OBSERVATIONS ON AMERICAN LEADERSHIP Memo for Carter Center Module April 25, 1988

- I. Defining a nation's leadership position is a complex problem.
 - A. Nationalism and cultural isolation tend to distort objectivity.
 - 1. Within our own country we are constantly subjected to the two extremes of blithe jingoism and pessimistic predictions of eminent demise through the media.
 - 2. Similarly, the openness of debate in our media tends to give foreigners, few of whom experience the same degree of openness in their own countries, the impression that America is weak and divided.
 - B. Because of the unique position America has held since the end of World War II, it is possible to isolate with reasonable objectivity several different—though interrelated—self-conscious leadership mantles the country has worn.
- II. Victory in the war left America in a dominant position, not the least because our industrial capacity was not destroyed as was that of our allies and enemies.
 - A. At the same time, the dichotomy between free- and controlled-market economies in communist Russia and its satellites and also in China emerged after the war, and America assumed "leadership of the free world."
 - 1. This role was expressed through economic leadership in reconstructing the economies of both allies and former enemies and
 - 2. military leadership of countries oriented toward capitalism and varying degrees of democracy.
 - B. Renewed expressions of the fundamental ideals of the nation's social and political consciousness and the dynamism of its culture established a sense of American world leadership in these areas as well.
 - 1. The Civil Rights movement and efforts to end sex discrimination were symbolic of the nation's intent to incorporate all members of society into the system and set the tone for leadership in human rights.
 - 2. Likewise, the movements to protect the environment and the consumer even at some expense to industrial efficiency asserted the resolve to continue to pioneer methods of dealing with problems associated with the growth of modern society.
- III. Focusing on America's postwar economic and military leadership offers a perspective on the expectations and actualities of U.S. roles.
 - A. Underlying America's postwar leadership strategy was the desire to bring other economies into fuller partnership in the world marketplace.

- 1. In this sense our leadership has succeeded insofar as Japan and Europe, and more lately the newly industrialized countries of the Pacific rim, have become integrated into the free market.
- 2. In addition, we have seen socialist countries—in particular, China, but to some extent the Soviet Union—moving toward free-market mechanisms.
 - a. This might be seen partially as an admission of weaknesses in satisfying demand through centrally controlled markets.
 - b. It is also a vindication of our efforts to include all comers into the marketplace.
 - c. Leaders and, to a continually greater extent, citizens of those countries are more aware of disparities between themselves and those developing countries that have benefited from close association with the U.S.
- 3. To continue our leadership in this regard, will require patience on our part to ensure that the market continues to function in an orderly fashion.
 - a. As countries develop to the point of greater independence, we will be able to eliminate through negotiated timetables the concessions that were put in place to allow less developed countries to grow (e.g., favorable trade concessions to Taiwan, Korea now being lifted).
 - b. At the same time we should negotiate with all countries to reduce tariffs imposed to foster infant industries as those industries grow to maturity.
 - c. We must also be leaders in preventing the growth of further protectionist barriers by forbearing from indulging in protectionism ourselves.
- B. In recent times our strategy of nurturing the global marketplace has raised the possibility that we might lose the leadership that we have held in productivity, quality of goods, and bringing new ideas to market.
 - 1. Countries like Japan and Germany have arisen to challenge the dominance in production techniques and quality that we could once take for granted.
 - 2. We probably still lead in productivity, but other countries are gaining ground rapidly.
 - a. To some extent, this was to have been expected--catching up generally allows rapid initial strides in year-over-year percentage improvements.
 - b. We should also consider that in some ways, our leadership in social and environmental reforms has worked at cross-purposes with our

productivity growth.

- (1) every new regulatory consideration must be factored into production time and costs;
- (2) Few countries are as strict or thorough as ours. At the same time let us recognize that these social choices reflect our advanced living standard and should not be regretted.
- 3. Despite these considerations, we must be mindful that one in a leadership position also faces the danger of becoming complacent and flagging in efforts to remain efficient.
- 4. While market discipline will help keep us focused on high levels of productivity (as long as protectionism doesn't allow us to avoid that discipline), American industry needs to take a more long-term view than we have traditionally employed.
- 5. In terms of quality, we need to shift our consciousness from the earlier mode of producing for mass markets to more specialized production.
- 6. Some are also concerned that while we remain ahead in most areas of R&D, we have difficulty putting ideas into production.
 - a. The Japanese appear better able at times to bring industrial applications of American-born ideas to market before we do ourselves.
 - b. This criticism merits consideration and suggests that greater communication between academic and industrial centers of research would be appropriate.
- 7. To maintin high levels of productivity and quality, we need to reassert our leadership in education.
 - a. The quip is that we produce the worst educated high school graduates and the best-educated college and graduate school graduates in the world.
 - b. It has probably been this way for some time, but the quality of k-12 education has slipped dramatically in recent years.
 - c. We must reverse this tendency by investing more in our human capital, both in educational institutions and through on-the-job training.
- IV. The second major area is military leadership of the free world.
 - A. Aside from the obvious need for national security, which by extension includes the security of strategic allies, American military leadership is aimed at ideal of protecting fledgling democracy/free-market systems from the threat of subversion by socialism.
 - B. We read reports now and then that question our ability to maintain military

leadership from the standpoint of either economic resolve or the will to meet our commitments.

- This subject has always been and will continue to be one of continuing debate.
- 2. We clearly need to be assured of at least parity and hopefully superiority over potential enemies.
- C. We should exercise leadership in eliciting greater support from our allies who can now better afford to contribute.
 - 1. NATO nations should probably be paying more for NATO.
 - 2. Political implications of encouraging Japanese rearmament are complicated by residual distrust of other Asian nations.
 - a. Whether or not Japan contributes more military support, should be called upon to help out in other areas it can afford.
 - b. Japan could provide more foreign aid, which would reduce our burden and help balance our military expenditures.
- D. Our military leadership has been effective for the First World--Europe and Japan, and the more outright protectorates--Taiwan, Korea--to a great extent because the nuclear standoff between U.S. and Soviet Union (with China as counterweight, primarily anti-Soviet since the 1960s) has limited conventional warfare to other parts of the world.
 - 1. For this reason, the U.S.-Soviet standoff has been disasterous for much of the third world to which shooting warfare has been displaced—Southeast Asia, Africa, Latin America.
 - 2. It would be good in this regard if we exerted leadership in negotiating reductions in arms sales to contending factions in third world countries-not only from the U.S. and the U.S.S.R., but from France, China, Israel, and other arms merchants.
- V. Having discussed positive aspects of American leadership, must admit that there are some areas in which we lead that we would gladly relinquish leadership.
 - A. The level of crime and violence in our cities is unconscionable.
 - B. The widespread presence of various chemical addictions and the breakdown of family solidarity are also troubling.
 - C. These things are ironically the other side of the high-standard-of-living coin.
 - 1. Other countries also experience more of them as they approach our levels.
 - 2. These problems are persistent because they can't be legislated away.
 - D. The challenge they pose for American leadership is to find ways to work

through them that will ease social turmoil here and provide a model of adjustment for other countries as well.

- VI. Because of what we have and what we have seen—the incredible escalation in rate of improvement of standard of living in this century and even in the past three decades—we should maintain faith in our ability to lead.
 - A. It is a probability—not a possibility—that we will have our ways of doing things radically changed over and over by breakthroughs on the magnitude of air travel, nuclear energy, or the computer.
 - B. The development of usable fission and superconductors, which will continue to be developed under American leadership, could be factors that restructure great portions of the world's economy and moot some current questions about American leadership in creating new ideas.
 - C. If we have faith in the dynamism of our system, we can afford to continue to perpetuate our strategy of encouraging the world to become more pluralistic, even if that means voluntarily sacrificing some of the image of leadership that might be demanded by narrow nationalistic sentiment.