that every one of them to a man should knowingly maintain falsehood"⁴⁴. He searches instead for the reason why persons fail to see and examine things.

As intimated above, Locke develops the theory of the "association of ideas" to fill the explanatory void. He recognizes that human beings mature intellectually in very diverse environments. The "truths"—or established ways of viewing the world—prominent in persons' surroundings normally greatly influence persons' perspectives on life. Certain

constellations of ideas thereby become "by education, custom, and the constant din of their party, so coupled in their minds, that they always appear there together; and they can no more separate them in their thoughts than if they were but one idea, and they operate as if they were so"⁴⁵. Perhaps no other group convinces Locke of both the need and accuracy of his theory more than the Roman Catholics. He feels compelled to explain the sincerity with which Roman Catholics maintain false doctrines like that of transubstantiation or papal infallibility. He writes:

Take an intelligent Romanist that, from the first dawning of any notions in his understanding, hath had this principle constantly inculcated, viz. that he must believe as the church (i.e. those of his communion) believes, or that the pope is infallible, and this he never so much as heard questioned, till at forty or fifty years old he met with one of other principles: how is he prepared easily to swallow, not only against all probability, but even the clear evidence of his senses, the doctrine of transubstantiation. This principle has such an influence on his mind, that he will believe that to be flesh which he sees to be bread⁴⁶.

Ultimately, it is habit which causes conflict. It "is of so great force to set us awry in our actions, as well moral as natural, passions, reasonings, and notions themselves"⁴⁷.

Locke's explanation of conflict is surprisingly modern. His thoughts border on the precipice of twentieth-century cynicism and anthropological relativism without, however, plunging into their abyss of doubt. The *Essay* frequently exhibits Locke as an anachronistic phenomenologist of the seventeenth century. Ruminations which call forth modern notions like "the social construction of reality"⁴⁸ pepper the pages of the *Essay*⁴⁹. But Locke is no relativist. He never neglects to qualify his thoughts on human diversity. Thus he writes concerning the influence of the association of ideas: "This gives sense to jargon, demonstration to absurdities, and consistency to nonsense," and is that which "blinds their understandings, and makes them not see the falsehood of what they embrace for real truth"⁵⁰. For Locke,

the Law of Nature still stands majestically above the squalor of diversity and ignorance in the world. And all persons possess the god-given capacity to embrace its truths. Not to do so, regardless of the obstacles (to which Locke so insightfully draws attention), is in the last analysis nothing but "madness."⁵¹

Locke abhors conflict because it represents human beings in their worst state. When persons conflict with one another, they essentially fail to think; and they thereby let spoil the greatest of God's gifts, namely reason. Locke's works correspondingly abound with admonitions against lax study and examination⁵². "Reason," he admonishes, "must be our last judge and guide in everything"⁵³.

Locke's theology, epistemology and anthropology all deeply influence his political thought. Locke ultimately sees politics as the process by which humans make reason their "last judge and guide." And this essentially involves constructing and enforcing a reasonable language, that is, a set or system of terms and definitions on which the members of a commonwealth can agree.

The trust that Locke so often refers to in his political writings is trust in this reasonable political language. Many Locke scholars note the central role trust plays in his political philosophy⁵⁴. Certainly trust counts as one of the key marks which distinguishes Locke's political philosophy from that of Hobbes. Unlike Hobbes, Locke refuses to accept self interest alone as the foundation of civil society. A society rooted in self interest does not liberate persons from a state of war. The state of war merely persists with the apparatus of the state becoming one more weapon persons try to obtain in order to advance their designs against adversaries⁵⁵. In contrast, persons who make up a truly peaceful and stable society "cannot but be supposed to have some Acquaintance and Friendship together, and some Trust one in another"⁵⁶.

The trust in Locke's "politics of trust" fundamentally centers on an agreement among persons on definitions. Persons who politically trust one another essentially agree to define and employ key political ideas and terms in like manner; they speak the same political language. After all, language marks "the great bond that holds society together"⁵⁷. Building a civil—or political—society therefore first

necessitates building a correct and reliable political language. And once persons interact with the same political language, they possess the conceptual wherewithal to remedy their disputes.⁵⁸ This being in place, the concrete erection and maintenance of society easily follows.

This linguistic interpretation of Locke does not have to ignore the more conventional reading of Locke's politics. Persons do enter civil society for "the *Preservation of their Property*"⁵⁹; they do grant their natural executive power to "a *known and indifferent judge*"⁶⁰; and they do go on to organize institutions which embody the executive, legislative, and federative powers⁶¹. But they make all this possible only through an initial agreement on definitions; they first must define what property, judge, and power mean.

Indeed, Locke's concern with agreement on definitions is so strong, that it merits reading the *Two Treatises* as a series of definitions. If the work's chapter headings give any indication of Locke's purpose, they make it difficult to overlook his lexicographical aim: "of property," "of political or civil society," "of tyranny," "of conquest" (to name just a few of the political concepts Locke deemed important). In the *Two Treatises*, Locke endeavors to compile a political dictionary with which his compatriots can adroitly tackle their political problems. To express my argument slightly differently, Locke writes the *Two Treatises* assuming an underlying epistemological and moral framework which he was busy constructing in the *Essay*⁶². The cornerstone of that framework is the notion that persons cannot come to trust one another so long as they view the world through diverging definitions of ideas.

Needless to say, not just any agreement on definitions suffices to produce trust. For Locke, they must be the right definitions. Persons reach right definitions only when they employ their reason to formulate the definitions. This type of active reasoning about central political definitions seems to be what Locke has in mind when he claims political society originates out of the "positive Engagement"⁶³ of its founders. And the "express Promise and Compact" which characterize genuine members of civil society represent, at the deepest level, a commitment to recognize the same political definitions which other reasonable persons recognize. Joining

civil society, in short, entails swearing an oath to other reasonable persons to speak their political language. It is no coincidence, I suggest, that Locke refers to oaths as "the bonds of human society"⁶⁴, exactly the same terminology used to describe language.

These considerations point to the set of ideas Locke assumes when he writes of government by "consent." Consent does not mean just any group of persons each of whom individually consents voluntarily to membership in a society. Locke's consent assumes a group of persons who trust one another. They trust one another because they reason together. They reason together because each person individually takes the time to reflect seriously on prominent political ideas. Consent must be reasoned, not merely voluntary, to form a genuine commonwealth. Accordingly, Locke contends that tacit consent "makes not a Man a Member of that Society"⁶⁵. With reason absent from the act of consent trust too must be absent. And without trust a group of consenting persons at best resembles a political society; it cannot, however, constitute one⁶⁶.

The indispensability of trust in politics reveals itself most dramatically at times of crisis. Locke is thoroughly convinced that only a society bound by trust and reason can survive the aggression of enemies. Naturally, trust based on reason facilitates true conviction which provides members of society with the solidarity—the "inward strength"⁶⁷, the "sincere loyalty"⁶⁸—effectively to unite against invasion and subversion. But Locke offers another, more important justification for the necessity of trust. Only reason distinguishes definitively between friend and foe; only reason enables persons to recognize their enemies. And if persons do not know their enemies, solidarity does them little good.

Locke's works reveal a near obsession with enemies. His works display him as a man terrified by threats to England, especially hidden threats. Hidden threats stem from those who pretend to be lovers of England [that is, of "king and country,... of peace and the protestant interest"⁶⁹], but who actually conspire against it. Accordingly, Locke is concerned "to have the true friends distinguished from the secret enemies of the government"⁷⁰. Writing shortly after the Glorious Revolution, for instance,

Locke denounces all persons who defend James II's right to the throne. Such Loyalists in effect desire a situation in which "Jesuits must governe and France be our master"⁷¹. In the *Letter concerning Toleration*, Locke admonishes the magistrate not to tolerate similar enemies. To do so "means the magistrate would give way to the settling of a foreign jurisdiction in his own country, and suffer his own people to be listed, as it were, for soldiers against his own government"⁷². We thus find Locke frequently striving to draw his reader's attention to enemies within the ranks who will subvert society if not properly controlled.

These secret enemies wage their battles with words rather than with swords. For Locke, this makes them most dangerous. They do "Mischief to Prince and People (by) the Propogating wrong Notions concerning Government"⁷³. Such doctrines spread "doubts or distrusts amongst us" and cause "disorder and confusion"⁷⁴. They facilitate "the Weakness to be deceived with Contradictions dressed up in a Popular Stile, and well turned Periods"⁷⁵. And this leads Englishmen actually to "let in a foreigne force, enemy to our religion and nation"⁷⁶.

Locke combats these soldiers of words with words—with the words of reason. Reasonable persons must employ their reason like a searchlight to ferret out subversive zealots and enthusiasts. Since reasoning hangs so closely together with correct definition and application of terms and concepts, persons best disclose their enemies by examining the political definitions espoused by the politically active and influential in society. When the latter's ideas appear absurd, the secret enemies of the government have been spotted.

No work better exemplifies Locke's hunt for enemies than the *Two Treatises*. Locke obviously deemed Sir Robert Filmer (a leading apologist of absolute monarchy) a secret enemy of the government. Moreover, Locke must have felt that the persons who propogated the doctrines embodied in Filmer's *Patriarcha* were spreading doubt and distrust throughout the land. For Locke sets out in the *Two Treatises* primarily to prove the unreasonableness of Filmer's doctrine; and for Locke, this means a thorough scrutiny of Filmer's language.

Thus, Locke declares his intention to demonstrate that

if any one will be at the Pains himself...to strip Sir *Robert's* Discourses of the Flourish of doubtful Expressions, and endeavor to reduce his Words to direct, positive, intelligible Propositions, and then compare them one with another, he will quickly be satisfied there was never so much glib Nonsense put together in well sounding English⁷⁷.

This was, of course, the task of the *First Treatise*. In the *Second Treatise*, Locke goes on, as suggested above, to present and justify the correct political definitions. He must have concluded that with the wrong and right definitions contrasted so starkly next to one another his readers could easily see Filmer for the enemy of the land Locke took him to be. Moreover, by fostering reasoned examination of political ideas Locke must have hoped to contribute to the establishment of trust in English politics and to the future stability of the land.

Locke's hopes were answered. By the time he wrote the preface to the *Two Treatises* in 1689, he could applaud his compatriots for discovering and repelling their enemies. "The King, and Body of the Nation, have since so thoroughly confuted his [Filmer's] Hypothesis, that I suppose, no body hereafter will have... the Confidence to appear against our common safety"⁷⁸. However, the fact that Locke published the *Two Treatises* after the Glorious Revolution suggests he was not as confident as this passage conveys. He admits so much when he writes: "For I should not have Writ against Sir *Robert...were there not Men amongst us, who, by crying up his Books, and espousing his Doctrine, save me from this Reproach of Writing against a dead Adversary*"⁷⁹. Locke continued to be worried about secret enemies; so worried, that in both his two and only manuscripts concerning the Glorious Revolution he called for public renunciation of the political doctrines he judged false⁸⁰.

Locke's search for enemies surfaces in other works as well. In the *Letter concerning Toleration*, Locke does not scrutinize a specific "false" doctrine. Nevertheless, he does conduct the search by means of a definition. His chief purpose is "to distinguish exactly the business of civil government from that of

religion." As the letter reveals, this basically entails defining the two concepts carefully. In his usual manner, Locke professes that correctly defining the two concepts lies at the heart of eliminating the conflict aroused in these matters. "If this not be done, there can be no end put to the controversies that will be always arising between those that have, or at least pretend to have, on the one side, a concernment for the interest of men's souls, and, on the other side, a care of the commonwealth"⁸¹. But once Locke lays out his "correct" definitions of the two, he uses them to point the finger at enemies of the commonwealth. He counsels the reader not to tolerate atheists and Roman Catholics; atheists because they do not even acknowledge religion and therefore surely cannot see the distinction between church and civil government; Catholics because they make the two terms synonymous and thereby "have...mixed together and confounded two things that are in themselves most different, the church and the commonwealth"⁸². Since the two groups do not share Locke's reasonable definitions, he labels them unreasonable and therefore hostile.

It becomes clear, then, how much Locke relies on reasonable language and linguistic scrutiny to direct attention to the adversaries of civil society. Examining their definitions carefully constitutes an effective way not only to nip conflict in the bud, but also to protect the commonwealth from potential subversion. For all his talk of trust, in other words, Locke spent much of his time distrusting others.

Closer analysis demonstrates that Locke developed a complete "politics of distrust" parallel to his "politics of trust." And as is his custom, Locke devises the politics of distrust through a series of definitions. In the *Two Treatises*, Locke supplies his reader with several definitions needed to determine enemies. These primarily include "the state of war," "despotical power," "tyranny," "usurpation," and "the dissolution of government." The first instructs in a most general way who represents an enemy: "And therefore declaring by Word or Action, not a passionate and hasty, but a sedate settled Design, upon another Mans Life, *puts him in a State of War* with him against whom he has declared such an intention"⁸³. The other definitions more specifically define likely acts which

enemies commit.

But Locke also warns his readers not to wait for an actual commission. Waiting leads to the situation in which it is "too late"⁸⁴ to expel the enemy. For this reason Locke defines enemy hostility as "Word or Action." He thereby rationalizes his own method of detecting adversaries by the analysis of their words. It is Locke's epistemology which enables him to make this (in my eyes giant) step which equates words and actions. In the *Essay*, Locke convinces himself of the power of words. As the above discussion exhibited, he concludes that conflict stems originally from false definitions. Furthermore, his theory of the association of ideas lets him assume that people's words determine their actions. Only with such a theory could Locke write passages of the following sort which condemn persons completely through supposition: "For I have reason to conclude, that he who *would* get me into his Power without my consent, *would* use me as he pleased, when he had got me there, and destroy me too when he had a fancy to it...and reason bids me look on him, as an Enemy to my Preservation, who *would* take away that freedom, which is the Fence to it"⁸⁵. Locke's use of the subjunctive tense here makes it clear that an enemy in word will soon become an enemy in deed. In Locke's eyes, what reason for waiting for the deed remains outside of foolishness or insolence?

But once persons discover their enemies, they must decide what to do with them. Locke tenders essentially four definitions to guide this treatment: "man," "beast," "slavery," and "conquest." The first two do not enjoy their own chapter heading but are plainly handled in conjunction with Locke's discussion of the state of nature. Put succinctly, man reasons; beasts do not. More importantly, those persons who fail to reason degenerate into beasts, indeed, into the worst kind—those "noxious Creature(s)," those "wild Savage Beasts with whom Men can have no Society nor Security"⁸⁶. Furthermore, their bestiality prescribes their treatment. "For having quitted Reason...he becomes liable to be destroyed by him he uses force against, as any savage ravenous Beast, that is dangerous to his being"⁸⁷. Unreasonable persons render themselves liable to conquest. Conquering them practically corresponds to enslaving them; for

"Slavery...is nothing else, but the *State of War continued, between a lawful Conquerour, and a Captive*"⁸⁸.

Locke's passage on conquest also provides another example of his belief in the power of words. He stipulates that the conqueror possesses the right of dominion only over those who use force against civil society⁸⁹. Since he earlier argued that word or action can initiate war, he seems to place words under the rubric of force. It seems Locke agrees—at least on some occasions—that the pen is mightier than the sword. Perhaps it was Locke's awareness of the potency of ideology—to use a contemporary notion—which made him fear potential conflict all around him. Whatever the cause, this fear stimulated him to value distrust as much as trust in politics.

Both the "politics of trust" and "distrust" rely on the demonstrability of reason. They depend upon the actual existence of 1) reasonable linguists and 2) correct political and moral definitions. Moreover, if Locke uses the Law of Nature and the definitions it implies to make the case for the possibility of a civil society as well as to distinguish between the members and non-members of society, he must prove the existence of such a law. Although the majority of his works takes the law as given⁹⁰, Locke acknowledged his philosophical obligation to prove its reality. "To establish morality...upon its proper basis," Locke writes, we must "show...that there are certain rules certain dictates which it is his [God's] will all men should conform their actions to, and that this will of his is sufficiently promulgated and made known to all mankind"⁹¹. This task Locke undertakes in the *Essay*, whose purpose is "to take a survey of our own understandings, examine our own powers, and to see to what things they were adapted"⁹².

They are not adapted to demonstrating morality. Locke talks a great deal of a kind of mathematics of morality whereby "moral knowledge may be brought to so great clearness and certainty"⁹³. Like mathematics, morality can possess a set of definite principles and definitions which guide the moralist unequivocally through the queries of his field. Locke scholars readily agree, however, that Locke failed to supply these building blocks of an indisputable morality despite his claims of their existence⁹⁴. Locke

confesses so much himself by the end of the last edition of the *Essay* and in his final work, *The Reasonableness of Christianity*. In the latter, he writes: "It is plain, in fact, that human reason, unassisted failed men in its great and proper business of morality. It never from unquestionable principles, by clear deductions, made out an entire body of the 'law of nature'"⁹⁵.

In *The Reasonableness of Christianity*, Locke searches for that needed assistance in the Christian revelation. All his life he had assumed the identity of the dictates of reason and the decrees of the Christian revelation⁹⁶. Therefore, when the light of reason shone not as brightly as Locke banked on, he turned to the example of Jesus Christ to teach men how to live. For Christ's message encompasses the Law of Nature. "There is not, I think any of the duties of morality which he has not, somewhere or other, by himself and his apostles, inculcated over and over again to his followers in express terms"⁹⁷. Accordingly, Locke devotes his efforts in this work to deciphering Christ's lessons as delivered in the Scriptures for all to acknowledge and follow.

Locke's venture, however, cannot pass as a demonstration of the Law of Nature. *The Reasonableness of Christianity* constitutes at best an impressively erudite hermeneutic exegesis—but hardly an admissible philosophical proof—of the law established in Scripture. Locke creates, in effect, a loosely conceived Protestant theocentric system of morality. Granting Locke's example cogency as the embodiment of a Law of Nature demands a Pascalian leap of faith. For faith "is the assent to any proposition, not thus made out by the deductions of reason"⁹⁸. Despite this reliance on faith, Locke refuses to let reason fall by the wayside altogether. We employ reason, he contends, to satisfy ourselves that a given testimony actually emanates from God: "whether it be a *divine* revelation or no, reason must judge"⁹⁹. More importantly,

no proposition can be received for divine revelation...if it be contradictory to our clear intuitive knowledge. Because this would be to subvert the principles and foundations of all knowledge, evidence, and assent whatsoever; and there would be left no difference between truth and falsehood, no measures of credible and incredible

in the world, if doubtful propositions shall take place before self-evident; and what we certainly know give way to what we may possibly be mistaken in¹⁰⁰.

Yet, Locke's own intuition should have caused him to doubt his assertions in *The Reasonableness of Christianity*. His studious analysis of peoples of different cultures and of the nature of the conflict between them suggests that it is in fact not so clear to everyone that the Scriptures' prescriptions stem directly from God. And even those who would grant the divinity of Scripture hardly see eye to eye on its interpretation¹⁰¹. Locke not only took part in such scriptural debates, he perspicaciously explained their intensity and longevity. Indeed, his very own analysis in the *Essay* goes far to explain why in *The Reasonableness of Christianity* he himself let what he certainly knew give way to what he may possibly have been mistaken in. For in embracing the Christian revelation as real truth, Locke fell under the spell of his education, custom, and constant din of his party. "Real truth" became synonymous with being English and being Protestant.

The epistemological shift (failure) implied in *The Reasonableness of Christianity* casts considerably different light on Locke's politics. Unfortunately, Locke never returned to his political thought to edit it, or at least to illumine the consequences his final work held for his politics. However, it behooves heirs of Locke's thought to do so. First, Locke's "politics of trust" transforms into a trust, not among reasonable persons, but among English Protestants. The political definitions they agree to observe result not from reasonable examination, but from cultural self-confidence and pride. Cultural partiality becomes the bond that holds society together. Reasonable definitions play no significant role.

Second, and more importantly, Locke's "politics of distrust" turns into the distrust of all those who do not share his view. Our discussion above reveals that Locke already distrusted these people long before he wrote *The Reasonableness of Christianity*. But before this work he founded his suspicion on their irrationality *per se* and not on their cultural heritage. In supplanting the universal definitions he unsuccessfully sought in the *Essay* with his own Protestant definitions derived

from the Scriptures in *The Reasonableness of Christianity*, Locke effectively labels all non-English and non-Protestants enemies of civil (English) society. This, in turn, condemns them to bestiality, slavery and conquest - to something like an English, Protestant Inquisition.

Notes

- ¹ John Dunn, *The Political Thought of John Locke* (Cambridge, 1969).
- ² John Locke, *Two Tracts on Government*, ed. Philip Abrams (Cambridge, 1967), Second Tract, p. 210.
- ³ *Ibid.*, First Tract, p. 172.
- ⁴ John Locke, *Two Treatises of Government*, ed. Peter Laslett (New York, 1965), II, 223.
- ⁵ See, for instance, John Locke, *A Letter concerning Toleration*, ed. Patrick Romanell (New York, 1950), p. 51; or Bodleian Library, MS Locke e. 18, *passim*. Printed in James Farr and Clayton Roberts, "John Locke on the Glorious Revolution: A Rediscovered Document", *The Historical Journal*, XXVIII(1985)pp. 385-398.
- ⁶ *Toleration*, p. 13.
- ⁷ *Two Tracts*, Second Tract, p. 211.
- ⁸ *Ibid.*, First Tract, p. 160.
- ⁹ *Toleration*, p. 59.
- ¹⁰ *Two Tracts*, Second Tract, p. 217.
- ¹¹ John Locke, *Essays on the Law of Nature*, ed. W. von Leyden (Oxford, 1958), p. 129.
- ¹² *Two Tracts*, First Tract, p. 146; also see *Toleration*, p. 59 and *Essays on the Law of Nature*, p. 163.
- ¹³ See, for example, John Locke, *An Essay concerning Human Understanding*, ed. Alexander Campbell Fraser (New York, 1959), II, XXXIII.
- ¹⁴ *Two Treatises*, II, 19.
- ¹⁵ *Essays on the Law of Nature*, p. 113.
- ¹⁶ *Two Treatises*, II, 6.
- ¹⁷ John Locke, *The Reasonableness of Christianity as Delivered in the Scriptures, The Works of John Locke* (London, 1812), VII, pp. 115-116.
- ¹⁸ *Two Treatises*, II, 7; also see Dunn, *Political*, pp. 126-127 for an explanation of this "strange doctrine" of Locke's.
- ¹⁹ See, for example, *Toleration*, pp. 57-58; or *Two Treatises*, II, 46.
- ²⁰ John Dunn, *Political Thought*, p. 115.
- ²¹ *Two Treatises*, II, 46.
- ²² *Toleration*, p. 57; Locke expresses this duality clearly in the *Two Treatises* when speaking of why persons violate the law of nature: "For though the Law of Nature be plain and intelligible to all rational Creatures; yet Men being biassed by their Interest as well as ignorant for want of study of it are apt not to allow of it as a Law binding to them in the application of it to their particular cases" (II, 124; my emphasis).
- ²³ *Two Treatises*, II, 39-41.
- ²⁴ *Toleration*, p. 51; also see pp. 57-58; and MS Locke c. 27, fo. 12-13 (Printed in *Two Tracts*, p. 243).
- ²⁵ *Human Understanding*, III, IX, 9; for the same point also see later on in the essay III, IX, 16-17 and III, XI, 6-7; furthermore, see III, IX, 21 for Locke's explanation of why he came to this conclusion:
I must confess, then, that, when I first began this Discourse of the Understanding, and a good while after, I had not the least thought that any consideration of words was at all necessary to it. But when having passed over the original and composition of our ideas, I began to examine the extent and certainty of our knowledge, I found it had so near a connexion with words, that, unless their force and manner of signification were first well observed, there could be very little said clearly and pertinently concerning knowledge....If we consider, in the fallacies men put upon themselves, as well as others, and the mistakes in men's disputes and notions, how great a part is owing to words, and their uncertain or mistaken significations, we shall have reason to think this no small obstacle in the way of knowledge....But I am apt to imagine, that, were the imperfections of language, as the instrument of knowledge, more thoroughly weighed, a great many of the controversies that make such a noise in the world, would of themselves cease....
- ²⁶ *Ibid.*, IV, I, 2.
- ²⁷ *Ibid.*
- ²⁸ *Ibid.*, III, X, 10.
- ²⁹ *Ibid.*, III, XI, 21.
- ³⁰ *Ibid.*, IV, V, 2.
- ³¹ *Ibid.*, III, XI, 16.
- ³² *Ibid.*, III, XI, 17.
- ³³ *Ibid.*, III, XI, 9.
- ³⁴ As noted above, Locke hopes for exactness in morality parallel to exactness in mathematics; and at III, XI, 25 he even speaks of the possibility, if not feasibility, of a universal "Dictionary" of all correct definitions.
- ³⁵ *Ibid.*, IV, III, 20.
- ³⁶ *Ibid.*, III, IX, 8.
- ³⁷ *Ibid.*, III, IX, 6.
- ³⁸ *Ibid.*, III, X, 14.
- ³⁹ *Ibid.*, III, X, 22; or II, XXXIII, 18: "Wrong and unnatural combinations of ideas will be found to establish the irreconcilable opposition between different sects of philosophy and religion."
- ⁴⁰ *Ibid.*, III, IX, 22.
- ⁴¹ *Ibid.*, III, IX, 7.
- ⁴² *Ibid.*, III, X, 4.
- ⁴³ *Ibid.*, II, XXXIII, 18.
- ⁴⁴ *Ibid.*
- ⁴⁵ *Ibid.*
- ⁴⁶ *Ibid.*, IV, XX, 10; for another passage on Roman Catholics, see II, XXXIII, 17.
- ⁴⁷ *Ibid.*, II, XXXIII, 9.
- ⁴⁸ Peter Berger and Thomas Luckman, *The Social Construction of Reality* (New York, 1966).
- ⁴⁹ See, for instance, *Human Understanding*, II, XXXIII, 5,7,17, and 18; III, IX, 22; III, X, 2,4,14,16, and 22; such relativist statements can be found in other works as well: *Essays on the Law of Nature*, p. 129 or 163; *Two Tracts*, First Tract, p. 146.
- ⁵⁰ *Human Understanding*, II, XXXIII, 18.
- ⁵¹ *Ibid.*, II, XXXIII, 4.
- ⁵² See, for example, *ibid.*, II, X and XI as well as IV and XIX; or *Two Treatises*, Preface, where Locke criticizes Filmer's lax study; or *Toleration*, p. 29; or *Two Tracts*, First Tract, pp. 165-66.
- ⁵³ *Human Understanding*, III, XIX, 14; also *Two Treatises*, II, 63.
- ⁵⁴ See Peter Laslett's introduction to the *Two Treatises*, pp. 126ff.; or John Dunn, *Locke* (New York, 1984), pp. 25ff.
- ⁵⁵ Speaking of religious zealots who are anxious to persecute others, Locke notes: "But so soon as ever court favor has given them the better end of the staff, and they begin to feel themselves the stronger, then presently peace and charity are to be laid aside" (*Toleration*, p. 26); also see *Two Treatises*, II, 92.
- ⁵⁶ *Two Treatises*, II, 107.
- ⁵⁷ *Human Understanding*, III, XI, 1; see also III, I, 1 and III, X, 13.
- ⁵⁸ *Ibid.*, IV, III, 20.
- ⁵⁹ *Two Treatises*, II, 124.
- ⁶⁰ *Ibid.*, II, 125.
- ⁶¹ *Ibid.*, II, 143-148.
- ⁶² John Dunn, *Political Thought* makes a similar argument at p. 79.
- ⁶³ *Two Treatises*, II, 122.
- ⁶⁴ *Toleration*, p. 52.
- ⁶⁵ *Two Treatises*, II, 122.
- ⁶⁶ This is the upshot of the entire eighth chapter of the *Second Treatise*, where Locke tries to show that as much as a patriarchal society may look like a political society, it is not.
- ⁶⁷ *Toleration*, p. 48.
- ⁶⁸ MS Locke e. 18 fo. 2 (Printed in James Farr and Clayton Roberts, "Glorious Revolution", p. 395).
- ⁶⁹ *Ibid.*, e. 18 fo. 1 (*ibid.*, p. 395).
- ⁷⁰ *Ibid.*, e. 18 fo. 3 (*ibid.*, p. 396).
- ⁷¹ *Ibid.*, e. 18 fo. 1 (*ibid.*, p. 395).
- ⁷² *Toleration*, p. 51.
- ⁷³ *Two Treatises*, Preface.
- ⁷⁴ MS Locke e. 18 fo. 5-6 (Printed in James Farr and Clayton Roberts, "Glorious Revolution", p. 398).
- ⁷⁵ *Two Treatises*, Preface.
- ⁷⁶ See MS Locke e. 18 fo. 6 (Printed in James Farr and Clayton Roberts, "Glorious Revolution", p. 398).
- ⁷⁷ *Two Treatises*, Preface.
- ⁷⁸ *Ibid.*
- ⁷⁹ *Ibid.*
- ⁸⁰ At MS Locke e. 18 fo. 2 (Printed in James Farr and Clayton Roberts, "Glorious Revolution", p. 396) Locke calls for "a solemn public renunciation"; in the *Two Treatises*,

Preface, Locke calls on his adversaries to "retract...what they have vented"; although the adjective "public" is missing, the textual context suggests Locke means a public retraction.

- ⁸¹ **Toleration**, p. 17.
- ⁸² *Ibid.*, pp. 57-58; also see MS Locke c. 27 fo. 12-13 (Printed in Philip Abrams, **Two Tracts**, p. 243).
- ⁸³ **Two Treatises**, II, 16.
- ⁸⁴ MS Locke e. 18 fo. 3 (Printed in James Farr and Clayton Roberts, "Glorious Revolution", p. 396).
- ⁸⁵ **Two Treatises**, II, 17 (my emphasis); also see II, 230 for the role supposition plays in distinguishing enemies.
- ⁸⁶ *Ibid.*, II, 10-11.
- ⁸⁷ *Ibid.*, II, 181.
- ⁸⁸ *Ibid.*, II, 24.
- ⁸⁹ *Ibid.*, II, 182-189.
- ⁹⁰ In his introduction to the **Two Tracts**, Philip Abrams argues the Locke worked with this assumption from his earliest works on (p. 58); Peter Laslett makes a similar point in his introduction to the **Two Treatises** (p. 95).
- ⁹¹ MS Locke c 28, p. 152 (Quoted in John Dunn, **Political Thought**, p. 189).
- ⁹² **Human Understanding**, I, introduction, 7.
- ⁹³ *Ibid.*, III, XI, 17.
- ⁹⁴ See Peter Laslett's introduction to the **Two Treatises**, p. 101; or John Dunn, **Political Thought**, pp. 188ff..
- ⁹⁵ **Reasonableness**, pp. 139-140.
- ⁹⁶ See, for instance, John Dunn, **Political Thought**, p. 25 and p. 79.
- ⁹⁷ **Reasonableness**, p. 122.
- ⁹⁸ **Human Understanding**, IV, XVIII, 2.
- ⁹⁹ *Ibid.*, IV, XVIII, 10.
- ¹⁰⁰ *Ibid.*, IX, XVIII, 5.
- ¹⁰¹ At *ibid.*, III, IX, 23, Locke himself even takes up the heated debate and conflict over biblical interpretation.

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Prospects for a Single European Currency

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Abstract

The adoption of a single currency by the members of the European Union (formerly the European Community) may be the most challenging task facing the organization.

The Maastricht Treaty signed in 1992 and ratified in 1993 set the stage for adopting a single currency by the end of this decade. Political and economic difficulties within the Union are likely to delay that goal, but not derail it. The most probable outcome is a "two-track" or "two-speed Europe" whereby Germany and a few other Union countries will go ahead and form a single-currency core, followed by the inclusion of other members in the future. Although such a process may be politically stressful for the organization, it is economically inevitable and allows for both the "deepening" (integration) and "widening" (enlargement) of the Union.

The creation of a single currency among two or more nation-states is one of the most radical steps undertaken among parties involved in an integration process. For it not only means the abolition of existing national currencies, but a substantial transfer of sovereignty over decisionmaking in economic and monetary affairs from national governments to supranational institutions. In addition, currencies also possess symbolic values for both the public and its political leaders, in that a German Mark, French Franc, and British Pound reflect normative attitudes of nationalism and statehood, apart from a currency's longstanding use that has created norms of habits, convenience, and familiarity. Any foreign traveller remembers the anxiety and insecurity in handling coins and notes of different denominations, sizes, and colors. Finally, the currency of any nation-state fluctuates against other currencies and mirrors the strength, size, trends, and regional or global significance of the national economy, thus giving rise to problems of how to "weigh" the

importance of one currency relative to others. Creators of a single currency established from a "basket" of national currencies thus must not only overcome difficulties derived from the objective economic situation, but also allay subjective fears of loosing national sovereignty and identity.

It was undoubtedly for these reasons that the founders of the European Communities did not include or even envisage a single currency among the provisions of the Treaty of Paris (1951) and the Treaties of Rome (1957). Nonetheless, only a few years after signing the original treaties the issue of creating a supranational European currency surfaced when the European Commission addressed the goal of an economic and monetary union in 1962.¹ During the following decades, members of the European Community debated the desirability and feasibility of a single currency until the 1992 "Maastricht Treaty" set the end of this century as a deadline for adopting a supranational currency throughout, or at least in parts, of the Community.

This paper will focus on the historical evolution of the idea of monetary union by looking at some of the major steps undertaken along that path; this involves, in particular, an examination of the European Monetary System of 1979, the Single European Act of 1987, and the 1992 Treaty on European Union ("Maastricht Treaty"). We will then highlight the currency crisis of 1992-93 which will permit an evaluation of future prospects. The underlying proposal of this paper is that the idea of a single currency has been partially discredited by recent events but is far from dead. Consequently, we may expect that the deadline set by "Maastricht" will not be attained by most, if any, members of the Community. In addition, it is suggested that the European Community's goal of a single currency will evolve along the path of a "two-track" approach with some members adopting a European currency and the rest jumping on the bandwagon

when their economies, governments and publics allow. Such a development may entail political risks, but be economically sound and feasible. Most importantly, it allows for the reconciliation of two often contradictory notions of European integration: vertical integration ("deepening") among economically healthy and politically favorably disposed members, and horizontal integration ("widening") among the existing members and new members from the European Free Trade Association (Austria, Sweden, and Finland) as well as some East European countries (Poland, Hungary, and the Czech Republic).

The Treaty of Rome establishing the European Economic Community urged member states to "progressively approximat[e their] economic policies" (Article 2) and to "coordinate their respective economic policies to the extent necessary to attain the objectives of this Treaty" (Article 6, 1.). The Community institutions in charge of monetary and financial matters, however, were not provided with any decisionmaking authority. Particularly, a Monetary Committee was set up to "review the monetary and financial situation of the Member States ..." but it only possessed "advisory status" (Article 105, 2.).² Apart from domestic objections, Europeans did not have any incentive to go beyond these tentative goals.

Throughout the 1950s, 1960s, and into the 1970s, European currencies were closely tied to the dominant dollar and experienced exchange rate fluctuations due to domestic and international economic problems. In 1971, President Nixon shocked the Europeans and the rest of the world by taking the dollar off the gold standard and abolishing the fixed exchange rate between gold and the dollar, thereby plunging the world into a system of floating exchange rates. Whereas abandoning the "dollar convertibility" may have made sense for the American economy, it introduced

turmoil in the global marketplace where fixed exchange rates provided financial stability because they were part and parcel of a coherent global economic system rooted in the Bretton Woods Conference of 1944.

The Bretton Woods Agreement functioned on the basis of United States political leadership and American dominance of the post-war international economic and monetary structures. European leaders acquiesced to that dominance partially because they were forced to do so within the existing Cold War climate, but also due to the fact that the *Pax Americana* allowed them to focus on their economic development and to foster Western Europe's (limited) integration process begun by the Treaties of Rome and Paris. The stability and security guaranteed by the Cold War and the United States, on the other hand, did not induce European politicians to carefully consider any post-Bretton Woods contingency. The plans and programs that were proposed were doomed to fail because they were premature or fell victim to the turbulences of the 1970s. The shock of August 15, 1971, therefore, combined with the subsequent oil embargo, led the European Community into "a prolonged period of despondency and inaction."³

The incentive to move towards closer monetary and economic union did not, however, initially stem from disturbances in the global system, but from currency instability within Europe in the late 1960s. These disorders resulted in the 1970 Werner Report (Pierre Werner was the Prime Minister of Luxembourg) which proposed the creation of a European Monetary and Economic Union, including a common currency, by 1980 (*sic!*). The report also sought ways to "realiz[e] an area within which goods and services, people and capital, will circulate freely and without competitive distortions."⁴ Attempts to establish a European Central Bank can also be traced back to the 1970s; despite a feeling of "Eurosclerosis" due to the oil embargo and monetary instability throughout the decade, the members of the Community established the European Monetary Cooperation Fund to form the basis of a supranational bank.

From hindsight, it is easy to judge these steps as utopian endeavors, but the fact remains that the goal of a unified market

(as envisaged by the Werner Report) did not materialize until January 1993, and provisions of the Single European Act are still being implemented. The notion of a central European bank did not resurface until the Maastricht Treaty was signed in 1992, and we will witness the creation of the nucleus of such a bank in the form of the European Monetary Institute only in 1994. Finally, the move towards a European-wide single currency replacing national currencies may prove to be as illusionary in the 1990s as it was in 1970.

Nonetheless, the problems facing member-states today (currency fluctuations and the related need to support currencies weakened by economic downturns and/or threatened by market speculations) were addressed more successfully. Community members signed the European "Snake" or Exchange Agreement in 1972, shortly after the admittance of Great Britain, Ireland, and Denmark into the Community. The nine governments began to support each other's currencies in an attempt to introduce currency stability within the Community against the dollar. The agreement allowed a national currency to fluctuate within a range of +/- 2.5% against other European currencies. Problems still exist today--differences in inflation rates and economic development--incapacitated several member states' governments from keeping their currencies within the agreed upon limits and resulted in the subsequent exit from the "Snake" by Great Britain, Ireland, Italy, and France (France rejoined later, only to be forced out again).

Symptomatically, however, the remaining group (the Federal Republic of Germany, the Benelux countries, and Denmark) formed an international monetary area under the aegis of the German Mark--symbolizing the two-track approach to European monetary and economic integration: a core of members (huddled around Germany) with strong economies and stable currencies harmonizes economic and monetary policies to the point of adopting a single currency under the control of a central bank, and peripheral members move towards harmonization and join the "core club" at a later date. In spite, or because, of the failure of the European Exchange Agreement, the Community went ahead in the late 1970s and created the European Monetary System (EMS). The EMS

originally envisaged the establishment of a European Monetary Fund (into which each member would pay one fifth of its dollar and gold reserves) to serve as a source of capital to support members' currencies. The Fund never materialized, leaving the decision to support other European currencies to national central bankers and individual governments. On the other hand, the European Currency Unit (ECU) was also part of the EMS scheme and has become an alternative currency on capital markets and, increasingly, for individual private transactions. Most importantly, the European Monetary System has survived and its Exchange Rate Mechanism (ERM) has been quite successful in keeping currency stability within the European Community until recently. The ERM's narrow range of permitted fluctuations of +/- 2.25% (+/- 6% for Ireland and Italy, the latter entering the narrow band in early 1990) against the central rate, remained intact throughout the 1980s and required only two adjustments since 1984. Moreover, by October 1990, when Great Britain followed Spain, which entered the ERM in 1989, and joined the EMS (both within the wider range of 6%), all members of the Community, except Greece, participated in its mechanism.

During her entire tenure, Margaret Thatcher steadfastly refused to let the United Kingdom join the EMS on grounds of British sovereignty. The British argued that economic cooperation must first be achieved before talks about a single currency. This more pragmatic approach and the realization of the potential of a European-wide economy-of-scale in the face of stiff American and Japanese competition led to a dramatic step forward towards European economic integration in the middle of the 1980s: The signing of the Single European Act (SEA) in 1985 whose provisions would be implemented by January 1, 1993. The SEA, under the concept of "1992", became famous for its goal of creating a single market which would guarantee the free movement of "goods, persons, services and capital" within the Community (Article 13).⁵

The SEA also addressed the issue of monetary union. Noting in its preamble the "objective of the progressive realization of Economic and Monetary Union" and various "measures intended to implement monetary cooperation" within the European Monetary System,

article 20 of the Treaty explained that members of the Community "shall cooperate in accordance with the objectives of Article 104" of the European Economic Community Treaty. That article urged member states to pursue economic policies that would guarantee a balance of payments, currency stability, as well as low unemployment and inflation rates.⁶

In reality, cooperation entailed largely support of weak currencies by governments and central banks of countries enjoying strong and stable currencies, but debt-ratios and control over unemployment and inflation rates were left in the hands of national governments. This lack of coordinating economic policies, combined with strict adherence to anti-inflationary policies (notably by Germany's Bundesbank) would prove to overload the European Exchange Mechanism. French leaders, confident in the Franc's protection by its close link to the German Mark and the Franco-German alliance, continued to push towards European monetary union and a single currency. As early as the late 1980s, however, other European leaders, such as Great Britain's central bank director, cautioned against the "premature obsession with [the] process [of moving toward monetary union] and neglecting more immediate practical problems in implementing the single market."⁷ Nonetheless, the Single European Act and the reasonably effective European Monetary System lifted spirits in the Community and led to a period of "Europhoria" replacing the "Euroskepticism" of the 1970s.

In retrospect, Community leaders at both the national level and in Brussels would have done well to permit the integration process to move ahead incrementally towards the creation of a single market by 1993, without taking additional steps until then. However, Jacques Delors, the President of the European Commission, undoubtedly under the influence of "Europhoria", was determined to advance economic and monetary union and proposed in 1989 the creation of a single currency and a European central bank in three stages. The European Parliament largely supported his vision of moving beyond the single market--a vision that culminated in the Treaty on European Union (the "Maastricht Treaty") in 1992-93. The Parliament, with no binding authority,

passed a resolution that called for the establishment of economic and monetary union "at the earliest opportunity with a view to introducing a single currency as soon as possible;" specifically, it demanded:

monetary integration to be brought very rapidly to the stage where a single currency, the ECU, can be introduced to ensure that the potential advantages of the single market and Economic and Monetary Union are fully exploited, it being understood that a single currency can circulate alongside other currencies, particularly existing national currencies.⁸

The Parliament cautioned, however, against the expectation of economic and monetary union without "legal, budgetary and institutional" powers in the hands of the Community to assure "greater coordination and convergence between the Member States' respective economic policies ..."⁹ Moreover, the Parliament proposed amending the European Economic Community Treaty to include an article (102b) which would require the Community to "adopt measures to phase in Economic and Monetary Union over a period ending on 31 December 1995," whereby monetary union would imply the circulation of a single currency, the conduct of a single external and internal monetary policy and the establishment of a European system of central banks, including an autonomous European Central Bank.¹⁰

Some would argue that "Europhoria" was carried to its extreme when on December 9, 1991, the heads of the twelve member governments agreed to the provisions of the Treaty on European Union and signed it in the Dutch city of Maastricht on February 7, 1992.

The Treaty provides for "the establishment of economic and monetary union, ultimately including a single currency" (Title I. Common Provisions, Article B),¹¹ fixing of exchange rates leading to the introduction of a single currency, the ECU, and the definition and conduct of a single monetary policy and exchange-rate policy" in order "to maintain price stability;" Article 4a foresees the creation of a European System of Central Banks and a European Central Bank; Article 109e stipulates that

before the beginning of stage two toward economic and monetary union, on January 1, 1994, members must abolish any restrictions on the free movement of capital (Article 73b) (with some countries exempted until the end of 1995 according to Article 73e) and abandon preferential credit policies (Article 104) and "privileged access ... to financial institutions" (Article 104a).

At the beginning of the second stage, the European Monetary Institute (EMI) will be formed (Article 109f) to serve as the nucleus of a European central bank. The EMI will coordinate monetary policies among national banks and governments; oversee the European Monetary System; advise national central banks on how to effect institutional and market stability; take over the European Monetary Cooperation Fund which is to be abolished; expand the ECU's application; and prepare the members for the third stage.

Stage three begins after December 31, 1996--its exact implementation depending on whether a majority of members (six out of eleven since the United Kingdom cannot be part of the majority because of its option not to be included in stage three¹²) fulfill the criteria for joining a single currency area (Article 109j, 3.)--but not later than January 1, 1999, when less than a majority of the Community's members can adopt a single currency (Article 109j, 4.). With the beginning of the third stage, national currencies of eligible member states will be "irrevocably" fixed to the ECU (Article 109g), which will replace national currencies (Article 109i, 4.), and the European Central Bank will be established to take over from the European Monetary Institute (Article 109i, 1. and 2.). Eligibility criteria for entering stage three, i.e., for adopting a single currency, are determined by Article 109j, 1.: an inflation rate which is not higher than 1 1/2% over that of the three members with the lowest rate;¹³ a budget deficit of not more than 3% of the Gross Domestic Product (GDP) and government debt not exceeding 60% of GDP;¹⁴ currency stability without devaluations within the European Monetary System for at least two years; and stable interest rates that do not exceed those of the three members with the lowest rates by more than 2%.¹⁵

At the time of signing the Maastricht Treaty, only France, Luxembourg, and

Denmark met all four criteria, but the underlying assumption was that harmonization of economic policies and mutual monetary support during the first stage, i.e., before January 1, 1994, would ensure a majority of members meeting the conditions for monetary union.¹⁶ On the other hand, business leaders evaluated long-term economic effects of the Treaty positively, but they warned about the short-term costs in slower economic development and unemployment that a country or region might have to pay when faced with cutting budget deficits and inflation rates.¹⁷

Overall, however, European leaders welcomed the prospect of having a single currency. French President François Mitterrand argued that the ECU would become "the strongest currency in the world, more powerful than the dollar" because of the ECU's stability and the huge reserves behind it. Apart from saving businesses the costs of currency exchanges, a single and stable currency will also hold down inflation and thereby strengthen Europe's economic position vis-à-vis the United States and Japan within the global economy.¹⁸

"Maastricht" was supposed to be the crown jewel in the European Community's drive toward economic and monetary union. A Europe that would not only constitute the world's largest trading bloc, but also the globe's most formidable economic and financial power was to be the reward of a 30-year effort. A single European currency seems a logical element of a unified European continent.

Three principal factors played a role in putting a damper on these expectations, albeit not destroying them: The European public, the end of the Cold War and the collapse of the Soviet empire in Eastern Europe, and German reunification. While most Europeans and much of the rest of the world focused their attention on the Single European Act and the implementation of "1992", the negotiations leading towards the Maastricht Treaty received little scrutiny. The Maastricht Treaty reflected, therefore, national and Community leaders' desire to advance European integration without taking stock of public opinion concerning that process. To critics of the European Community and its centralist tendencies, the gap between the leadership and the public mirrored the lack of democracy within the institutional structure of the

organization--major decisionmaking in the hands of the European Council controlled by national governments, and little legislative authority in the European Parliament, which would be best suited to represent the European public on Community affairs. Despite the fact that the Commission had previously advanced the idea of monetary and economic union, the blame for democratic shortcomings must be placed on governments of member-states.

In view of the potential impact of "Maastricht" on everyday life of Europeans, public input into the Treaty's provisions would only have made sense. Instead, "[o]nly in Britain was there any debate about [the Treaty's] implications. Elsewhere, people had little idea what their government had signed".¹⁹ The Treaty's complicated legal jargon and length (covering some 140 pages excluding Declarations and Protocols) did little to allay fears of its implications, and opposition to "Maastricht" grew rapidly across Europe during the ratification process—opposition that included Germans afraid of losing their beloved D-Mark, French nationalists fearing a wave of immigrants, Irish anti-abortionists, and Danes and others proclaiming German domination if "Maastricht" came into force. Given the increasing objections to the Treaty, it was surprising to see it ratified by all twelve members, although not without overcoming some great hurdles.

The Treaty did not meet significant opposition either in the Benelux countries, because of their strong pro-European stance, or in the Southern members (Portugal, Spain, Italy, and Greece) and Ireland (which appeased its anti-abortion groups by protecting Irish legal norms from European "interference"²⁰) because of their expectations of economic benefits, but it was assailed in the rest of the Community. The Treaty barely survived a French referendum called by François Mitterrand at a time when he counted on overwhelming support from the French voters; it was passed by the British Parliament, notwithstanding the United Kingdom's "opt-out" clause, only after John Major tied his political survival to it and refused to hold a referendum despite Lady Thatcher's and Euroskeptics' insistence on it. Most ominously, the Danes rejected it at the first referendum, and accepted it only after Denmark

received an "opt-out" guarantee similar to that of the British. Finally, although the German legislature approved the Treaty, a curious alliance of "Greens and Euroskeptics" challenged it in court on constitutional and democratic grounds--observers expected the Constitutional Court of Germany, debating the constitutionality of the Maastricht Treaty, to decide reservedly in favor of the Treaty.²¹ On October 12, the Court handed down its ruling, deciding that the Treaty did not violate German sovereignty because Germany would remain a nation even within an economic and monetary union. It supported, however, the contention that the Treaty reflected weak democratic elements within the Community, threatening German withdrawal from the union unless the European Parliament's authority will be strengthened; and it supported a single European currency provided that it would not be weaker than the German Mark.²²

This outcome of the legal challenge to the Treaty on Economic Union must be assessed positively, because it removed the last obstacle for the implementation of its provisions, although other challenges may resurface and its timetable may not be observed. Overall, the ratification of the Maastricht Treaty reflected the member governments' determination to push ahead despite lingering popular resentments and uncertainties, and it signalled that a majority of Europeans continued to support an "ever closer" union among the peoples of the Community. It is, on the other hand, still too early to judge popular (as well as elite) reactions to the Treaty once its final provisions are to be implemented; monetary and economic union à la "Maastricht" is not yet a foregone conclusion.

The second event that shook the European Community was the end of the Cold War and the collapse of the Soviet Union. Both cataclysms have affected the European Community in ways that as yet cannot be determined. The Community found itself without the "protective" cover under which it had pursued the integration process since the 1950s. The division of Europe into East and West and of the world into two major camps provided an impetus for strengthening that process in the direction of vertical integration. When the Soviet Union collapsed in December

1991, its "successor" Russia also abandoned imperial aspirations in Eastern Europe, opening the way for former Soviet satellites to knock on the Community's doors. These countries' weak and transitional economies, as well as their political volatility, do not permit the expectation that they will become eligible for joining economic and monetary union or the European Exchange Rate Mechanism of the EMS in the foreseeable future (the recently adopted wider currency band may improve their chances, but their performance of monetary and economic discipline would still have to be tested in the long-run).

Nonetheless, both political and economic expediency imply that the European Community cannot afford to leave these countries to their own fate. The inclusion of Poland, Hungary, and the Czech Republic (the three most likely candidates) into the Community might avoid political instability and foster economic growth. Europe as a whole would then assume the responsibility of strengthening stable, democratic systems and it would support economic development by opening its doors to East European goods and exporting to societies starving for consumer goods. The solution of granting full or associate membership to East Europeans is, of course, not without perils and pains, but it is preferable to being confronted with waves of refugees from, and instability in, that region.

This suggestion obviously entails a two-track approach to European integration, particularly in the area of economic and monetary union, but post-Cold War politics may not offer another choice.²³ The Maastricht Treaty itself provides for such an outcome: since it is unlikely that a majority of present member states will meet its strict conditions, a core group of four or five countries may go ahead and form an economic and monetary union based upon the Treaty's provisions. Consequently, integration would also unfold along two parallel tracks: vertical integration within the core and other members as they fulfill eligibility criteria, and horizontal integration of the Community beyond the twelve present members.

The end of the Cold War and the collapse of the Soviet empire made also possible the German reunification process

"in progress" since 1989. The new Germany has proved to be an unexpected burden on the shoulders of the European Community, intensifying the struggle of recession-plagued Europe in the late 1980s and early 1990s.

The Maastricht Treaty and the European Monetary System in particular came under attack as a result of two interrelated German policy decisions: The government in Bonn decided to finance the tremendous reunification costs without resorting to tax increases, and the German central bank (Bundesbank) clung to a tight-fisted anti-inflationary policy. Instead of raising taxes for West Germans sufficiently to cover the expense of bringing salaries and living standards in the former East Germany to West German levels, Helmut Kohl adopted a Reaganite policy of deficit spending and borrowing. The independent German Bundesbank, remaining true to its strong commitment to low inflation rates, applied pressure on the money supply by raising interest rates. In turn, the German Mark increased in its exchange rate against other European currencies as well as against the Dollar and the Yen. Other members of the Community, being tied to the Mark through the European Exchange Rate Mechanism, were forced to keep up with the rising German Mark and interest rates, especially at a time when devaluations and low interest rates were needed to move European countries out of recession and to lower unemployment rates.

The breaking point came in September, 1992, when first Great Britain and then Italy were forced out of the European Exchange Rate Mechanism, followed by pressures against the French Franc and other weak European currencies. Observers had no doubts that "Germany's failure to put its neighbors' needs ahead of domestic political considerations had contributed heavily to the meltdown of the carefully engineered currency exchange rate system already in place..."²⁴ The Germans cannot be blamed alone, of course, since other European countries—Italy with its runaway governmental deficit spending, and France incapable of keeping unemployment in check, for example—contributed to the crisis, but there can be little doubt that German monetary policy was largely responsible for the "Geldkrieg" (money war) that ensued in 1992 and continued in 1993.²⁵

In addition, a fundamental problem arose within The European Exchange Rate Mechanism of the EMS itself. The ERM was supposed to provide currency stability as well as some flexibility for individual members within the band of allowable currency fluctuations: If a currency is falling towards the lower edge of the band (-2.5%) against the central rate of the ERM, which in effect meant against the German Mark, both the government with the depreciating currency and the Bundesbank are assumed to intervene; specifically, institutions from both governments buy the weakened currency and sell German Marks to narrow the two currencies' exchange rate. Other, more drastic, options designed to support a currency are to increase interest rates (which both Great Britain and France did in the fall of 1992); to impose exchange-rate controls (Spain); or, finally, to devalue the weak currency as a last resort which both the United Kingdom and Italy were forced to do, thereby moving out of the ERM.

Intervention by central banks on behalf of a weak currency not only can amount to billions of dollars in costs (in the fall of 1992, the Bank of England spent some 15 billion Pounds to support the British currency, and expenses to the Bank of Paris and the Bundesbank in support of the French Franc amounted to \$37 billion), but may be ineffective in a global computer-driven market of an estimated \$1 trillion per day.²⁶ The shortcoming of the ERM became evident because no realignment of currencies had occurred within it since 1987; the rates of its affiliated currencies were thereby treated as fixed rather than the flexible, or adjustable, ones that they were supposed to be. In addition, there was a lack of economic coordination (an argument made previously against monetary union without harmonization of economic policies), and a shortage of solidarity among governments and central banks.²⁷

By the summer of 1993, the monetary situation within the Community had become untenable: the German Bundesbank remained firmly attached to its anti-inflationary policy, the economies of most member states remained mired in recession, and pressure on weak currencies did not abate. As a result another crisis erupted on July 31st and August 1st. Crucial was the role of France and the Franc; experts generally agreed

that an ERM without the Franc was doomed into oblivion, but with the "Franc fort" floundering, the swan song over the European Monetary System was heard all across Europe, comparing its goal of economic and monetary union to the construction of the Tower of Babel, accompanied by talks of reintroducing floating exchange rates.²⁸

Euroskeptics perceived the present crisis as the ultimate failure of "Maastricht" and the utopian nature of economic and monetary union that it proposed. Some saw the currency debacle as a stage in a cycle in which "Euroskepticism" alternates with "Europhoria", depending on the economic well-being of the Community, while others compared it to the equally futile previous attempts at controlling exchange rates--"the gold standard, Bretton Woods, the snake, and now [the] exchange-rate mechanism." Evidence for the view that Europe has crashed against a brick wall is further found in the continuing and unusually deep recession in Europe and the changing political (and economic) landscape due to German reunification and new potential members from Eastern Europe.²⁹

The true picture is less dramatic: European and German politics have changed in the post-Cold War era; recession continues to plague member states (increasingly Germany itself), but the European Monetary System and its Exchange Rate Mechanism survive. The new wider bands of allowed currency fluctuations of +/- 15% (introduced in August, 1993) will introduce more flexibility into the system, although the new range could undermine the spirit and letter of the ERM which requires much greater monetary discipline of its members. Despite this greater flexibility, however, the governments continue to support their currencies and have managed to stay within 4% of the German Mark; by contrast, the British Pound, after leaving the ERM in 1992, has fallen 14% below its central rate within the system.³⁰ Most members of the Community are thus committed to currency stability and anti-inflationary policies, and narrower bands can be quickly reintroduced if the economic situation allows. In addition, it would be foolhardy to abandon an effort towards a single currency that has been undertaken for more than three decades

and that has created the mechanism to reach this goal. Currency stability is much more crucial for Europe's export-driven and heavily interdependent markets than for the United States, which generally favors floating exchange rates.³¹

The recent decision by the German Constitutional Court in favor of the Maastricht Treaty appears to boost the goal of economic and monetary union, but the question remains as to who will be part of such a union. Subsumed under the concepts of "variable geometry" and "solidarities by theme", "a two-speed Europe, [although] still taboo, ... appears the most likely outcome, and one that would at least set a target for the outsiders to aim at."³² Such a two-track approach in the economic and monetary area would entail Germany following economic convergence, forming a single currency with the Benelux countries, possibly Denmark, and desirably including France. Later, this bloc could also encompass entrants from the European Free Trade Area. Germany would thereby feel less threatened than by the introduction of a Community-wide currency, and the other members of the "core", most notably France, could hope for acquiring a share in monetary decision making. The Maastricht Treaty itself prescribes such a path, since it is highly unlikely that even a majority of present members will meet the Treaty's strict eligibility criteria by 1997.

Finally, a two-track European integration process would allow admitting new members into the Community without forcing them into the straightjacket of "Maastricht", but still providing them with the incentive to move towards its goals. In addition, new members in the Community would "compete" against present members for meeting the conditions to join monetary and economic union along the lines of the Treaty on Economic Union. In conclusion, such eminent "Europeanists" as Ralf Dahrendorf predicted a "two speed" Europe several years ago as the most likely outcome of the European integration process.³³ It is the most logical and sensible approach given the new situation facing Europe, because it combines vertical and horizontal integration.

Notes

- ¹ "Explaining the European Exchange Rate Mechanism." *Europe*, vol. 2, no. 7 (September 1993): "Inside Europe".
- ² *Treaties Establishing the European Communities*, abridged edition. Luxembourg: Office for Official Publications of the European Communities, 1987, pp. 115-323.
- ³ Ralf Dahrendorf. "How Is Europe Changing?" *The Sanford S. Elberg Distinguished Lectureship in International and Comparative Studies*. Berkeley: Institute of International Studies, University of California, 1989, p. 3.
- ⁴ As quoted in Anne Daltrop. *Politics and the European Community*, second edition. London and New York: Longman, 1986, p. 167.
- ⁵ "Single European Act." *Official Journal of the European Communities*, no. L169 (June 29, 1987), reprinted in *Treaties Establishing the European Communities*, abridged edition. Luxembourg: Office for Official Publications of the European Communities, 1987, pp. 523-602.
- ⁶ Reprinted in *Treaties Establishing the European Communities*, op. cit., pp. 115-383.
- ⁷ Quoted in "Journey Toward United Currency in Europe Hits Some Rocky Spots." *Christian Science Monitor* (November 29, 1988).
- ⁸ The Parliament distinguished between a *common* currency and a *single* currency. A *common* currency implies that the ECU circulates parallel to national currencies with fixed exchange rates but without it being a generally accepted and freely circulating currency; by contrast, a *single* currency would require the transfer of authority over monetary matters to a central European bank with national currencies used only for accounting purposes (see note 9).
- ⁹ "Resolution of 16 May 1990 on Economic and Monetary Union." Reprinted in *1993 The New Treaties, European Parliament Proposals*. Luxembourg: Office for Official Publications of the European Communities, 1991, pp. 15-20.
- ¹⁰ *1993 The New Treaties*, op. cit., p. 101.
- ¹¹ Council of the European Communities, Commission of the European Communities. *Treaty on European Union*. Luxembourg: Office for Official Publications of the European Communities, 1992.
- ¹² See "Protocol on Certain Provisions Relating to the United Kingdom of Great Britain and Northern Ireland," section 3, in *Treaty on European Union*, op. cit.
- ¹³ "Protocol on the Convergence Criteria Referred to in Article 109j of the Treaty Establishing the European Community," Article 1, in *The Treaty on Political Union*, op. cit.
- ¹⁴ "Protocol on the Excessive Deficit Procedure," Article 1, in *Treaty on Political Union*, op. cit.
- ¹⁵ "Protocol on the Convergence Criteria," op. cit., Article 4.
- ¹⁶ Alan Riding. "Europeans Accept a Single Currency and Bank by 1999." *New York Times* (December 10, 1991).

- ¹⁷ Steven Greenhouse. "Europe's Pact on Money Seen as Business Boon." *New York Times* (December 12, 1991).
- ¹⁸ Howard LaFranchi. "Behind Europe's Drive Toward a Single Currency." *Christian Science Monitor* (December 20, 1991).
- ¹⁹ Ian Jenkins. "Europe's Dream of Money Union Starts to Splinter." *Sunday Times* (London) (April 12, 1992).
- ²⁰ See "Protocol Annexed to the Treaty on European Union and the Treaties Establishing the European Communities" in *Treaty on European Union*, op. cit., p. 205.
- ²¹ "Judgment Day for Maastricht." *The Economist* (October 2, 1993).
- ²² "All Things Considered." *National Public Radio* (October 12, 1993).
- ²³ For support of this argument, see Ralf Dahrendorf, op. cit., p. 9.
- ²⁴ Peter Passell. "The Next Question: Should Europe Press Onward?" *New York Times* (September 20, 1992).
- ²⁵ Josef Joffe. "After the Geldkrieg." *New York Times* September 20, 1992.
- ²⁶ Alexander Maclead. "After Currency Swings, Europe Seeks Order." *Christian Science Monitor* (September 30, 1992).
- ²⁷ "Europe's Currency Tangle." *The Economist* (January 30, 1993).
- ²⁸ "The Shadow over Europe's Money." *The Economist* (July 31, 1993); Oliver Scott. "Floating Future Is Odds on." *The European* (January 7-10, 1993); Hanspeter Born. "Eine Lektion fuer Europas Politikerkaste (A Lesson for Europe's Caste of Politicians)." *Die Weltwoche* (September 24, 1992).
- ²⁹ William Saffire. "No More Europhoria." *New York Times* (September 21, 1993); "To Fix or Float Exchange Rates?" *The Economist* (August 7, 1993); "The European Community Survey." *The Economist* (July 3, 1993).
- ³⁰ "Shooting the Messengers." *The Economist* (August 7, 1993); see also "Up-and-Down Economics." *The Economist* (February 6, 1993).
- ³¹ Bruce Barnard. "Eye on the E.C." *Europe* (September 1993); for a comparison of the United States and the European Community on the aspect of fixed versus floating exchange rates, see "To Fix or Float Exchange Rates," op. cit.; see also "The Shadow over Europe's Money." *The Economist* (July 31, 1993).
- ³² "The European Community Survey," op. cit.; Bruce Barnard, op. cit.
- ³³ op. cit., p. 9.

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The Growing Fragmentation of the World Economy

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Abstract

For some years, concern has been voiced over the splintering of the global trading system into a number of large economic blocs. The most noteworthy example of this trend is to be found in the trade of the European Community (EC). To be sure, additional regional trade organizations are forming as well, particularly in the industrialized world. The recent agreement among Canada, Mexico, and the United States to form the North American Free Trade Association (NAFTA), and related talk in the Asian-Pacific region concerning an Asian Free Trade Association (AFTA)—not to mention smaller ones such as the Caribbean Economic Community (CARICOM) and the Southern Cone Common Market (MERCOSUL) in South America—provide further observational evidence that the global economy perhaps is fragmenting into smaller, regional units. Indeed, according to *The Economist*, the question today is not whether these blocs will be formed, but rather how encompassing they will be and how to ensure they will not harm the global trading system.

As interested observers, this is an important issue to pursue. While conventional wisdom would have us believe that the world economy is subdividing into trade and investment blocs, how does one know if this is indeed the case? Clearly, detectable clusters such as the EC will be present if it is. However, is it occurring for the world as a whole? Such questions are especially intriguing for students of international integration, particularly those who study and observe regional and economic integrative processes. Many attempts have been made in the past to explain the pattern of the regional integration process and to identify different stages of integration. Much of this literature is about the process whereby units come to see themselves as a community; indeed, the literature is primarily concerned with, for example, whether or not nation-building or community formation is a result or by-product of integration. Is the diffusion of a national ideology taking place? Who

is being assimilated and by what means? And under what conditions do people accept new ideologies?

In other words, the focus of much of the literature is on how units come to identify as a community. Thus, while scholars have paid much attention to the positive and negative effects which integration has on those units within the integrative process, scant little attention has been devoted to the effects of integration on units outside of the integrative process. Consequently, such theory is not terribly instructive concerning what happens to those caught on the outside of an economic market, much less on the outside of any community which is forming. Such questions are important, for by observing the pattern of export and import flows over the past twenty-five years, the evidence in this paper suggests that a sizeable portion of the globe increasingly is being marginalized and left to the periphery.

Introduction and Observation: Is the World Economy Breaking Up?

For some years, concern has been voiced over the splintering of the global trading system into several large economic blocs. The most noteworthy example of this trend is to be found in the trade of the European Community (EC). To be sure, additional regional trade organizations are forming as well, particularly in the industrialized world. The recent agreement among Canada, Mexico, and the United States to form the North American Free Trade Association (NAFTA), and related talk in the Asian-Pacific region concerning an Asian Free Trade Association (AFTA)—not to mention smaller ones such as the Caribbean Economic Community (CARICOM) and the Southern Cone Common Market (MERCOSUL) in South America—provide further observational evidence that the global economy is perhaps fragmenting into smaller, regional units. Indeed, according to *The*

Economist, the question today is not whether these blocs will be formed, but rather how encompassing they will be and how to ensure they will not harm the global trading system.¹

As interested observers, this is an important issue to pursue. While conventional wisdom would have us believe that the world economy is subdividing into trade and investment blocs, how does one know if this is indeed the case? Clearly, detectable economic clusters such as the EC will be empirically present if it is. However, is it happening for the world as a whole?

Such questions are especially intriguing for students of international integration, particularly those who study and observe regional and economic integrative processes.² Many attempts have been made in the past to explain the pattern of the regional integration process and to identify different stages of integration.³ Much of this literature is about the process by which peoples come to see themselves as communities. Indeed, the literature is primarily concerned with whether or not community formation/nation-building is a result or by-product of integration. Is the diffusion of a national ideology taking place? Who is being assimilated and by what means? And under what conditions do people accept new ideologies?⁴

In other words, the focus of much of the literature is on how social populations come to identify as a community. Thus, while scholars have paid much attention to the positive and negative effects which integration has on those units *within* the integrative process, little attention has been devoted to the effects of integration on units *outside* the integrative process. Consequently, such theory is not terribly instructive concerning what happens to those caught on the outside of an integrating *economic market*, much less on the outside of any *community* which is forming. However, the initial research results of this paper indicate the need for such questions to be addressed, for the data clearly suggest that a sizeable portion of the globe is being increasingly marginalized and left to the periphery—i.e., on the economic outside.

Transaction Theory and Research Assumptions

Before observing the results of the research, I find it important to couch the data in certain aspects of transaction theory. In order to observe whether the world economy is subdividing, it is necessary to focus on various sorts of transaction data. Karl Deutsch is one of the great proponents of transactions as a factor in integration. His general proposition is that the possibilities of integration are greater among those political units which already maintain a high level of transactions among themselves. Deutsch places emphasis on three major forms of transactions: (1) the interchange of messages through mail, telephone, radio, etc.; (2) the exchange of goods and services through the channels of trade and commerce; and (3) the mobility of persons. He points out that the cohesiveness among and between integrating units can be measured "by using as quantitative indicators the measurements of the flow of certain transactions between them."⁵

Donald J. Puchala also notes the importance of transaction analysis and its usefulness for investigating certain aspects of regional integration. Puchala defines transactions as contacts or dealings. In international relations, he notes that "transactions have to do with contacts and dealings, both governmental and non-governmental, between states. As such they have a number of analytical attributes."⁶ Transactions, for example, may be analyzed with respect to substance. Dealings between states may be of an economic or political nature, or they may concern social, cultural, or technical affairs or any number of specific matters included under these broader headings. Transactions may also be studied by placing emphasis upon the "whos," "whoms," and directions of international contacts. Different states exchange different volumes of different kinds of transactions at different periods of time—the value of which is different as well.⁷

Puchala also notes that continuities and shifts in transaction flows can reflect movement toward or away from regional integration. However, it is operationally impossible to observe the full range of transactions between states. As Puchala accurately notes, many types of transactions are never recorded, those that

are recorded are often stripped of substance for analytical purposes, and some transactions simply are kept secret.⁸ As a result, measuring transaction flows becomes a process of sampling data that can be located. For reasons of expediency, transaction analysts have tended to use foreign trade data to index ranges of economic transactions.

Using the insights of Deutsch and Puchala as a guide, this paper attempts to inspect two types of international transactions: exports and imports. Puchala submits that "intensities of transaction preference may be measured as percentages of states' total transactions shared with other particular states."⁹ Thus, it is hoped that by observing the pattern of export and import flows over the most recent decades, additional insight can be gained about whether the global economy, at the very least, is fragmenting into regional *trading*—if not *economic*—blocs.

Evidence:

Export and Import Data

Economic integration theory informs us that if barriers are eliminated and quotas are removed within a region, an increase in trade should occur within that region. Thus, a primary assumption of this research effort is that if the world economy is dividing itself up into separate trading and investment blocs, then the North American, European, and Asian-Pacific regions are where such patterns are most likely to be found—particularly given the existence of the EC, initial agreements concerning NAFTA, and the emergence of several newly industrialized Asian countries in the shadow of an already economically potent Japan.¹⁰ Moreover, if the conventional wisdom of *The Economist* is correct and economic blocs are emerging, then one could observe the core units of these economic blocs to determine whether such patterns exist. For the purposes of this paper, the core units and "suspected" regional trading blocs are defined as follows:

North American

Bloc:

Canada, Mexico, and the United States

· Core Unit—United States

Asian-Pacific

Bloc:

China, Hong Kong, Japan, Malaysia, Republic of Korea, Singapore, Taiwan, and Thailand.

· Core Unit—Japan

European

Bloc:

Belgium, Denmark, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, and the United Kingdom.

· Core Units—France, Germany, United Kingdom

I am interested primarily in the extent to which international economic partnerships are strengthened or destroyed over time within a particular region and between regions. That is, I attempt to investigate who is trading with whom, how intensely, how reciprocally, and why. Furthermore, did the "whos" and "whoms" change over time? And what does the pattern of stability or change suggest about the environment of international relations and the possibility of the global economy splintering into regional units?¹¹

To measure the level of economic transactions, export and import statistics from the United Nations were collected for the 1967-1989 period.¹² That the data begin in 1967 is purely a function of this being the first year in which the UN began compiling export data based on regions. It should also be noted that the UN trade figures were relied upon simply because they are considered more credible than those figures reported by individual countries themselves. In the UN data, the top fifty trading partners of each country also are shown, based on the sum of the exports and imports over the years. A listing showing the percentage breakdown of trade by regions and the percent of trade accounted for by each of the first ten trading partners for the latest available ten years is provided as well. It should also be noted that all of the export and import data have been converted to a percentage of total exports and imports for that year based on its value in U.S. dollars.¹³

Export Data

An inspection of the UN export data proved to be most revealing concerning the emerging structure of the world economy. Figure 1 graphically represents U.S. export trade since 1967.¹⁴ As the graph suggests, the U.S. was more likely to send exports to the rest of the world than any other region in 1967. Note also that almost 27% of all U.S. exports stayed within North America, roughly 22% went

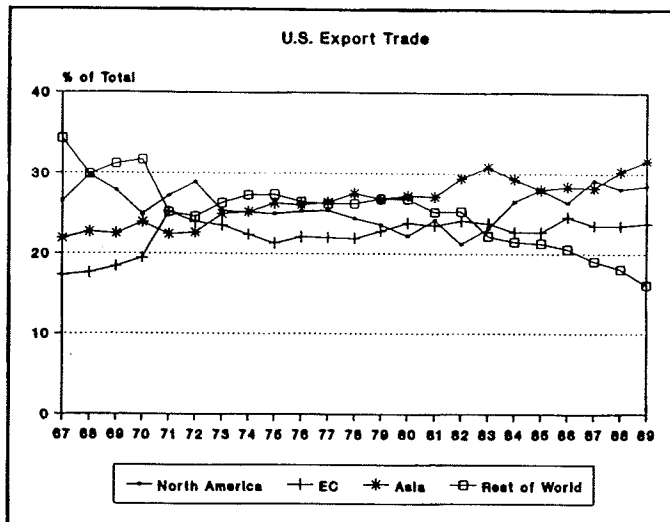


Figure 1

to Asia, and only 17% went to the European Community. By 1989, however, the U.S. percentage of exports to Asia has risen significantly to almost 32%—a higher percentage than any other region. Although trade within the North American bloc has been rising steadily since 1980, its percentage of total exports was only 2% higher in 1989 than in 1967. Exports to the EC, while higher, have held virtually steady since peaking in 1971. To be sure, the most pronounced trend in Figure 1 is that of U.S. exports to the “rest of the world.”¹⁵ By 1989, the rest of the world had moved from first to last in terms of a percentage of total U.S. exports—a drop from 34.3% to 16.1%. Moreover, the trend indicates that the gap is even more pronounced if the chart were extended to include data through 1993.

The graph of Japanese Export Trade found in Figure 2 suggests similar patterns. In 1967, Japanese exports to North America, Asia, and the rest of the world were virtually even—33%, 31.4%, and 31% respectively. Only 5% of all Japanese exports went to Europe. By 1989 several trends quite clearly had emerged. After initially declining, exports to North America since the mid-1970s had increased to be the most likely recipient of Japanese exports by 1989 (37%). While the trend line for exports within Asia looks somewhat like a roller-coaster, they nonetheless accounted for one-third of all exports by 1989.¹⁶ Exports to Europe also have risen steadily to 18%. However, the most pronounced trend in Figure 2 is again that of exports to the rest of the world. After initially rising to occupy the top spot from 1973-1978, the rest of the world had moved to last in terms of a

percentage of total Japanese exports by 1989—a drop from almost 36% to 13%. Again, the trend in Figure 2 shows that the gap is increasing. It is interesting to note that the North American trend line and the trend line for the rest of the world are virtually mirror images of one another. Thus, it would appear that much of the changes in exports to the rest of the world can be accounted for by changes in exports to North America.

Figures 3, 4, and 5 turn our attention for the first time to the core units of the European bloc—the United Kingdom, France, and Germany. It is here that many of our assumptions concerning the formation of regional trade blocs begin to hold true, for the data indicate quite conclusively that regional trading blocs have formed in Europe. As Figure 3 indicates, almost half of all British exports went to the rest of the world in 1967.

Exports to Europe, North America, and Asia ranged from 14% to 20%. By 1989 a drastic shift had taken place, however; almost half of all exports went to the European Community. Only 18% went to the rest of the world. As the amount of exports sent to North America and Asia have remained essentially constant, the increase in exports to Europe and the decline in exports to the rest of the world appears to account for this difference.

Figure 4 and Figure 5 graphically tell a similar story as well.¹⁷ Nonetheless, by 1989 French and German exports to the EC increased to account for roughly 62% and 51% of all exports respectively. While exports to North America have remained both constant and low, only the Asian trend demonstrates any noticeable increase in the case of France. German exports to North America actually have declined. Again, the most striking feature of Figures 4 and 5 is the drastic decline in exports to the rest of the world. As with Britain in Figure 3, the difference between increased French and German exports to Europe also appears to account for the decline in exports going to the rest of the world.

Import Data

Interestingly, an examination of the UN import data also provides evidence concerning the emerging structure of the world economy. Figure 6 graphically represents U.S. import trade since 1967.¹⁸ As the graph suggests, the U.S. in 1967 was more likely to import products from the rest of the world than any other region. Note also that almost 30% of all U.S. imports came from within North America,

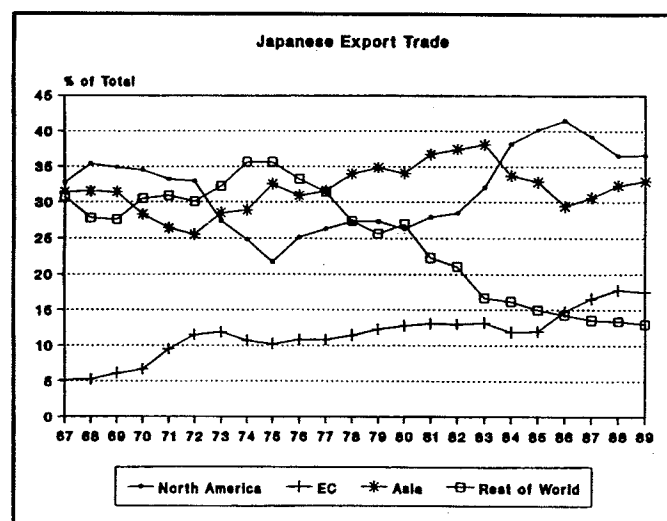


Figure 2

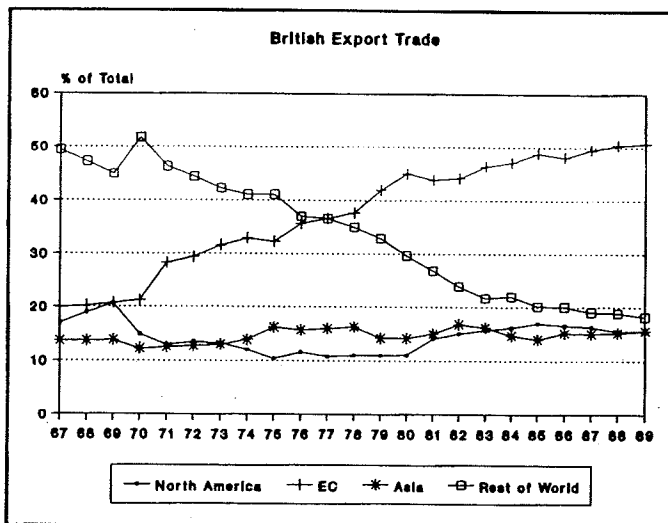


Figure 3

slightly more than 20% from Asia, and less than 17% from the European Community. By 1989, however, U.S. imports from Asia had risen to almost 44%—a higher percentage than any other region. Curiously, import trade within the North American bloc declined steadily from 1969 to 1980, although there has been a slight upward trend in recent years. Imports from the EC, while higher, have held virtually steady since peaking in the early 1970s. Recalling that the logic of our theory of regionalization suggests that imports should be increasing from within North America to the U.S. and that imports from Europe should be declining, the trends evident in Figure 6 clearly swim against the logic of regionalization. However, the most pronounced trend in Figure 6—just as it was in Figure 1—is that of U.S. imports from the rest of the world. By 1989, the rest of the world had moved from first to last in terms of a percentage of total U.S. imports—a drop from almost 34% to 14.4%. Moreover, the trend indicates that the gap is even more pronounced if the chart were extended to include data through 1993.

The graph of Japanese Import Trade found in Figure 7 suggests similar patterns. In 1967, Japanese imports from North America, the rest of the world, and Asia were virtually even—34%, 32%, and 28% respectively. Only 5% of all Japanese imports originated from Europe. By 1989, however, several trends quite clearly had emerged. After declining throughout the 1970s, imports from North America have increased since 1980. Imports from Europe have risen slightly to 13%, with most notable activity

occurring since 1985. However, the most pronounced patterns in Figure 7 are the imports from within the Asian bloc and again that of imports from the rest of the world. Indeed, the percentage of regional imports to Japan almost doubled from 28% in 1967 to 52% by 1985. Furthermore, after occupying the top spot until 1970, the rest of the world moved to almost last in terms of a percentage of total Japanese imports by 1989—a drop from almost 32% to less than 17%. Once again, the trend in Figure 7 indicates that the gap continues to increase. It is interesting to note that the Asian trend line and the trend line for the rest of the world are virtually mirror images of one another. Thus, it would appear that much of the changes in imports from the rest of the world can be accounted for by the growth in imports from within the Asian bloc. Thus, while the Japanese export data is inconclusive, the trend in Japanese imports—particularly throughout the 1970s—provides evidence that regionalization indeed may be underway in the Asian-Pacific.

Figures 8, 9, and 10 focus our attention once again on the United Kingdom, France, and Germany—this study's self-described "core units" of the European bloc. Just as the export data suggest that many of our assumptions concerning the formation of regional trading blocs have merit, the import data also provide further evidence that such blocs

already may have formed in Europe. As Figure 8 indicates, almost half of all British imports came from the rest of the world in 1967. Imports from North America, Europe, and Asia were 19.8%, 19.6%, and 13.1% respectively. However, by 1989 a drastic shift had taken place, for more than 40% of all imports now came from within the European Community, and only 21% from the rest of the world. As the amount of imports from North America and Asia have remained essentially constant, the difference between increased imports from Europe appears to account for the decline in imports from the rest of the world.

Figures 9 and 10 provide evidence of similar trends. By 1989 French and German imports from within the EC increased to account for roughly 60% and 51% of all exports respectively. While imports from North America have remained constant and low for both France and Germany, the Asian trend does show a slight increase for both countries. Again, the most striking feature of Figures 9 and 10 is the rather drastic decline in goods imported from the rest of the world. Like that for Britain in Figure 8, the

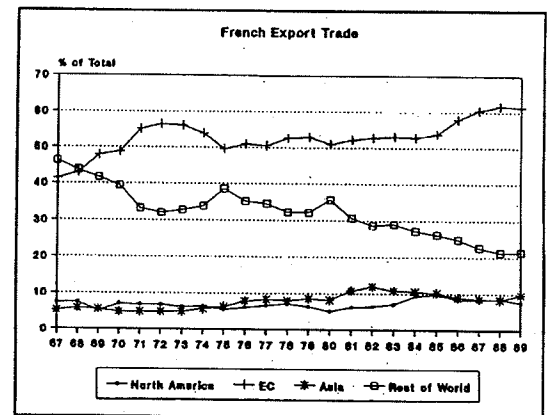


Figure 4

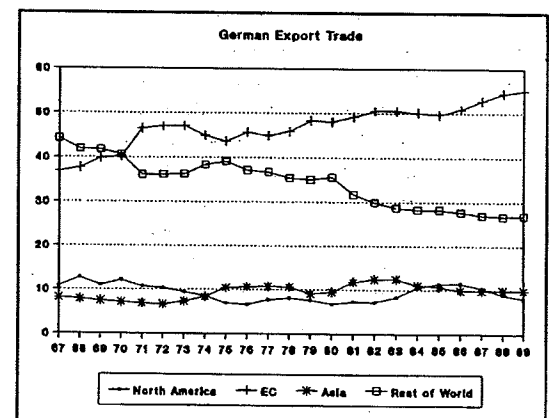


Figure 5

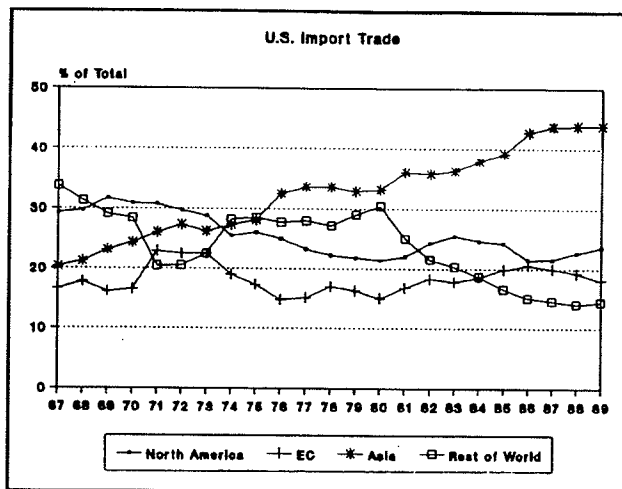


Figure 6

difference between increased French and German imports from Europe also appears to account for the decline in imports from the rest of the world.

Implications of the Data

While the evidence suggests that a European bloc certainly has formed, it seems that the overall findings concerning export and import transactions are inconclusive about whether regional economic blocs are forming globally. However, what is clear from these data is that the "rest of the world" is increasingly being shut out of the international trading process by our suspected regional units. In other words, while the export and import data do not hold to all of our assumptions concerning the formation of regional blocs, the data do suggest that two other blocs are certainly forming: *those who trade "a lot"* and *those who "trade less"*. And while it may not be clear if any winners are emerging in what appears to be the gradual deterioration of the world economy, it is increasingly apparent that Latins, Africans, and South Asians are the conspicuous losers.

It has already been argued that the study of international integration has focused more on the units within the integrative process as opposed to the effects of integration on the units lying on the periphery. There does exist the notion, however, that units cannot operate on the periphery of very large economic markets without ultimately getting "sucked in." Indeed, much of the literature in international relations theory instructs us that in an interdependent world, units often are compelled to integrate in order to survive. And while such may be the

case for the more industrialized states of the world, those states which fail to get "sucked in" because they are being "cut-off" in terms of transaction flows become even less able to control their own fate. In other words, perhaps an additional question which should be addressed by students of integration is: What happens if the inability to make choices leaves the units powerless to integrate?

Conclusion: Why Is This Happening? What Reactions Should We Expect?

As the analysis of the export and import data suggest, the original query as to whether the world economy is separating into regional economic blocs is just one question worth asking at this point. While it is not clear from the export and import data alone that this is happening, it does

appear that the "Rest of the World" is being progressively left out of the core of the world economy and being marginalized. Indeed, some nations clearly are not being sucked in by the more powerful markets.

In order to obtain a better handle on such issues, further research undoubtedly is warranted. Data from more countries and information before 1967 and after 1989 might strengthen the case already offered here. To address fully whether economic bloc formation is underway, one must ultimately get at the more difficult data concerning investment flows as well. Nonetheless, one cannot escape the ever-present question—why does the structure of the world economy look like the trade data describe it? And what sorts of generalizations explain what we are finding in the data? To be sure, any answers to "the why question" are complex at best. Nonetheless, several observations are deserving of more attention.

First, it may well be that the data provide an interesting basis for a more accurate description of what traditionally has been referred to as the "Third World." Of those countries which makeup our suspected trading blocs, Mexico and the Asian countries (excluding Japan) normally are classified as Third World nations. One could argue it is merely a battle over semantics. But given the trends cited earlier, it is perhaps more accurate to refer to the Asian NICs, not as the "newly industrialized" but as the "Newly Rich." And while it is not altogether clear to what extent Mexico will be able to grab the coat tails of the United States

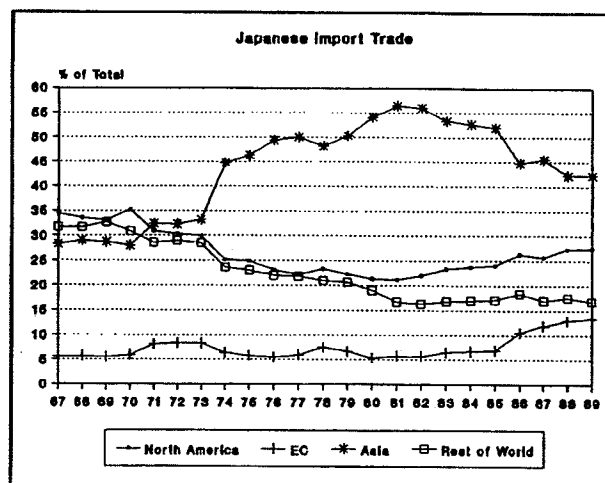


Figure 7

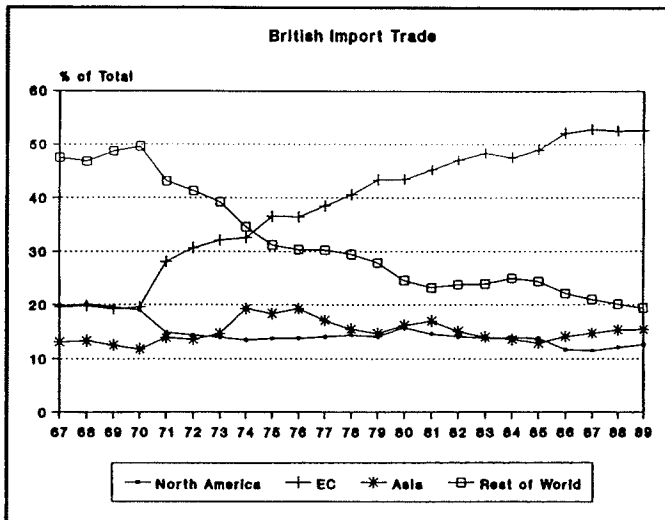


Figure 8

and Canada, clearly these countries no longer fit the conventional "Third World" image. Moreover, the data also suggest it may be more accurate to refer to the so-called "Third World" as the "Rest of the World," particularly given the rate at which this portion of the globe has been left on the outside.¹⁹

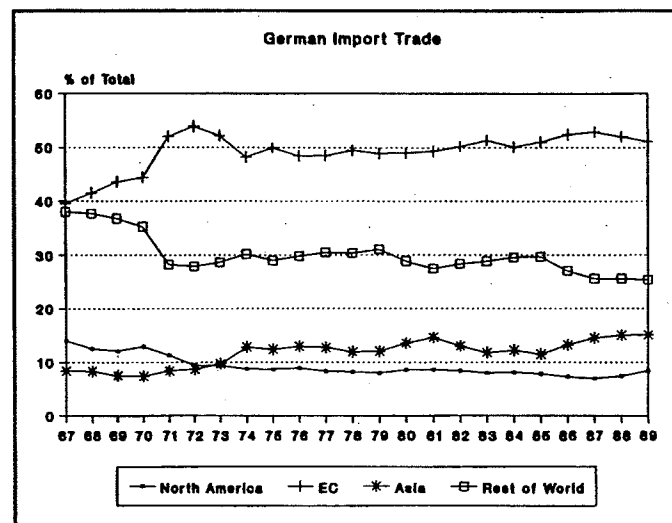
Second, since there are constant downward trends in exports to and imports from the "Rest of the World" for all the nations except Japan, the trend simply is too significant to be explained away by pointing to just one or two events. The end of colonialism following the Second World War, the end of any remaining effort at bringing about the New International Economic Order in the 1970s, and certainly the gradual strengthening of the European Community likely all played a role in contributing to these trends.

Third, one should recognize that whatever the causes might be, being marginalized is often a source of increasing discomfort, fear, and loss of control. One could argue that there already exists throughout much of the world an increasing sense of *anomie* due to modernity—a sense of not possessing enough control of one's own life to control the situation. Such a loss of control often creates a perception of being set adrift in various ways—intellectually, culturally, economically. Such sentiments are possible for individuals as well as for entire communities. In the contemporary world, these feelings seem to be growing instead of shrinking. Given such realities, how will the rest of the world react to its gradual displacement in the global

economy? One reasonable assumption is that when economic power is building on the outside, a probable political dynamic is created by which the peripheral government is approached by its citizens and pressured to get in. But what happens when no one lets you in? Fear and discomfort again are the likely results. And when states, nations, and peoples are uncomfortable, the response is often to try to make others uncomfortable. But what if the capacity to act does not exist? Such circumstances may well help to explain, for instance, why entities such as the Khmer Rouge in Cambodia, the Shinning Path in Perú, and religious fundamentalists in Iran have amassed followings—for their violent actions in many ways are a revolt against modernity. In any case, conflict would appear to be probable.

Finally, it is important to remember

that people today live in a world which has become highly interdependent, due in large part to greatly enhanced flows of trade, finance, and technology. The cooperation at the transactions level among those who trade continues to create opportunities for cooperation at additional levels. Indeed, this process often referred to as *functional spillover* implies that one cannot simply integrate a little, for after time, the costs for reversing trends and undoing the sorts of transactions noted here often become too great.²⁰ However, as John Stuart Mill and others remind us, the distribution of goods, services, investments, and wealth in the world is the result of human actions rather than the consequences of some immutable economic laws.²¹ Thus, if there is nothing natural about the suggested trends in this paper, the impacts of public policy intervention become particularly important, for the structure of the world trading system must be viewed as a matter of public policy choice. And if human choices and the political acts of governments do matter—particularly powerful governments—then decisions and actions could occur which would make the economic trends discussed here likely to change. In the absence of policy choices which suggest otherwise, the initial findings of this study appear to offer some insights into what happens—at least in terms of transactions—to those units who are not part of the economic integrative process: they increasingly are left out of the larger economy. Indeed, the gradual shattering of the prospects for the "Rest of the World" to take part in the global economy would appear to be alive and well.



Appendix

TABLE I--Percentage and Direction of U.S. Exports, 1967-1989

| Year | North America | EC | Asia | Rest of the World |
|------|---------------|------|------|-------------------|
| 1989 | 36.6 | 23.8 | 31.6 | 16.1 |
| 1988 | 36.5 | 23.5 | 30.3 | 18.1 |
| 1987 | 39.2 | 23.5 | 28.2 | 19.1 |
| 1986 | 41.5 | 24.6 | 28.4 | 20.6 |
| 1985 | 40.2 | 22.7 | 28.0 | 21.3 |
| 1984 | 38.2 | 22.7 | 29.3 | 21.5 |
| 1983 | 32.0 | 23.8 | 30.8 | 22.2 |
| 1982 | 28.5 | 24.1 | 29.4 | 25.3 |
| 1981 | 27.9 | 23.5 | 27.1 | 25.2 |
| 1980 | 26.3 | 23.8 | 27.2 | 26.8 |
| 1979 | 27.3 | 22.8 | 26.8 | 26.8 |
| 1978 | 27.3 | 21.9 | 27.5 | 26.2 |
| 1977 | 26.3 | 22.0 | 26.4 | 26.2 |
| 1976 | 25.1 | 22.1 | 26.1 | 26.5 |
| 1975 | 21.7 | 21.3 | 26.3 | 27.4 |
| 1974 | 24.8 | 22.4 | 25.2 | 27.3 |
| 1973 | 27.4 | 23.5 | 24.9 | 26.3 |
| 1972 | 32.9 | 23.9 | 22.6 | 24.6 |
| 1971 | 33.2 | 25.2 | 22.4 | 25.2 |
| 1970 | 34.5 | 19.5 | 23.9 | 31.7 |
| 1969 | 34.9 | 18.4 | 22.5 | 31.2 |
| 1968 | 35.4 | 17.6 | 22.7 | 29.9 |
| 1967 | 32.7 | 17.3 | 21.9 | 34.3 |

TABLE II--Percentage and Direction of Japanese Exports, 1967-1989

| Year | North America | EC | Asia | Rest of the World |
|------|---------------|------|------|-------------------|
| 1989 | 36.6 | 17.5 | 32.9 | 13.0 |
| 1988 | 36.5 | 17.8 | 32.3 | 13.4 |
| 1987 | 39.2 | 16.6 | 30.6 | 13.6 |
| 1986 | 41.5 | 14.8 | 29.4 | 14.3 |
| 1985 | 40.2 | 12.0 | 32.8 | 15.0 |
| 1984 | 38.2 | 11.9 | 33.7 | 16.2 |
| 1983 | 32.0 | 13.2 | 38.1 | 16.7 |
| 1982 | 28.5 | 13.0 | 37.4 | 21.1 |
| 1981 | 27.9 | 13.1 | 36.7 | 22.3 |
| 1980 | 26.3 | 12.8 | 34.0 | 26.9 |
| 1979 | 27.3 | 12.3 | 34.8 | 25.6 |
| 1978 | 27.3 | 11.4 | 33.9 | 27.4 |
| 1977 | 26.3 | 10.8 | 31.5 | 31.4 |
| 1976 | 25.1 | 10.8 | 30.9 | 33.2 |
| 1975 | 21.7 | 10.2 | 32.5 | 35.6 |
| 1974 | 24.8 | 10.7 | 28.9 | 35.6 |
| 1973 | 27.4 | 11.9 | 28.5 | 32.2 |
| 1972 | 32.9 | 11.5 | 25.5 | 30.1 |
| 1971 | 33.2 | 9.5 | 26.4 | 30.9 |
| 1970 | 34.5 | 6.7 | 28.3 | 30.5 |
| 1969 | 34.9 | 6.1 | 31.4 | 27.6 |
| 1968 | 35.4 | 5.3 | 31.5 | 27.8 |
| 1967 | 32.7 | 5.2 | 31.4 | 30.7 |

TABLE III--Percentage and Direction of British Exports, 1967-1989

| Year | North America | EC | Asia | Rest of the World |
|------|---------------|------|------|-------------------|
| 1989 | 15.5 | 50.7 | 15.6 | 18.2 |
| 1988 | 15.5 | 50.4 | 15.2 | 18.9 |
| 1987 | 16.3 | 49.5 | 15.1 | 19.1 |
| 1986 | 16.6 | 48.1 | 15.2 | 20.1 |
| 1985 | 17.0 | 48.8 | 14.0 | 20.2 |
| 1984 | 16.2 | 47.1 | 14.7 | 22.0 |
| 1983 | 15.7 | 46.4 | 16.2 | 21.7 |
| 1982 | 15.1 | 44.2 | 16.8 | 23.9 |
| 1981 | 14.1 | 43.9 | 15.1 | 26.9 |
| 1980 | 11.1 | 45.0 | 14.2 | 29.7 |
| 1979 | 11.0 | 41.9 | 14.2 | 32.9 |
| 1978 | 11.0 | 37.7 | 16.3 | 35.0 |
| 1977 | 10.8 | 36.6 | 16.0 | 36.6 |
| 1976 | 11.6 | 35.7 | 15.7 | 37.0 |
| 1975 | 10.4 | 32.3 | 16.2 | 41.1 |
| 1974 | 12.1 | 32.9 | 13.9 | 41.1 |
| 1973 | 13.2 | 31.6 | 13.0 | 42.2 |
| 1972 | 13.5 | 29.4 | 12.7 | 44.4 |
| 1971 | 12.9 | 28.3 | 12.5 | 46.3 |
| 1970 | 14.9 | 21.2 | 12.2 | 51.7 |
| 1969 | 20.6 | 20.7 | 13.8 | 44.9 |
| 1968 | 18.9 | 20.2 | 13.7 | 47.2 |
| 1967 | 17.0 | 19.9 | 13.7 | 49.4 |

TABLE IV--Percentage and Direction of French Exports, 1967-1989

| Year | North America | EC | Asia | Rest of the World |
|------|---------------|------|------|-------------------|
| 1989 | 7.6 | 61.3 | 9.7 | 21.4 |
| 1988 | 8.6 | 61.7 | 8.4 | 21.3 |
| 1987 | 8.4 | 60.4 | 8.6 | 22.6 |
| 1986 | 8.4 | 57.9 | 8.9 | 24.8 |
| 1985 | 9.8 | 53.8 | 10.2 | 26.2 |
| 1984 | 9.3 | 52.9 | 10.6 | 27.2 |
| 1983 | 7.1 | 53.1 | 10.8 | 29.0 |
| 1982 | 6.5 | 52.8 | 12.0 | 28.7 |
| 1981 | 6.3 | 52.2 | 10.8 | 30.7 |
| 1980 | 5.1 | 51.0 | 8.2 | 35.7 |
| 1979 | 6.4 | 52.9 | 8.5 | 32.2 |
| 1978 | 7.1 | 52.6 | 8.0 | 32.3 |
| 1977 | 6.7 | 50.5 | 8.3 | 34.5 |
| 1976 | 6.1 | 50.9 | 7.8 | 35.2 |
| 1975 | 5.5 | 49.6 | 6.3 | 38.6 |
| 1974 | 6.5 | 53.9 | 5.7 | 33.9 |
| 1973 | 6.2 | 56.1 | 4.9 | 32.8 |
| 1972 | 6.8 | 56.4 | 4.8 | 32.0 |
| 1971 | 6.9 | 55.1 | 4.8 | 33.2 |
| 1970 | 7.0 | 48.8 | 4.8 | 39.4 |
| 1969 | 5.1 | 47.8 | 5.5 | 41.6 |
| 1968 | 7.5 | 43.0 | 5.8 | 43.7 |
| 1967 | 7.3 | 41.3 | 5.2 | 46.2 |

Appendix

TABLE V--Percentage and Direction of German Exports, 1967-1989

| Year | North America | EC | Asia | Rest of the World |
|------|---------------|------|------|-------------------|
| 1989 | 8.1 | 55.1 | 9.9 | 26.9 |
| 1988 | 8.9 | 54.5 | 9.9 | 26.7 |
| 1987 | 10.4 | 52.8 | 9.8 | 27.0 |
| 1986 | 11.5 | 50.9 | 9.9 | 27.7 |
| 1985 | 11.4 | 49.7 | 10.7 | 28.2 |
| 1984 | 10.5 | 50.1 | 11.1 | 28.3 |
| 1983 | 8.3 | 50.5 | 12.5 | 28.7 |
| 1982 | 7.2 | 50.5 | 12.4 | 29.9 |
| 1981 | 7.3 | 49.2 | 11.8 | 31.7 |
| 1980 | 6.8 | 48.1 | 9.5 | 35.6 |
| 1979 | 7.6 | 48.3 | 9.1 | 35.0 |
| 1978 | 8.1 | 45.9 | 10.6 | 35.4 |
| 1977 | 7.7 | 44.9 | 10.7 | 36.7 |
| 1976 | 6.6 | 45.7 | 10.6 | 37.1 |
| 1975 | 6.9 | 43.6 | 10.4 | 39.1 |
| 1974 | 8.5 | 44.9 | 8.3 | 38.3 |
| 1973 | 9.4 | 47.1 | 7.3 | 36.2 |
| 1972 | 10.3 | 47.0 | 6.6 | 36.1 |
| 1971 | 10.7 | 46.5 | 6.8 | 36.0 |
| 1970 | 12.1 | 40.2 | 7.1 | 40.6 |
| 1969 | 11.0 | 39.8 | 7.4 | 41.8 |
| 1968 | 12.7 | 37.6 | 7.8 | 41.9 |
| 1967 | 10.8 | 36.8 | 8.1 | 44.3 |

TABLE VI--Percentage and Direction of U.S. Imports, 1967-1989

| Year | North America | EC | Asia | Rest of the World |
|------|---------------|------|------|-------------------|
| 1989 | 23.6 | 18.1 | 43.9 | 14.4 |
| 1988 | 22.7 | 19.3 | 43.9 | 14.1 |
| 1987 | 21.6 | 20.0 | 43.8 | 14.6 |
| 1986 | 21.5 | 20.6 | 42.8 | 15.1 |
| 1985 | 24.3 | 19.9 | 39.2 | 16.6 |
| 1984 | 24.7 | 18.6 | 38.0 | 18.7 |
| 1983 | 25.5 | 17.8 | 36.4 | 20.3 |
| 1982 | 24.3 | 18.3 | 35.9 | 21.5 |
| 1981 | 22.0 | 16.8 | 36.1 | 25.1 |
| 1980 | 21.4 | 15.0 | 33.2 | 30.4 |
| 1979 | 21.8 | 16.3 | 32.9 | 29.0 |
| 1978 | 22.2 | 17.0 | 33.6 | 27.2 |
| 1977 | 23.3 | 15.1 | 33.6 | 28.0 |
| 1976 | 25.0 | 14.8 | 32.5 | 27.7 |
| 1975 | 26.1 | 17.3 | 28.1 | 28.5 |
| 1974 | 25.5 | 19.0 | 27.3 | 28.2 |
| 1973 | 28.8 | 22.5 | 26.2 | 22.5 |
| 1972 | 29.7 | 22.5 | 27.3 | 20.5 |
| 1971 | 30.7 | 22.9 | 26.0 | 20.4 |
| 1970 | 30.8 | 16.5 | 24.3 | 28.4 |
| 1969 | 31.7 | 16.1 | 23.1 | 29.1 |
| 1968 | 29.7 | 17.8 | 21.2 | 31.3 |
| 1967 | 29.3 | 16.6 | 20.3 | 33.8 |

TABLE VII--Percentage and Direction of Japanese Imports, 1967-1989

| Year | North America | EC | Asia | Rest of the World |
|------|---------------|------|------|-------------------|
| 1989 | 27.5 | 13.4 | 42.3 | 16.8 |
| 1988 | 27.3 | 12.9 | 42.3 | 17.5 |
| 1987 | 25.7 | 11.9 | 45.5 | 16.9 |
| 1986 | 26.3 | 10.5 | 44.8 | 18.4 |
| 1985 | 24.0 | 6.9 | 52.0 | 17.1 |
| 1984 | 23.7 | 6.7 | 52.7 | 16.9 |
| 1983 | 23.3 | 6.5 | 53.4 | 16.8 |
| 1982 | 22.0 | 5.7 | 56.0 | 16.3 |
| 1981 | 21.2 | 5.7 | 56.4 | 16.7 |
| 1980 | 21.4 | 5.4 | 54.1 | 19.1 |
| 1979 | 22.3 | 6.7 | 50.3 | 20.7 |
| 1978 | 23.3 | 7.5 | 48.2 | 21.0 |
| 1977 | 22.2 | 5.98 | 50.0 | 21.9 |
| 1976 | 23.1 | 5.5 | 49.4 | 22.0 |
| 1975 | 24.9 | 5.8 | 46.3 | 23.0 |
| 1974 | 25.2 | 6.4 | 44.8 | 23.6 |
| 1973 | 30.0 | 8.3 | 33.2 | 28.5 |
| 1972 | 30.4 | 8.3 | 32.3 | 29.0 |
| 1971 | 30.9 | 8.1 | 32.4 | 28.6 |
| 1970 | 35.2 | 5.9 | 28.0 | 30.9 |
| 1969 | 33.1 | 5.5 | 28.7 | 32.7 |
| 1968 | 33.6 | 5.7 | 29.0 | 31.7 |
| 1967 | 34.4 | 5.6 | 28.3 | 31.7 |

TABLE VIII--Percentage and Direction of British Imports, 1967-1989

| Year | North America | EC | Asia | Rest of the World |
|------|---------------|------|------|-------------------|
| 1989 | 12.6 | 52.6 | 15.4 | 19.4 |
| 1988 | 12.1 | 52.5 | 15.3 | 20.1 |
| 1987 | 11.5 | 52.8 | 14.7 | 21.0 |
| 1986 | 11.7 | 52.1 | 14.1 | 22.1 |
| 1985 | 13.8 | 48.9 | 12.9 | 24.4 |
| 1984 | 13.9 | 47.5 | 13.6 | 25.0 |
| 1983 | 13.8 | 48.3 | 14.0 | 23.9 |
| 1982 | 14.1 | 47.0 | 15.1 | 23.8 |
| 1981 | 14.6 | 45.2 | 17.0 | 23.2 |
| 1980 | 15.8 | 43.4 | 16.2 | 24.6 |
| 1979 | 14.1 | 43.3 | 14.7 | 27.9 |
| 1978 | 14.4 | 40.6 | 15.5 | 29.5 |
| 1977 | 14.1 | 38.5 | 17.1 | 30.3 |
| 1976 | 13.8 | 36.5 | 19.3 | 30.4 |
| 1975 | 13.8 | 36.6 | 18.4 | 31.2 |
| 1974 | 13.5 | 32.6 | 19.3 | 34.6 |
| 1973 | 14.0 | 32.1 | 14.7 | 39.2 |
| 1972 | 14.4 | 30.7 | 13.6 | 41.3 |
| 1971 | 14.9 | 28.1 | 13.9 | 43.1 |
| 1970 | 19.0 | 19.6 | 11.8 | 49.6 |
| 1969 | 19.6 | 19.2 | 12.5 | 48.7 |
| 1968 | 20.1 | 19.8 | 13.3 | 46.8 |
| 1967 | 19.8 | 19.6 | 13.1 | 47.5 |

Appendix

TABLE IX--Percentage and Direction of French Imports, 1967-1989

| Year | North America | EC | Asia | Rest of the World |
|------|---------------|------|------|-------------------|
| 1989 | 8.8 | 60.1 | 11.9 | 19.2 |
| 1988 | 8.8 | 60.5 | 11.3 | 19.4 |
| 1987 | 8.2 | 61.2 | 11.1 | 19.5 |
| 1986 | 8.6 | 60.0 | 10.4 | 21.0 |
| 1985 | 8.8 | 55.8 | 11.0 | 24.4 |
| 1984 | 8.9 | 46.5 | 18.8 | 25.8 |
| 1983 | 8.8 | 53.8 | 12.6 | 24.8 |
| 1982 | 9.1 | 51.0 | 16.2 | 23.7 |
| 1981 | 9.3 | 48.3 | 19.9 | 22.5 |
| 1980 | 8.9 | 46.5 | 18.8 | 25.8 |
| 1979 | 8.6 | 50.0 | 16.8 | 24.6 |
| 1978 | 8.3 | 52.5 | 16.3 | 22.9 |
| 1977 | 8.0 | 49.5 | 17.9 | 24.6 |
| 1976 | 8.4 | 49.7 | 18.9 | 23.0 |
| 1975 | 8.6 | 49.3 | 18.2 | 23.9 |
| 1974 | 8.8 | 48.0 | 18.3 | 24.9 |
| 1973 | 9.4 | 55.4 | 10.5 | 24.7 |
| 1972 | 9.2 | 56.0 | 9.7 | 25.1 |
| 1971 | 9.5 | 55.2 | 9.2 | 26.1 |
| 1970 | 11.2 | 48.9 | 6.9 | 33.0 |
| 1969 | 9.6 | 50.5 | 6.8 | 33.1 |
| 1968 | 10.5 | 47.5 | 7.9 | 34.1 |
| 1967 | 11.0 | 43.4 | 8.1 | 37.5 |

TABLE X--Percentage and Direction of German Imports, 1967-1989

| Year | North America | EC | Asia | Rest of the World |
|------|---------------|------|------|-------------------|
| 1989 | 8.4 | 51.1 | 15.1 | 25.4 |
| 1988 | 7.4 | 52.0 | 15.0 | 25.6 |
| 1987 | 7.0 | 52.9 | 14.5 | 25.6 |
| 1986 | 7.3 | 52.4 | 13.2 | 27.1 |
| 1985 | 7.8 | 51.0 | 11.5 | 29.7 |
| 1984 | 8.1 | 50.1 | 12.2 | 29.6 |
| 1983 | 8.0 | 51.3 | 11.8 | 28.9 |
| 1982 | 8.4 | 50.2 | 13.0 | 28.4 |
| 1981 | 8.6 | 49.3 | 14.6 | 27.5 |
| 1980 | 8.6 | 49.0 | 13.5 | 28.9 |
| 1979 | 8.0 | 48.9 | 12.0 | 31.1 |
| 1978 | 8.2 | 49.5 | 11.9 | 30.4 |
| 1977 | 8.3 | 48.5 | 12.7 | 30.5 |
| 1976 | 8.9 | 48.4 | 12.9 | 29.8 |
| 1975 | 8.7 | 49.9 | 12.4 | 29.0 |
| 1974 | 8.8 | 48.2 | 12.8 | 30.2 |
| 1973 | 9.4 | 52.2 | 9.7 | 28.7 |
| 1972 | 9.4 | 53.9 | 8.7 | 28.0 |
| 1971 | 11.3 | 52.0 | 8.4 | 28.3 |
| 1970 | 12.9 | 44.4 | 7.4 | 35.3 |
| 1969 | 12.1 | 43.6 | 7.5 | 36.8 |
| 1968 | 12.5 | 41.5 | 8.3 | 37.7 |
| 1967 | 14.0 | 39.6 | 8.4 | 38.0 |

Notes

- ¹ See, for example, "Building Blocks or Stumbling Blocks?" *The Economist*, 31 October 1992, p. 69.
- ² For instance, see Paul Streeten's *Economic Integration*, where he contends that European integration can best be explained in terms of economic integration.
- ³ See, for instance, Karl Deutch's topology of pluralistic and amalgamated security communities as the two ends of the regional integrative process in Deutch, et al., *Political Community and the North Atlantic Treaty*.
- ⁴ Again, Karl Deutch's *Nationalism and Social Communication* provides the most noted work in this area.
- ⁵ See Karl Deutch, (1964) "Transaction Flows as Indicators of Political Cohesion," in *The Integration of Political Communities*, edited by Phillip E. Jacob and James V. Toscano, p. 75. New York: J.B. Lippincott.
- ⁶ Donald J. Puchala, (1970) "International Transactions and Regional Integration," *International Organization* 24:733.
- ⁷ *Ibid.*
- ⁸ *Ibid.*
- ⁹ *Ibid.*, p. 735.
- ¹⁰ It is important for the reader to recognize that the while the alleged North American and Asian-Pacific blocs are currently only *economic* blocs in nature, the European Community is more fully integrated—both *economically* and *politically*. For a discussion of the various levels of integration, see Bella Belassa, (1961) *Theory of Economic Integration*. Homewood, IL: Richard D. Irwin Press; see also, Jacob Viner, (1958) *The Long View and the Short: Studies in Economic Theory and Policy*. New York: Free Press.
- ¹¹ Similar questions were posed by Hayward Alker, Jr. and Donald Puchala concerning the North Atlantic area. See their 1967 article, "Trends in Economic Partnership: The North Atlantic Area, 1928-1963," *Quantitative International Politics: Insights and Evidence*. Edited by J. David Singer, p. 290. New York: The Free Press.
- ¹² Department of International Economic and Social Affairs Statistical Office. (1991) *1989 International Trade Statistics Yearbook*, Volume 1, Trade by Country. New York: United Nations; Department of International Economic and Social Affairs Statistical Office, (1981) *1980 International Trade Statistics Yearbook*, Volume 1, Trade by Commodity. New York: United Nations; and Department of Economic and Social Affairs Statistical Office, (1973) *Yearbook of International Trade Statistics*, Volume 1, Trade by Commodity. New York: United Nations.
- ¹³ It should be noted that "constant" dollars are not reflected by the data; that is, inflation has not been controlled for. Furthermore, as the UN data are given as U.S. dollar values, actual variations in exchange rates are not accounted for. Nonetheless, the overall trends should remain the same, although perhaps not as pronounced.
- ¹⁴ The complete breakdown of the percentage and direction of exports from 1967-1989 for all the countries in this study can be found in the Appendix under Tables I-V.

- ¹⁵ Substantively, "the rest of the world" refer to those regions which are not part of the suspected regional blocs of North America, Europe, and the Asian-Pacific region. Most notably, this category includes Africa, the Middle East, South Asia, and Central and South America.
- ¹⁶ It should be noted that the Asian-Pacific bloc would be more pronounced if Japanese investments were accounted for in Figure 2. Clearly, the absence of investment figures suppresses some of the more positive evidence for determining the formation of the Asian-Pacific bloc.
- ¹⁷ It should be noted that since the UN data covers the years 1967-1989, the German figures are actually that of the former West Germany.
- ¹⁸ The complete breakdown of the percentage and direction of imports from 1967-1989 for all countries in this study can be found in the Appendix under Tables VI-X.
- ¹⁹ While the traditional distinctions between the Third World and the Fourth World (the basket cases of the globe) is a useful one, I find it more useful conceptually and to treat the two distinctions similarly—particularly given the suggested patterns discussed earlier.
- ²⁰ The term is most associated with the work of Ernst Haas. See, for example, (1968) *The Uniting of Europe*. Stanford, CA: Stanford University Press; see also, Amitai Etzioni, (1963) "The Epigenesis of Political Communities at the International Level," *American Journal of Sociology* 68:407-421; and David Mitrany, (1965) "The Prospect of Integration: Federal or Functional?" *Journal of Common Market Studies* 4:119-149.
- ²¹ John Stuart Mill, (1909) *Principles of Political Economy*. London: Longmans, Green; see also, Robert Gilpin, (1987) *The Political Economy of International Relations*. Princeton: Princeton University Press, p.4.

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The Reagan Tenure: The Domino Principle Fails To Return

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Abstract

In an article entitled "The Truman Administration and Global Responsibilities: The Birth of the Falling Domino Principle," Douglas MacDonald sees the Truman Doctrine as giving birth to the domino principle. MacDonald describes the domino principle as "project(ing) a pattern of communist expansion that threatened any vulnerable nation that stood in its path" and "making all regions and, by extension, each nation within a region, strategically important." Though he states the domino principle was discredited by the American involvement in Vietnam, he saw the principle making a comeback with the election of Ronald Reagan in 1980.

The central assertion of this paper is that the domino principle failed to return during the Reagan tenure. The Reagan Administration, coming to power at a time when the U.S. was ending its post-Vietnam military contraction and re-expanding its global military role, failed in its attempt to build support for its conception of vital interests that went beyond the vital interest stated in the Carter Doctrine.

Introduction

Three of the five presidential doctrines declared since World War II mark significant turning points for the role of American military power in world affairs. Robert Tucker describes these turning points as "critical junctures."¹

The Truman Doctrine, articulated in 1947, marks the first turning point. It is the foundation for the policy of containing communism which at first was limited to providing economic assistance "to help free peoples to maintain their free institutions and their national integrity against aggressive movements that seek to impose upon them totalitarian regimes."² Within the next decade, the Truman Doctrine was implemented militarily by a worldwide system of alliances and bases to prevent Eurasia from being dominated by a hostile power. The Eisenhower Doctrine,

articulated in 1957, applies the militarized containment policy to the Middle East. In a message to Congress on January 5, 1957, President Eisenhower described the strategic significance of the Middle East "as a gateway between Eurasia and Africa." The essence of the doctrine was codified in a joint congressional resolution:

The United States regards as vital to the national interest and world peace the preservation of the independence and integrity of the nations of the Middle East.³

In their study of the process leading to American military intervention in Vietnam, Leslie Gelb and Richard Betts implicitly refer to the Truman Doctrine when they state "Vietnam was the linear descendant of Greece in 1947."⁴ These authors note the harmful consequences that may accompany the use of doctrines to determine policy:

America needs no new doctrines. Doctrines create a new framework of necessity . . .⁵ As long as the general doctrine of military containment of communism remained the consensus, the specific military intervention in Vietnam followed logically.⁶

The Nixon Doctrine, articulated in 1969, marks the second turning point or critical juncture. This doctrine, "with its centerpiece of détente, the logic of retrenchment,"⁷ articulates a contraction of the role of American military power induced by the Vietnam débâcle. The essence of the doctrine is that:

The nations of each part of the world should assume the primary responsibility for their own well being . . . We shall be faithful to our treaty commitments but we shall reduce our involvement and our presence in other nations' affairs.⁸

The Carter Doctrine, articulated in January 1980, marks the third turning point. This doctrine ends the Vietnam-induced contraction of the American military role in world affairs. It articulates a re-expanded military role in the wake of the taking of American hostages by the Islamic Republic of Iran and the

Soviet invasion of Afghanistan. The doctrine states:

Any attempt by any outside force to gain control of the Persian Gulf region will be regarded as an assault on the vital interests of the United States. It will be repelled by the use of any means necessary, including military force.⁹

The Reagan Administration, coming to power at this third turning point when the U.S. was ending its post-Vietnam military contraction, attempted to add vital interests beyond the vital interest stated in the Carter Doctrine. Douglas MacDonald saw the domino principle, discredited by the American involvement in Vietnam, making a comeback with the election of Ronald Reagan in 1980: "In the 1980's Ronald Reagan was elected and vowed . . . to prevent the fall of more allied nations to communism, using the domino principle as justification."¹⁰

MacDonald describes the domino principle as "projecting a pattern of communist expansion that threatened any vulnerable nation that stood in its path, that is, dominos."¹¹ The principle "makes all regions, and by extension, each nation within a region, strategically important."¹² He also describes the domino principle as providing the "basis for (the) foreign policy consensus"¹³ underlying the global military containment of the Truman Doctrine era.

The central assertion of this essay is that the domino principle failed to return successfully during the Reagan tenure. Domino rhetoric did return but the principle as a guide to identify U.S. vital interests did not. The principle did not provide the basis for a foreign policy consensus to support the vital interests declared by the Reagan administration that went beyond the vital interest stated in the Carter Doctrine.

The essay builds on the Gelb-Betts insight that Vietnam was the linear descendant of the Truman Doctrine with the intervention as a logical consequence of the consensus supporting the military containment of communism. The fundamental premise is that sustained intervention by regular U.S. armed forces,

as opposed to military strikes of an in-and-out nature, needs a public consensus in support of a declared U.S. vital interest. The essay focuses on the Reagan administration's statements of U.S. vital interests and their relationship to presidential deployments of regular U.S. armed forces. Consequently, the Reagan Doctrine, articulated in 1986, is not considered within the essay's focus. This doctrine, which states "resistance forces fighting against Communist tyranny deserve our support . . . Our help should give freedom fighters the chance to rally the people to their side,"¹⁴ is not a statement of U.S. vital interests with the implication that regular military force may be used to protect them.

Three case studies are used to illustrate the central assertion that the domino and global containment rhetoric of the Reagan administration failed to develop a public consensus, a sine qua non for sustained regular force intervention, to support the vital interests declared beyond the core of the Carter Doctrine. Overall, the essay shows that the process of linear descent of the first militarily expansive turning point in the post-World War II era was not repeated during the re-expansion of the third turning point. The domino principle, discredited by Vietnam as a source of public consensus to identify vital interests and sustain an intervention, remained discredited. In this domestic political context, President Reagan was forced to plea for support for "freedom fighters" and pursue covert activities of doubtful efficacy to accomplish a high administration priority, the overthrow of the Sandinista regime in Nicaragua.

Central America, the Caribbean, and Lebanon: No Addition to the Carter Doctrine's Core Commitment

John Lewis Gaddis describes global containment as not spending much effort in differentiating peripheral from central vital interests. Its chief concern is that incremental threats do not become major threats. The psychology of being tough and credible in backing commitments is its most salient characteristic. The need to fight limited wars, to resist wars of national liberation, is seen as a necessary policy response.

Selective containment does not require the U.S. to counter all Soviet or communist advances with military means,

either directly or indirectly, with military aid to a threatened non-communist regime. It is based on the premise that rational calculations can distinguish between what is a vital interest of the nation and what is peripheral to those interests. However, as Gaddis notes, it is "constantly vulnerable to succumbing to psychological insecurities, always a problem in a democracy."¹⁵

John Spanier noted two interrelated assumptions that contribute to the psychological insecurities pushing a selective containment policy to global containment. The first is the assumption of bi-polarity that saw world politics as a Soviet-American confrontation. The second assumption was a corollary of the first in that this bi-polar confrontation was seen as a zero-sum game. A gain of communist influence was seen as a corresponding loss of American influence.¹⁶ The U.S. entry into the Korean War can be viewed as an application of these assumptions. In fact, Robert Tucker sees the Korean intervention as "the decisive event in the process that led to global containment."¹⁷ Tucker cogently describes what he calls the "dynamics of the psychologic"¹⁸ that in the words of Gelb-Betts "impel Presidents toward commitment"¹⁹ and in the analytical categories of Gaddis toward global containment. Prior to the North Korean invasion of South Korea in June 1950, the Korean peninsula had been declared to be outside the geographical areas of most vital concern to the United States in a February 1950 statement by Dean Acheson.²⁰ With the attack, Tucker states:

the psychologic (of the bi-polar international political structure) inevitably creates a relationship of noncore to core interests. A marginal interest will be invested with a significance it would not otherwise have, for almost any challenge is likely to be seen by the challenged and by third parties as a test of one's will.²¹

The consequence is that the careful ranking of vital interest priorities of a selective containment policy is jettisoned. Judgments reached in the abstract that a given nation or region is a non-core interest unravel under the pressure of events.

However, the resurgence of militarized containment that began with the Carter Doctrine did not lead to a new global

containment during the Reagan tenure as the Korean intervention of 1950 did. The rest of the paper demonstrates this point.

Central America and the Caribbean

In the aftermath of the Soviet invasion of Afghanistan in December 1979 and with the Reagan Administration's accession to power on January 20, 1981, attempts were made to expand American military commitments to the Central American-Caribbean region in the resurgent atmosphere of the Carter Doctrine's remilitarized containment. The administration's rhetoric had a very definite Truman Doctrine era global containment orientation. A February 23, 1981 State Department Report, "Communist Interference in El Salvador"²² was released to gain support for the administration's policy of increasing military assistance to that nation. Geostrategic concerns are evident in statements by the President and Administration spokespersons from the early days of the Reagan Administration. Domino rhetoric and the unmistakable zero sum assumption of the Truman Doctrine era's global containment is observable in this statement by President Reagan:

The national security of all the Americas is at stake in Central America. If we cannot defend ourselves there, we cannot be expected to prevail elsewhere. Our credibility would collapse, our alliances would crumble and the safety of our homeland would be in jeopardy. We have a vital interest, a moral duty and a solemn responsibility.²³

In an address to the Permanent Council of the Organization of American States on February 24, 1982, the President stated "the Caribbean region is a vital strategic and commercial artery for the United States. Nearly one-half of our trade, two-thirds of our imported oil, and over one-half of our strategic minerals pass through the Panama Canal or the Gulf of Mexico."²⁴

In 1983, the Administration intensified its public relations effort "to develop a broad consensus for defending our fourth border" in the Central American-Caribbean region as Under Secretary of Defense for Policy Fred Iklé stated in an April 12 address, with the implicit recognition that no consensus exists on

this front in contrast to the "(consensus) that we have long ago developed for defending our interest East and West."²⁵

With regard to Grenada, the President gave a series of addresses—to the National Association of Manufacturers on March 10, 1983, to the Congress on March 23 and to the nation on April 27—that described his view of the strategic importance of the Grenadan airport's 10,000 foot runway under construction and its relation to Caribbean sea lands. These statements were made to counter the view that Grenada lacked intrinsic geostrategic significance since its only important product is nutmeg.

It isn't nutmeg that's at stake in the Caribbean and Central America. It is the U.S. national security. Soviet military theorists want to destroy our capacity to resupply Western Europe in case of an emergency. They want to tie down our attention and forces on our own southern border and so limit our capacity to act in more distant places, such as Europe, the Persian Gulf, the Indian Ocean, and the Sea of Japan.

Those Soviet theorists noticed what we failed to notice, that the Caribbean Sea and Central America constitute this nation's fourth border. If we must defend ourselves against a large, hostile military presence on our border, our freedom to act elsewhere to help others and to protect strategically vital sea lanes and resources has been drastically diminished.²⁶

Essentially, the Administration was arguing that if the United States were required to run a naval gauntlet before reaching the Central European and Persian Gulf fronts where the world balance of power would be determined in the event of the eruption of a major conflict, in effect a Soviet strategic outflanking of the United States would result. The domino principle's interconnectedness of all regions is thus apparent in the President's statements on Grenada's geostrategic significance.

To underscore the President's difficulties in successfully persuading the nation to his interpretation of vital interests that needed to be defended, administration spokespersons had to deal with reporter challenges in a March 24, 1983 press briefing that Soviet bases in the Caribbean are a counterpart to American bases on the Indian Ocean island of Diego Garcia as well as the Gulf of Oman. The reporters claimed that these

Soviet bases constituted a symmetry of perspectives.²⁷

This skeptical response to the geostrategic conception of the Reagan presidency goes back to the early days of the administration. Two incidents in the first thirteen months of the Reagan Administration show its inability to add to the vital interests declared in this third critical juncture. In 1981, when the administration attempted to enlarge substantially the number of security assistance advisors in El Salvador, the administration responded to charges that the War Powers Resolution was being violated by establishing rules of engagement "to insure that U.S. military personnel will not become engaged in, or be exposed to, hostilities."²⁸ A February 1982 report that three military advisors were accompanying Salvadoran forces into contested areas was not met by justifications of the act but by President Reagan himself stating "the policy is we do not engage in combat."²⁹ In fact, this rule of engagement was enforced so strictly by Congress that inquiries were made to get assurances that battlefield coordination between American advisors and Salvadoran forces did not occur, even on the level of information sharing, as the result of any U.S. reconnaissance.

The administration was repeatedly put on the defensive that its military aid and advisor's policy "would lead us down the same path by which we got involved in Vietnam."³⁰ In public opinion polls between 1981 and 1983, in the vicinity of 65 to 70 percent of Americans saw Reagan policies as heading to another Vietnam-type involvement and disapproved those policies even though 72 percent saw as likely other Central American nations succumbing to rebel takeovers.³¹ To the public, the Central American guerrilla warfare situation had the earmarks of a repeat Vietnam quagmire.

Though Reagan did use regular armed forces to invade Grenada, the fact of the matter is no massive conventional invasion was launched in Nicaragua though vital interests had been declared to be at stake by the President in Central America. A clue to explain this is provided by Richard Melanson. In the aftermath of Grenada, no new presidential doctrine was proclaimed "because of the continuing lack of a domestic consensus about the purposes and limits of American

power. The President firmly resisted all temptations to use the Grenada affair to lay down broad guidelines for U.S. military power."³²

The anti-communist rhetoric that defined the consensual framework of vital interest perceptions in the pre-Vietnam era of global containment was no longer present during the Reagan presidency. Norman Podhoretz sees the new era beginning with the Carter Doctrine with more at stake than oil. He preferred the anti-communist rationale to be resuscitated and he traced its unavailability to the State of the Union address announcing the Carter Doctrine in which "not once . . . does the word 'communism' appear."³³

It is true that the executive branch can secretly devise a plan and begin a short-term military operation based on information that it can interpret in a way to give it the benefit of the doubt in what it alleges to be a crisis. Hugh O'Shaughnessy indicates this is what occurred with the Grenada intervention.³⁴ In the long run, absent a quick achievement of military objectives in a context lacking a deeper bipartisan consensual framework that identifies vital interests, time begins to run out on an administration's deployments very quickly. It would appear to be beyond doubt that the Reagan Administration had anywhere near the needed time to implement an invasion of Nicaragua without a pre-existing bipartisan consensus that U.S. vital interests were at stake. The Pentagon document "Prospects for Containment of Nicaragua's Communist Government"³⁵ in May 1986 indicated that such an invasion "would require at least 100,000 troops, in addition to naval and air power, at a first year cost in excess of \$9 billion."

In June 28, 1983 testimony before a congressional committee, Deputy Secretary of State Kenneth Dam stated, "the lesson of recent history is that a President cannot sustain a major military involvement without congressional and public support."³⁶ Apparently, the implications of a non-existent consensus for the time available to wage presidential war in Nicaragua were not lost during the Reagan administration's policy deliberations. Clearly, the absence of the perceptual base of global anti-communism to simplify the presidential task of explaining why we are fighting severely

curtails the Imperial Presidency, which is itself an outgrowth of global containment.

Lebanon

With its 1983 Marine deployment to Lebanon, the Reagan Administration was not attempting to extend a militarized containment policy from a region consensually perceived as involving a vital U.S. interest to a geographically distinct region. President Reagan's Lebanon policy was merely an intra-regional shift which ran into substantial opposition and eventual defeat.

The Reagan Administration saw a seamless web in the Middle East-Persian Gulf region. The "seamless web"³⁷ is a metaphor used by Robert Tucker for global containment type reasoning. This metaphor is the domino principle by another name. In testimony before a subcommittee of the House Foreign Affairs Committee on March 23, 1981, the Director of the State Department's Bureau of Political-Military Affairs, Richard Burt, stated that the Administration viewed the Middle East, including the Persian Gulf, as part of a larger politico-strategic theater, the region bounded by Turkey, Pakistan and the Horn of Africa and we view it as a strategic entity requiring comprehensive treatment to insure a favorable balance of power."³⁸

In the aftermath of the 1982 Israeli invasion of Lebanon, the Reagan Administration deployed a contingent of U.S. Marines to Lebanon as a buffer force to facilitate the evacuation of Palestinian Liberation Organization forces. With that evacuation the Marines had accomplished their original mission; however, they were redeployed after a massacre of Muslims by Christian Phalangist forces. What had occurred in Lebanon was the merging of the Israeli-PLO conflict with the internal Lebanese conflict between Christians and Muslims. Increasingly, Lebanon was being partitioned. The Administration was successful in securing Israeli withdrawal from the Beirut area in the middle of August 1983. However, the Syrians refused to follow the Israeli lead. They saw an opportunity to gain greater influence in Lebanon as a result of the Israeli withdrawal which was induced by domestic political pressure in Israel over increasing military casualties in the guerilla-type fighting in Lebanon.

As inter-factional fighting intensified in Lebanon, the Marine interposition force came under hostile fire and on August 29 two Marines were killed. On August 30, President Reagan addressed a letter to Speaker of the House Thomas P. O'Neill stating his policy and legal justifications for the deployment. He stated, "I directed this deployment pursuant to my constitutional authority with respect to the conduct of foreign relations and as Commander-in-Chief of the U.S. Armed Forces." His policy justification was that "U.S. forces are essential to the objective of helping to restore the territorial integrity, sovereignty and political independence of Lebanon."³⁹

However, as a result of the two Marine deaths, the Administration was forced into a month-long negotiation process with the focal point being the applicability of the War Powers Resolution. On September 16, in an interview with reporters from *Newsweek*, the President indicated he had no intention of expanding the Marine role by responding negatively to the question whether he was "prepared to let the Marines leave their defensive positions and operate with the Lebanese army." A central point of the presidential persuasion campaign came with Secretary of State George Shultz' testimony before the House Foreign Affairs Committee on September 21, 1983. The Lebanese situation was presented via domino imagery as Shultz stated "the crisis in Lebanon cannot be isolated from the larger Middle East crisis. The domestic controversy over war powers has created uncertainty about the American commitment and only weakens our effectiveness as moderates in the Arab world, whom we are encouraging to take risks for peace, will feel it far less safe to do so."⁴⁰ Also, the attempt was made to place Lebanon in the framework of a pre-existing consensual framework since "the issues are not partisan issues. At stake are goals and principles of American foreign policy on which I dare say there is a broad measure of consensus."⁴¹

In spite of these arguments, the Administration was forced to settle for an eighteen-month Congressional authorization to continue the 1200 troop Marine contingent's stay in Lebanon. Key provisions of the "Multinational Force in Lebanon Resolution"⁴² signed by President Reagan on October 12 stated, "the Congress determined that the

requirements of Section 4(a)(1) of the War Powers Resolution (i.e. the reporting requirement) became operative on August 29, 1983" with the deaths of the two Marines. The resolution provided appropriate Congressional authorization "for purposes of Section 5(b) of the War Powers Resolution, to continue participation by United States Armed Forces in the Multinational Force in Lebanon." Though President Reagan in signing the Resolution doubted the constitutionality of section 5(b) of the War Powers Resolution and asserted he could not surrender any of his powers as Commander-in-Chief, this precedential use of the War Powers Resolution as setting a framework for interbranch negotiations did set a limit on "any substantial expansion in the number or role of United States Armed Forces in Lebanon." In addition, the statute provided that written reports were required "every three months" from the Administration. Though Congress did not terminate the Marine role, the eighteen month time limitation and the troop limitation that it was able to extract as concessions from the President during negotiations showed the shallow nature of any Congressional commitment to Lebanon. Congress demonstrated a strong reluctance to acquiesce in a larger commitment that would extend the militarization of this third critical juncture beyond the narrow geographic confines of the Persian Gulf as articulated in the Carter Doctrine. Though only the Administration's build-up was halted, Congressional reluctance at this point foreshadowed the end of the Lebanese intervention. The truck bombing of the Marine barracks on October 23 is the beginning of the end. Now, however, it would be useful to discuss the 1987 Persian Gulf naval deployment before contrasting the evolution of Lebanon policy after the bombing with the Gulf deployment.

The 1987

Persian Gulf Deployment: Enforcing the Carter

Doctrine's Core Commitment

Casper Weinberger, President Reagan's Secretary of Defense, described the late 1970s early 1980s era of American foreign affairs, the third significant turning point for post-World War II foreign policy, as the "containment of the Soviet

Union's massive military power."⁴³ In geographic terms, Weinberger is referring to the ability of the Soviets to threaten American and Western access to the oil of the Persian Gulf. With increasing naval capability in the 1970s, air and port facilities in Ethiopia and South Yemen and an army in Afghanistan, the Soviets were perceived as threatening not only shipping lanes but the whole post-World War II trade network between the U.S., Western Europe and Japan. Though the U.S. had reduced its reliance upon Persian Gulf oil, Europe and Japan remained heavily dependent upon it. Consequently, the threat to American security, which at first appears to be only indirect, is rather very acute. As Robert Tucker states, "It is the Gulf that forms the indispensable key to the defense of the American global position."⁴⁴ In this geostrategic context, the Nixon Doctrine was perceived as no longer satisfying American security needs. Its limits as a useful guide to policy had been reached and a response seemed to be urgent. On January 23, 1980 President Carter announced what has come to be known as the Carter Doctrine:

An attempt by any outside force to gain control of the Persian Gulf will be regarded as an assault on the vital interests of the United States of America, and such an assault will be repelled by any means necessary, including military force.⁴⁵

The expansion of American military commitments to the Persian Gulf cannot be disputed as lacking a consensual basis. Implementing legislation for the establishment of the Rapid Deployment Force, the acquisition of bases in Kenya, Somalia and Oman, the modernization of the Indian Ocean base of Diego Garcia and the budgetary support for the 600 ship Navy indicate the consensual underpinnings of the commitment. The Carter Doctrine clearly set the context for the Reagan Administration's naval intervention in the Persian Gulf in 1987 and the consensual nature of the Carter Doctrine's framework clearly enabled the Reagan Administration to justify domestically its deployment during the weakest days of the Reagan tenure when the Iran-Contra hearings reached a climax of public attention and with the President's personal popularity at its lowest ebb.

In a May 29, 1987 address, President Reagan stated, "As Commander-in-Chief,

it's my responsibility to make sure that we place forces in the (Persian Gulf) area that are adequate to the purposes."⁴⁶ The deployment was ordered to "assist in the free movement of petroleum," to insure "freedom of navigation" and "to reassure friends and allies of our commitment to their peace and welfare."⁴⁷ In speech after speech in 1987 the President reiterated these goals. The President stated,

Because of our strong ties with Kuwait . . . I have made clear on numerous occasions that the U.S. would regard an expansion of the (Iran-Iraq) war as a major threat to its interests as well as to that of its friends in the region.⁴⁸

The President's geostrategic framework was presented on May 22 in an address at the U.S.S. Stark memorial services. The President's intent to reflag Kuwaiti oil tankers under the American flag was embroiled in a widened scope of conflict at that time as the result of an allegedly accidental launching of an Iraqi air to ship missile that hit the Stark and killed thirty-seven American sailors. Reagan noted the Persian Gulf is "at the crossroads of three continents . . . were a hostile power ever to dominate this strategic region and its resources, it would become a choke point for freedom—that of our allies and our own."⁴⁹ On June 15, the President stated, "If we don't reflag, we would abdicate our role as a naval power and we would open the opportunity for the Soviets to move in this chokepoint of the world's oil flow."⁵⁰ The buzzword "oil" and the imagery of shipping lanes were thus often employed to set the perceptual context of the Reagan Administration's geostrategic framework in 1987 but the use of the buzzword and the imagery extends back to the early days of the Reagan presidency with its real origin in the Carter Doctrine.

Contrasting the Gulf and Lebanon

What differentiates the 1987 Gulf deployment from the 1983 Lebanon deployment is that administration policy continued on with the naval buildup which began with six American warships and eventually reached forty-one in spite of congressional clamor opposing the deployment. The buildup continued even after the much publicized U.S.S. Stark incident of May 17, 1987. Other misfortunes also kept administration policy under the widened scope of

publicity as a U.S. escort vessel was damaged by an Iranian mine in July and as three U.S.-Iranian naval incidents occurred.

In the case of Lebanon, the original deployment of 1200 Marines was never able to be expanded after the two Marine deaths on August 29, 1983 as the domestic debate precipitated by calls for the invocation of the War Powers Resolution effectively intimidated the Administration into making the concessions on time and troop limits in the "Multinational Force in Lebanon Resolution."

The key to congressional submission in the Gulf is found in an undisputed press release by the White House on June 30, 1987 describing a meeting of the President with congressional leaders—"the bipartisan leadership agreed the U.S. has vital interests in the Persian Gulf."⁵¹ Such a bipartisan consensus was lacking on the Marine deployment to Lebanon in 1983 as the prerogative force deployment of the President met a domestic backlash that effectively halted any further buildup of U.S. troops.

With the truck bombing of the Marines' barracks in Lebanon on October 23, the end of Administration policy in Lebanon begins. Once more, the President placed the situation in global containment rhetoric of the Truman Doctrine era. In a statement on October 24, the President asserted "we have vital interests in Lebanon" and he once again attempted to persuade the nation by using the domino rhetoric of global containment that "peace in Lebanon is key to the region's stability now and in the future" and "it is central to our credibility on a global scale . . . the struggle for peace is indivisible."⁵²

His October 27 national address, the same address in which he narrowly justified the Grenada invasion of October 25, used the rhetorical imagery of oil and shipping lanes. He noted the area's "strategic importance, its energy resources, the Suez Canal . . . one key to the economic and political life of the West."⁵³ However, these presidential persuasion efforts were to no avail to persuade Congress and the nation that American vital interests were at stake in Lebanon. Clearly, the President wanted to stay in Lebanon but despite these presidential exhortations that vital interests were at stake, the lack of

domestic support required the withdrawal of American forces that was completed by February 1984.

Though the articulation of the Carter Doctrine marks the beginning of a renewed geostrategic assertion by the U.S. after Vietnam, the return to the global containment policy of the pre-Vietnam era was thwarted in Lebanon and Central America. The example of Lebanon indicates vital interest debates can go against presidents even in situations that are geographically proximate to the core vital interest articulated in a presidential doctrine. In fact, military deployments can be halted and reversed as the Lebanon example shows because a politics of vital interests to debate policy ends has emerged. Senator Daniel Moynihan's (D-NY) critique of Administration policy in Lebanon succinctly captures the essence of the debate. He rhetorically asked, "Are we to abandon other strategic objectives in order to support this objective with required power?"⁵⁴

Moynihan made explicit reference to Walter Lippmann's central theme in U.S. *Foreign Policy: Shield of the Republic*. Lippmann argued that to be solvent, a nation's foreign policy must bring its foreign commitments "which may in the last analysis have to be met by waging war"⁵⁵ into a harmonious balance with the necessary power to support those commitments. When commitments outrun the power to support them, foreign policy is insolvent.

By using Lippmann, Moynihan was able not only to show how the military resources and tactics employed by the Administration were inadequate to achieve its political objective i.e. a means focused debate, but also how that objective was not worth achieving in the light of what was truly vital to American interests. To adapt Gelb and Betts, this debate "revolved around . . . whether things were worth doing" as much as how to do things.⁵⁶ In effect, Moynihan was pointing out that the Carter Doctrine in no way extended geographically to Lebanon.

A *Congressional Quarterly* article during the September 1983 Lebanon debate noted that having a base in a nation or denying one to an adversary as these bases can be related to sea lanes and access to vital resources was a big factor in determining vital interests but that in the case of Lebanon neither of these

criteria were relevant.⁵⁷ All this only highlights the fact that President Reagan's Lebanon policy lacked a solid underlying consensual perception that U.S. vital interests were at stake in Lebanon. Congressman Dannemeyer (R-Calif) observed that though Lebanon involved a direct interest of Israel, only an indirect interest of the United States was involved.⁵⁸ In this context he concluded the Marine deployment was not a good policy. Dannemeyer's reasoning process clearly indicates a selective, as opposed to global, containment orientation. Lebanon, a marginal interest of the United States, was not given a greater strategic significance than it was intrinsically worth. The psychologic of the domino principle "making all regions and, by extension, each nation within a region, strategically important"⁵⁹ was resisted to avoid a long-term commitment to Lebanon. Lebanon was not permitted to serve the same function in the militarily resurgent atmosphere that began with the articulation of the Carter Doctrine that Korea served in the Truman Doctrine era—a springboard to global containment.

The failure of President Reagan to control the terms of debate on Lebanese policy demonstrates even more significantly than Central American policy the failure of the domino principle to return. In short, try though he may, Reagan was unable to add to the perception of American vital interests beyond the Persian Gulf geographic core of the Carter Doctrine. The Administration was denied agenda control of the Lebanese situation by the Congress and this achievement was all the more impressive due to the geographic proximity of Lebanon to the Persian Gulf core of the Carter Doctrine.

In 1988, John Spanier described the nature of American vital interest perceptions during the Reagan tenure: "Even with Reagan at the helm, the nation continued to sway somewhere between the post-Vietnam and post-Iranian moods—between Grenada on the one hand and Lebanon and Nicaragua on the other."⁶⁰ This state of affairs is a far cry from Arthur Schlesinger's 1973 characterization of the consequences of global containment that "warfare anywhere on earth could, if the President so judged, constitute an attack on the United States and thereby authorize him to wage defensive war without

congressional consent."⁶¹ An Imperial Presidency would not only have stayed in Lebanon but escalated American involvement if presidents were still the single-handed definers of vital interests that they were during the Truman Doctrine's global containment era.

Summation

In a 1985 article, Jerry Sanders saw the ubiquity of the Soviet threat as the official rationale for American military interventions in the post-World War II era. He argues, "it's a difficult proposition to sell a semi-threat . . . either the Soviets posed a threat or they did not."⁶² His concern is the likelihood of a return to the global containment psychology of the Truman Doctrine era when threats are the focus of attention as they were at the outset of the Carter Doctrine era when he was writing. Contrary to his admonition about semi-threats, the Lebanon debate indicates that Congress can refuse to accept presidential statements and policies that invest non-core interests with greater weight than they deserve. Contrary to the congressional subordination to the Imperial Presidency that Schlesinger noted as beginning with the Korean War,⁶³ Congress continued to participate in the geostrategic debate and played a significant role in keeping the re-expansion of the American military role in the world, that began with the Carter Doctrine's articulation, geographically confined to the doctrine's core commitment.

On the other hand, Sanders' focus on rhetoric and public rationales provides insight on the process that leads to military intervention. For those who see the presidential power to make executive agreements as the slippery slope that gets the U.S. in Vietnam, it should be noted that commitments, secret or public, cannot create a public consensus to support a military intervention. At the same time, the lack of a written commitment to a nation's security, secret or public, in treaty or executive agreement form, will not prevent intervention when a public consensus to support an intervention is in place. The de facto U.S. commitment to the security of Israel since 1948, Saudi Arabia in the 1970s, Kuwait in 1987 and again in 1990, are cases in point.

The important point to remember about the 1983 Lebanon debate is that the presidential incantation of the buzzword

of the Carter Doctrine era—oil—did not bring an end to analysis and debate as the incantation of the buzzword of the Truman Doctrine era—communism—did. To employ Gelb-Betts, the Lebanon debate indicates the interpretation and implementation of the Carter Doctrine was “not encased in Holy Scripture”⁶⁴ as was the Truman Doctrine. Presidential interpretation was challenged and thwarted. Finally, the domino principle did not make the policy comeback MacDonald anticipated because global containment reasoning was no longer acceptable as a premise of public geostrategic debate after Vietnam.

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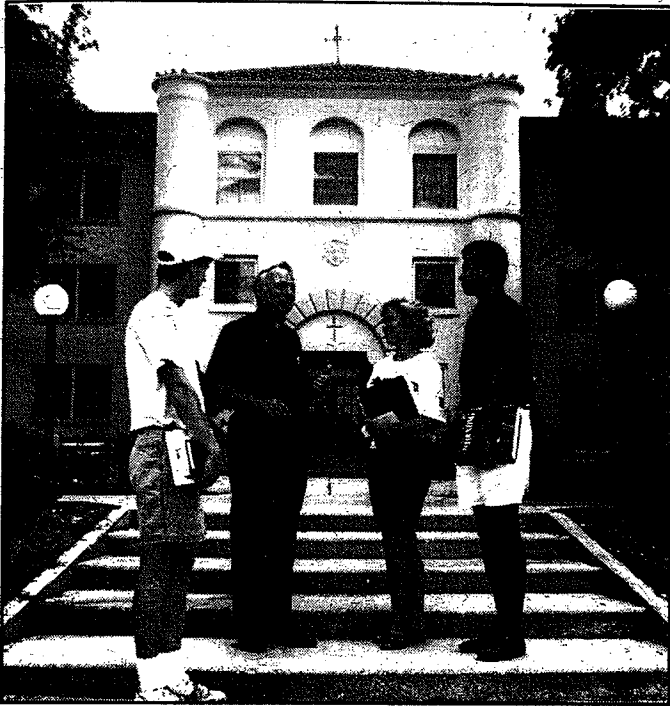
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