



INTERACTION COUNCIL

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“Observations on the Present State of the World”

By Helmut Schmidt, Honorary-Chairman

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It has taken our Chairman Ingvar Carlsson and his right hand Mrs. Keiko Atsumi a joint effort to impose on me the task of trying to offer you a tour d'horizon on the present state of the world. The first consequence of their violent act was that Tom Axworthy and I had to undertake the strenuous task to put our observations into a draft manuscript. But then the second consequence is that you, ladies and gentlemen, will have to endure a rather lengthy speech.

It was a quarter of a century ago that our Council has held its first meeting in Vienna. Our deceased Japanese friend Fukuda Takeo had in 1982 conceived the idea of the InterAction Council in order “to make contributions to threatening problems”. He has once described the 20th century as “the century of glory and of remorse”. Glory, because of the tremendous progress in science, technology, health and economic growth. Remorse, because it had been the bloodiest century in history and because of the tragic abuses of the Holocaust and genocides and ethnic cleansing, of enormous war crimes and human rights abuses.

In the meantime, the world has changed considerably. Although we are still not living in a peaceful world, at least there is no prospect of a third world war. The present world does differ enormously if compared with the scenario that leaders like Mao Zedong and Khrushchev or Brezhnev and John F. Kennedy or Ronald Reagan had before their eyes – and if compared with the dangers and the chances that those leaders had to deal with. But quite new dangers and new challenges and as well new opportunities and new chances have emerged.

I. Globalisation

Let me start with the phenomenon of globalisation. The term “globalisation” is new but worldwide trade has existed and played an important role since Marco Polo or Vasco da Gama or the Hanseatic League. What really is new is the enormous increase in quantities as well as in speed. Whereas China and the Soviet Union had been almost totally closed to global trade, they are nowadays fully participating. On top of that, the volume of global exports and imports has multiplied. This quantum-leap, in which almost everyone of the 200 states is participating, has been made possible by a simultaneous qualitative leap in transportation and communication. Not only on the oceans of the world and in the air but as well by electronic means. What today is called high-tech was inconceivable not so long ago. During our life-time we have witnessed a speedy scientific and technological progress. And electronic communication – f.i. by way of the internet – enables anybody, if he or she has the necessary professional education, to use and fructify scientific and technological achievements, that have been developed in a country thousands of miles away from his own, developed by people whose language he or she does not understand.

Several thousand years ago, it did take mankind several centuries to learn how to make a cup from clay. Thereafter it took again centuries to make vessels from bronze; then came iron, but it did take many centuries to go from iron to steel. During the 20th century it did take less than 50 years from the first aeroplane flying in the air to drop

bombs from big aircraft and destroy a whole city within just a couple of minutes. We are witness to a breathtaking acceleration of technological progress.

We have to expect a continuation of this very quick progress of science and technology. We as well have to expect a continuation of the rather quick globalisation of any scientific or technological innovation. Whether we think of the method of transplanting the heart of a dead human into some other human's body, living thereafter with a foreigner's heart, or think of new gene-technological discoveries and achievements or whether we take new techniques in automobiles, in rockets and military weapons: All the new techniques – be they developed in Tokyo, in Bangalore, in Stanford, California, in Beijing or in Eindhoven, Netherlands – will be available all over the globe. In the fields of science and technology we will be living in one big community, so to speak: we are in fact going to live inside a global village. All this is to happen despite the fact that most Americans will not understand Chinese, that the average Russian will not understand English. And despite the fact that the great majority of mankind will still identify themselves by way of their language, their family, their religion, their tribe or people or nation.

There is no use in protesting against the globalisation of technology, because it will inevitably go on! And the same goes for the globalisation of trade in goods and services. Take my own country, Germany, as an example: We are just 80 million people, but we are intertwined with the economy of nearly all the 200 states; we do export about 40 % of our Gross National Product, we at the same time do import almost 40 % of our GNP. If a German government would try to decrease this high degree of globalisation of our economy, the result would inevitably be a considerable decrease of employment and of our standards of living. Already since the 1970's there is no longer a possibility to decouple the German business cycle from the ups and downs of the global economy as a whole. I have understood this fact of life at first by way of the two global oil-price-explosions during the 1970's.

By the way, the same is true of many other sovereign states today, they can influence the structures of their societies and their economies, but no longer are they capable to steer the business cycle with national means.

Another example is today's China. If by a political disaster China's exports would no longer be bought by customers in America, in Europe, in Japan and in the ASEAN countries, it would inevitably create economic disaster in China. Or take the USA as a third example. If for some political reason the confidence of the world in the vitality or the American economy would vanish and if therefore the enormous net inflow of foreign capital and savings into the U.S. would stop – by the way a net capital import in the order of 7 % of the annual American GNP! – it would send the US into deep recession and possibly into depression.

The lesson from these three examples is this: there is no realistic chance to renationalise our economies, we cannot in reality impede the ongoing globalisation of our economies. We cannot prevent globalisation – therefore we have to prepare for the consequences! And we have to jointly try to manage the global process!

Already during the first oil-price-shock Valéry Giscard d'Estaing and I persuaded the leaders of the major economies of the 1970's to coordinate our monetary and fiscal policies, in order to prevent a global wave of monetary inflation and its unforeseeable economic and political consequences. We did meet in the autumn of 1975 at Rambouillet, France, in a large private living room, far away of the press and of television. In those years the G-7 did account for one half of the world's economic activity. And we have been moderately successful in managing the macro-economic global imbalances.

It is thinkable that within decades the GNP of Brazil, Russia, India and China – the four so-called BRIC-countries – combined will be greater than the old G-7 countries combined. It is no longer thinkable that the present G-8 can succeed in macro-economic coordination in order to manage the world's economy. It appears to be a delusion to be able to successfully manage the globalised economy by a G-7 or nowadays G-8 economic summit in the absence of China, India and Brazil.

In my personal evaluation, a joint effort to keep the world's economy on an even keel needs a regular coordination between the old 7, nowadays 8 old industrial powers but one has to include as well China, India, Brazil – plus at least one of the major oil-exporting countries, for instance Saudi-Arabia, plus at least one of the larger presently not industrialised developing countries in Africa, for instance Nigeria or South-Africa or Egypt. I would as well think of the European Union, Indonesia and Mexico.

The United Nations is a universal institution and its role will remain to be valuable. But one cannot galvanise 200 leaders, and enlarging the Security Council seems to be at a dead-end. The value of a G-15 is that it is small enough to have real discussions, representative enough to include the major powers of our new multilateral world, and flexible enough to have serious negotiations on everything from the Doha Round to pandemics, climate change, or sensible strategies to combat terrorism. It would be even better if a new G-15 gave up the practice of concocting communiqués months in advance, and would meet the media only if they had something to say.

At present the whole world does enjoy an economic boom, which is having positive effects on almost every country in all the five continents. It does provide good opportunities for many countries and for the world to undertake those reforms and innovations which had been neglected since decades. This boom will certainly not last for ever, therefore it is imperative to use the present opportunity!

It is not unthinkable that it may take just a short while until all of us will be confronted with a major economic crisis. I have to mention here the possibility of another currency and exchange-rate-crisis. The enormous surpluses in the Chinese and the Japanese trade balances plus the enormous American deficits bode no good for the stability of the constellation between major currencies; and this situation is a standing invitation for thousands of speculators in the financial centres.

And even if the present monetary and currency imbalances do remain manageable, the globalised financial markets themselves by all their inscrutable new financial

instruments – hedge-funds and derivatives of thousand different nature, private equity corporations or unfriendly take-over-specialists and predatory capitalists – could create havoc by their intrinsic tendency to behave and act as a herd of sheep or geese. Just like the global sea and air traffic are subject to strict security and traffic rules, as well do global capital movements need regulation to avoid catastrophes. This would be an act of preventive rationality – to say nothing of decency and ethics. Since the International Monetary Fund has lost its essential task already three decades ago, the future G-15 might entrust the IMF with the new task to develop a trans-national system of supervision and control of financial markets and its participants.

II. On Global Challenges

1.

Besides of the global challenges which stem from recent developments of the global economy, there does still exist a number of dangers, actual ones and thinkable ones that we have known since long. First of all the explosion of the global population will go on for the foreseeable future, let us say at least for the first half of the 21st century. Within about 40 years or so we will be 9 billion human beings, which is about five times as many as in the beginning of the last century, when my own father still attended his primary school. Because the space on the surface of our globe will not enlarge, the available space per capita will shrink further. This will in the main happen in Asia, in Africa and as well in Latin-America. In those continents the tendencies for migration, for local wars, for uprisings and civil wars will probably continue. Ever greater masses will live in huge cities and not any longer in villages. The problems of providing employment and food for these masses will certainly persist. As well the dangers of epidemics and pandemics will persist.

All this will particularly happen in those developing countries and states which do own their existence and their borders not to common language and religion and extraction but to the arbitrary decisions of their former colonial masters and which therefore are extremely difficult to govern and which for the same reason have as yet only marginally been benefited by the economic globalisation. In this context I have to mention the present Doha Round of trade negotiations. I regard it to be a grave mistake and morally a shame that the old industrialised countries, particularly the US and the European Union, still deny the developing countries to export their agricultural products. If the people are not permitted to export their products they will export themselves!

So far only the People's Republic of China has rigorously tried to dampen the further growth of their population. It was of course a problematic undertaking, but Western criticisms have no legitimisation. Even if mankind as a whole will be able to cope successfully with the consequences of the population explosion – and this is a very big if! – nevertheless I would not be astonished to see other densely populated developing countries emulating China's effort.

2.

Apart from the explosion of the global population, going on since World War II, the climatic change does appear to only recently have caught the public's eyes and ears. The fact is that the climate on the surface of this globe has varied since millions of years. We know of several ice ages and warm ages. For instance one does find the teeth of Mammoth-elephants in Germany which proves that once upon a time the climate in Central Europe was warm enough to sustain elephants. And in my garden in Hamburg, we do find mussel-shells in our soil as a proof that once upon a time during a warm age our garden has been part of the Atlantic Ocean. I mention these facts in order to warn against climatic hysteria as if the end of our world was just around the corner. Also to warn against the other hysteria as if we were capable to prevent climatic changes. What we ought to do is to prepare for it.

Having said this, I must stress the fact that indeed mankind is presently contributing to global warming. And it is a fact that we can decrease our several contributions. I have publicly urged governments to take action since a quarter of a century. So far the international agreements to curb the emission of greenhouse gases do not cover China and India, and the US have cancelled their participation. These three giants are critical to the solution of the problem, and the Kyoto Protocol therefore is quite insufficient. I consider this problem to be a major task of the heads of state or of government who ought to tackle it in the future G-15.

3.

A third global challenge appears also to be relatively new. The catchword "Clash of Civilisations" was coined just a dozen years ago, but nowadays a clash especially between Islam and the Western civilisations has become a real possibility – a possibility, by no means a probability. It still can be avoided.

In some quarters of the Islamic parts of the world, we meet a mixture of disgust and revolt against poverty plus envy about the luxury of Western nations plus religious terror plus the quest for political power. The terrorist crime against the twin towers of the World Trade Centre in New York five years ago was a symptom of religiously inspired hatred. The superfluous war against Iraq has multiplied the number of Islamic terrorists. Western countries have used military power not only against Iraq and inside Afghanistan, but as well in Bosnia and Kosovo, all these countries being inhabited by Muslim majorities, and the US are assisting Israel against its Muslim neighbours. It is not too difficult for zealots to derive from this fact a general enmity against America or against the West as a whole.

It seems advisable for the West – and I would expressly include the Vatican – to very carefully avoid any looking down with condescension on Islam. The world religion of Islam is entitled to the same respect and tolerance as is the Christian religion or Buddhism, Hinduism, Shintoism or the Jewish religion. Political leaders must never misuse their religion for political purposes. Religious leaders must never let their

religion be misused for political purposes; they must never use politicians to spread religion.

It is of course much easier for a Westerner to say this than for many Muslims to accept it. Because the concept of the secular state has been developed in the West. It was only stepwise developed since the beginning of the era of enlightenment; earlier on also the Western states were characterised by their official and also actual confession of the Christian religion, the struggle for supremacy by the popes versus the kings and emperors notwithstanding. Within the great number of states with Islamic inhabitants or Islamic majorities, quite a few states have not as yet completed the separation between the political and the religious authority; Iran is one example, the fight about the maintenance of the secular state inside Turkey is another illustrative example. The West will have to accept the non-secular Islamic states as a fact of life.

But neither political nor religious leaders have any legitimating to impose their political ideology or their religious creed on to peoples outside their own jurisdiction. And the same goes of course for the media. This Council has preached this appeal for tolerance since our meeting in 1987 with leaders of all the major religions, we will again this time in Vienna devote our deliberations to the same appeal. It is more urgent today than it was twenty years ago.

4.

Having mentioned ongoing military interventions I would like to add a short paragraph on the subject of the so-called "humanitarian" interventions. Since the end of the Cold War between the West and the Soviet dominated East, we do observe a growing number of peace-keeping interventions into sovereign states. Some of these missions have been legitimated by decisions of the Security Council, but a few have been undertaken without the Security Council's consent, thereby violating the Charter of the United Nations. The military intervention in the failing state Yugoslavia, the occupation of Kosovo and Bosnia and the bombs on Belgrade served as an outstanding example. In many cases one finds it difficult or even impossible to bring the intervention to an end and withdraw one's troops from foreign soil. In quite a few cases it is obvious, at least from hindsight, that the intervention was and still is in the main serving the political interests of the intervening powers rather than the interest of humanity.

I wonder whether our Council might find it appropriate to issue a word of warning to present members of the United Nations not to let one basic principle of peace be totally neglected. I for one am under the impression that the basic principle of non-interference is almost totally forgotten.

III. Different Situations in Different Continents

Let me leave the chapter on global challenges at this point and draw our attention towards the different situations on the different continents.

1.

I have long believed that China would again enjoy the status it had for three millennia as a pre-eminent world power. It has achieved that status again. And India is not far behind. China has more than a trillion dollars in hard currency reserves, after having grown economically at 8-10 % annually for decades. India has one of the world's most sophisticated high-tech sectors, and Indian industrialists are now buying companies around the globe. China and India are both nuclear powers, and each has more than a billion people. Within two additional decades China and India will have the world's second and fourth largest economies, respectively.

Despite the unsolved Kashmir-problem, the Taiwan-problem and North-Korea's nuclear ambitions, there does not loom any international conflict on the horizons of East and South Asia. Both India and China are very cautious and responsible in the arena of international and global affairs. Both giants do not appear as militarily threatening their much smaller neighbours. China has played a constructive role in trying to restrain North Korea, and the eventual solution to North Korea's threatening armament will certainly require China's influences.

I often think of our long time friend Pierre Trudeau who had personal and deep knowledge of China. I think he would welcome this huge change of China regaining its vitality. He favoured what he called counter weights or what I call balance in world politics. The emerging multi-power world, rather than a uni-polar world is what he would have favoured. How the rest of the world, especially the United States, responds to this change will determine whether our future is characterised by stability or by chaos. There should be no doubt that the solution of any of the great challenges facing the globe will have to include the Asian giants. If we want to progress, we must adjust to this fact.

Of course, both the Asian giants are faced with severe problems inside their border, India in particular regarding its enormous growth of population. Mistakes and failures cannot be excluded. But in their foreign relations both do appear to me as peaceful and reliable.

2.

The same cannot be said about that part of Asia, which we call the Middle East. If I use this term Middle East, I am including Central Asia, Iran and Egypt as well, although Egypt is part of the African continent. In this sense the Middle East composes a great part of the more than one billion Muslim believers – and as well Israel. It as well does comprise that part of the world in which the greatest number of political conflicts is concentrated. And as well does it comprise the great bulk of the oil reserves of the world, which is of vital interest for all the other countries.

Inside this vast region most of the presently existing states do owe their borders and their statehood to decisions by the former colonial powers, either after World War I, or after World War II. Only Iran and Egypt are based on millennia of history. Both of them

have determined the destiny of the Middle East since biblical ages. Islam and the Ottoman Turks came much later. In Iran, formerly called Persia, we find since three decades a religiously governed state with considerable domestic tensions, whereas Turkey since the 1920's has turned into a secular state but with considerable domestic tensions as well. With the exception of Israel all states in the region are governed in a more or less authoritarian and dictatorial manner. A few of the religious and the political leaders are belligerent.

The Iranian President gives particularly belligerent public speeches. Iran, on the other hand, is a signatory to the Non-Proliferation-Treaty regarding atomic weapons; they have not as yet cancelled their obligations under that treaty what would legally be possible as the North-Korean example has shown. It appears unclear whether Iran really strives for nuclear armament; all American accusations so far remain unproven. So far Israel is the only nuclear weapons state in the region. Any military intervention against Iran would be a violation of the United Nations charter; it would probably drive the whole region into chaos.

Iraq is a typical case regarding the consequences of a frivolous military intervention. It is easy to enter but very difficult to leave the defeated country alone. Iraq could fall into three different parts: Shiites largely in the south, Kurds in the North and Sunni largely in the middle. If these three parts break away it might destabilise the whole region, because neither Iran nor Turkey would accept an independent Kurdish state at their borders, due to the fact that both of them do have large Kurdish minorities inside their own borders. I hate to add that also in the case of the intervention in Afghanistan, legitimated by the UN, it will foreseeable enough be again extremely difficult to leave the country.

Israel does owe its moral legitimisation to the murderous holocaust. Almost all the Arab leaders have by now accepted the existence of Israel as a fact and are willing to offer full recognition. The only long-term solution of the perennial bloody Israeli-Palestinian conflict is in a two-state peace settlement based on the 1967 borders. It has taken the Arabs a long time to come to this insight. The Israelis so far have relied only on their superior military capability and on the assistance of the USA. They do not as yet appear to follow a viable long-term grand strategy.

Without peace between Israel and its Arab neighbours the Middle East will remain an unruly region, endangering the peace of nations and states outside. Peace does require to sit down and talk, listen, answer questions – and it does require the will for compromise. My Egyptian friend Anwar al Sadat has – with great courage – set the first example, Itzhak Rabin was following; both statesmen have been murdered by extremists of their own nation. Since Camp David 1978 America has taken a great deal of the responsibility for peace between the Arabs and Israel. America has good relations with Israel, with Saudi-Arabia, Egypt and Turkey. Washington is in a unique position to mediate. The recent Saudi initiative and the Arab League summit in Riyadh does offer an opportunity. But then: Mediation takes both judgment and courage. I must confess not to be overly optimistic. Maybe we have to wait for the next president in Washington D. C.

As a footnote I would like to point to a thinkable strategic contribution by Israel. Israel has the only modern economy and technology in the region. If Jean Monnet were advising Israel today, he might say: Use your technological and economic capabilities to invite your neighbours to join you in cooperative projects in water, trade, joint tourism, etc. The “soft power” of Israel may in the long run be far more useful than the hard power of its military.

3.

Let me switch to Africa. Also in this continent most of the present states and their borders have been determined by the former colonial powers – with no regard to tribal realities, to languages, to religions and to geography. The artificiality of the states does make government and administration extremely difficult, more difficult than in all the other continents. The European powers have colonised almost all of Africa and exploited it for their own needs. When after World War II they could no longer maintain their rule, some of the new sovereign African states were used as proxies for the conflict between the West and the Soviet Union and one strong man after the other was propped up without giving attention to their looting their own peoples.

Today these horrors have passed and many Africans are taking responsibility for their own future. Yet, we must not replace the exploitation of the past with indifference now. Africa is still the home of terrible conflicts: The Great Lakes region, also countries to the East and North of the Democratic Republic of Congo, have been violated by conflict since the Rwandan genocide in 1994. These wars resulted in more than 5 million casualties. Darfur and the Horn of Africa are equally tragic. In my view the Organisation of African Unity must play the major role, because we know from our experience that humanitarian interventions from the outside world can cause as many problems as they try to solve. We ought to remember the oath of Hippocrates – “above all do no harm”.

Africa still suffers too from the old blights of disease and poverty. The AIDS epidemic in Africa has killed 13 million people. Sometimes we doubt the efficiency of development grants – I would prefer to get Africa much better access to Western markets – but there can be no argument about the need for concerted world action on the public health priorities of AIDS, malaria, TB, and diarrhea diseases. The West once sent slave ships to Africa; now we must send medicines. In Japan, a girl who is born today has a life expectancy of 86 years, but in Zimbabwe a girl can only expect to live to be 34.

Africa as a whole is a neglected continent. All together the African picture is relatively bleak. But there are also signs of improvement. In 1983 this Council “deplored the despicable system of apartheid”. Thanks to Nelson Mandela, who showed generosity and forgiveness worthy of Gandhi, South Africa has made a remarkable transition.

4.

There are a few similarities if we compare Africa and Latin America. Both continents do consist of developing countries, we find mass poverty and political tensions in both places. Both continents do not endanger the peace of the outside world. But otherwise Latin America is clearly better off. One of the reasons is the fact that we have hardly ever seen an armed conflict between South-American states. Another reason is the fact that most of the states have been established already a long time ago and, therefore, had a much longer period of time to develop education, also to introduce modern technologies, medicine, economic behaviour and administrative capabilities. It may very well be that the project Mercosur, a common South American market, will succeed; they will anyway be able to use the foregoing example of the European Common Market and its experience. It is of course very helpful that there is hardly any racial strife, just two languages and only one great religion. Latin-America is a Roman-Catholic continent, in which many people nevertheless do not obey all of the rules, which are preached by the Vatican. The bishops in Brazil or in Mexico are much more tolerant than the Vatican. Nevertheless the birth rates are high and alike in Africa and Asia; also Latin-America is contributing to the global growth of population.

5.

By contrast Europe is the only continent with a shrinking population. The charts of birth rates may give the impression of a decline of vitality, but it is unclear whether the present trend will last. For the time being this trend and the unforeseen aging of the societies must not give us headaches. On the other hand, Europe for the first time in centuries is enjoying real peace among its nations and states. After a millennium of bloody wars, Europe is at peace with itself and has released its former colonial empires.

The European integration, started in 1950 between just six countries, has developed into a union of 27 countries and one half of them do share one and the same currency. The EU of course had to overcome several crises; right now we try to overcome a so-called constitutional crisis. And it may well take another fifty years until we may arrive at a common foreign policy, if at all. Nevertheless the evolution is highly likely to continue. The responses to the EU by Russia and by the United States may constitute a critical factor for the future; but it appears very improbable that any dangers to global peace will ever again emerge from Europe.

IV. The World Powers

Since the implosion of the Soviet Empire, a few people, mostly Americans, do believe the US to be the one and only world power. Some even believe that the only superpower does have the mission and the capability to guarantee stability and peace all over the globe. For the sober mind, it is obvious that a fleet of big aircraft carriers, nuclear-equipped long range rockets plus some troops do by no means suffice to politically stabilise the globe.

1.

Today as well economic and financial power alone can make a great country into a world power. Take China as the presently outstanding example. Thanks to the economic instincts of Deng Xiaoping, it will rather soon replace Germany as the world's export champion. The growing Chinese demand for oil and gas and raw materials of all kind has a heavy influence on prices on the world markets. On top of it, China can dispose of an unprecedented huge amount of currency reserves that could easily be used for geo-strategic purposes. Even if the Chinese military capabilities do appear relatively limited in scope, one has to understand China's world power status. The US, Russia, Japan and the world at large ought to accept that as a fact of life and to handle their relations with this upcoming world power with careful diligence.

The same will soon apply to India. Both these Asian giants are to be considered world powers – due to their sheer size, due to the efficiency of their large economies and not least due to the political influence that they can exert not only in all of Asia but as well all over the world.

2.

Russia, even after the end of the Soviet empire, still is and will remain to be a world power, not only because of its military might, but as well because of its huge territory which is full of hitherto unearthed mineral resources. At present and for the foreseeable future, Russia enjoys the enormously growing global demand for natural gas and petrol and also nuclear energy capacities. The gas- and petrol-factor is strengthening the international role of Russia, although it does not as yet equal the great impact by which OPEC three decades ago was capable to throw the whole world into recession.

Russia's worldwide military power has been very great during the Soviet era and during the Cold War. Since then it has decreased – both in absolute and in relative terms. Many Russians and probably also Vladimir Putin would have liked to maintain the former Soviet Unions military power and its international importance, but the Soviet Union was almost double the size of present Russia's population and nevertheless the Soviet military expenditure largely over-exhausted the empire. I do not observe any indication, that this mistake will be repeated. After the Soviet attack against Afghanistan, twenty-seven years ago (which was a blunder by a senile regime) neither Gorbachev nor Yeltsin nor Putin have transgressed into foreign territories. But quite a few Americans do maintain their former mistrust, suspicion and enmity. The US and as well NATO have lost a formidable enemy but to quite a degree they stick to their old attitudes, which in turn feeds corresponding feelings in Russia.

The Russian nation differs in many ways from the European and the North-American nations. It is a unique entity of its own type and own class. Since a thousand years it is used to autocratic regimes, it will not turn to a Westminster – or Washington – democracy. For a long time to come, the Russians will be occupied with the unavoidable digestion of the enormous losses due to the demise of the Soviet Union and with the urgent modernisation of its state, its society and economy.

The future evolution of Russia is a source of great curiosity and interest to its neighbours and to many nations on this globe. In my view the future of Russia is by far less uncertain than for instance the future of the Middle East or the future of Sub-Saharan Africa as a whole. Personally I would always prefer a Russian world power role based on its gas supply and its economic strength rather than a world power role based on strategic weapons.

3.

The world power United States, due to its superior military and economic strength carries a special burden to act responsibly. I admire the vitality and generosity of Americans. Never will I forget the American Quakers who gave me my first serviceable shoes after I left my Prisoner-of-War camp; nor will I forget the Berlin airlift; the Marshall Plan (ERP, European Recovery Program); the care-packages from relatives in Minnesota to my family in Hamburg; or Leonard Bernstein's concerts in Germany right after the war. In assessing the current potential of Europe and of Japan, one should never forget that American policy played a hugely constructive role in the rebuilding of those societies. The generous tradition in American life is for example represented by the life-time career of former Vice President Walter Mondale who joins us for our 25th Anniversary.

The US has quite a number of countries joining them out of opportunistic calculation, but more important is that the American nation does have many friends out of inclination and affection. After the colossal crime against the twin towers at Manhattan six years ago, the wave of sympathy with America all over the globe was almost overwhelming. Today, some of the sympathy has vanished; some friends and allies are puzzled and anxious. This deplorable change was triggered by strategic and foreign political decisions which the present administration in Washington has made. The Iraq war has created new tensions and enemies.

The United States has competing traditions in its foreign policy of isolationism, internationalism, and unilateralism. Even under the most internationalist administrations, America sometimes has made unilateral decisions that have harmed the interest of others and even of its allies.

National egoism is a fact all over the globe, the US is not alone in this respect. But it has remained for the present US-administration to enshrine this practice as an official doctrine. The 2002 National Security Doctrine of the United States has declared that America reserves to itself the right to launch preventive and pre-emptive wars. We saw the results of that doctrine when the United States launched a war of choice, not of necessity, in Iraq. The men who started that war had, by the way, never personally fought themselves, confirming the wisdom of Erasmus of Rotterdam: "War is sweet to those who have no experience of it".

By waging war on their own and without a decision of the Security Council, the United States has thrown to the wind the rules of international law it had itself established. This war of choice was opposed by France, Germany, Canada, and most people in the rest of

the world. Seeing the current chaos in Iraq, many Americans today regret their administration's rush to war under the pretext of weapons of mass destruction that did not exist. The simultaneous neo-conservative enthusiasm for democracy in the Middle East reminds me of John Galsworthy's axiom that "idealism increases in direct proportion to one's distance from the problem".

The United States has once promoted the rule of law. It played the largest role in creating the United Nations, the World Bank, the International Monetary Fund, and the World Trade Organisation, all rules-making institutions. Rules are critical because no decision-maker has a monopoly on wisdom. That is also why debate and contention are a sounder way to truth than dictate. An open society requires open debate. The genius of the American Constitution is to have countervailing institutions that check and balance each other. The necessity for balance is even more important internationally, when the stakes are often life and death themselves. Leaders must have a clear picture of one's own national interest, but also do they need willingness to compromise and to meet the national interest of others.

Right now, since the race for the next President and the next Congress has started in America the outside world has begun to contemplate the future role of the US under a future government. So has the American nation themselves. I find it too early to speculate. But I am still convinced of the vitality and as well of the inner political compass of the American people. In the early 1950's I did experience the psychosis created by Senator Joseph McCarthy, but I am also a witness to the strength of the democratic instincts, of the reason and the vitality with which the nation overcame that psychosis. I am convinced of a comeback. But as well it seems clear to me: America is not going to be the one and only world power.

4.

By contrast the European Union is not a world power as yet. It may take another half of a century until the EU arrives at one common foreign and security policy, but whether that at all happens remains to be seen. In the meantime the outside world will have to deal with 27 ministers of foreign affairs plus a changing President of the European Council. Of course, they will try to act in unison but it can sometimes happen that the 27 member-states will not pursue parallel policies. Certainly is the EU not a threat to others; all the members have joined by their own will.

Right now the EU finds itself in a constitutional crisis. The solution will take time. But I am not pessimistic about Europe's future. After all, most of the participating nations and each national language is older than at least 1000 years. What we have achieved so far is an unbelievable success. Up to now it took us a bit more than half a century – a rather short period if you compare it to the millennium of intra-European wars that have happened before. Whenever the present crisis is solved and in whatsoever manner – the common market and the common currency Euro will certainly stand up. Because no national leader can without enormous damage to his own country take out his own country again.

The outside world has to reckon with the permanence of the economic European entity. The EU will remain a complicated but unique body with no parallel in any other continent and no parallel in the history of mankind. Nobody in the outside world needs to be afraid of the EU.

5.

My swift sketch of the world powers would be all too superficial, if I left out their joint responsibility for the quiet death of arms control. If one considers the arsenal of military weapons around the globe, from sub-machine guns and land-mines to nuclear rockets, then the combined destructive military power in 2007 is a thousand times greater than it ever has been during World War II. There exist more handheld small weapons than ever and as well more nuclear weapons states than ever – and their number may still grow. The responsibility for this sad fact does clearly fall onto the shoulders of the world powers.

At the end of World War II there was just one state that could use nuclear weapons. During the 1960's we already had five nuclear weapons states, US, Soviet Union, China, France and Britain. In the meantime India, Pakistan, Israel and possibly North Korea have equipped themselves with nuclear weapons, increasing the number of nuclear weapons states from five to eight or nine. The first five nuclear powers at the end of the 1960's initiated the Nuclear Non-Proliferation Treaty, NPT. This treaty is an "asymmetrical" treaty, because it grants privileges to those five nuclear weapons states based on the condition that they phase out their own arsenals. The NPT tells them to cease "the nuclear arms race at an early date".

All five, but especially the United States and Russia, have violated their obligation in many ways. They have "modernised" their existing weapons systems by deploying many new nuclear weapons and attendant delivery systems. Late in 2002 the US have withdrawn from the 1972 Anti-Ballistic Missile Treaty, ABM, and have started to establish an Anti-Ballistic System in America and in Europe. A new technology-based arms race is to be expected, focusing on anti-missile defence. It may create an additional global challenge.

The United States says that the anti-missile shield in Poland and Czechoslovakia is directed at Iran, not at Russia. But from the perspective of the Russian general staff, this development, plus the earlier extension of NATO right up to Russia's borders, might be interpreted as a program to gain superiority, not ensure balance. I think the United States should bridle itself. It should, together with the other four initiators of the NPT, meet its obligations under the Non-Proliferation Treaty. A new arms race will not stabilise the peace.

It would be a major step towards stabilisation, if the world powers were to engage in deliberations and consequently in negotiations about a treaty that inhibits the export of weapons, particularly of handheld weapons, so-called small arms. Looking around the globe, we find the majority of civilian people, who have been killed by local wars, in civil wars and by terrorists, small arms, imported from the outside. This is not the

responsibility of Australia or Canada, of Brazil or Japan, of Poland or Germany! But these non-nuclear countries should put pressure on the world powers in order to arrive at a world-wide system of curbing and controlling the trans-national weapons trade.

V. Summing up

In the end I would like to sum up.

The world of the year 2007 appears to me to be in a much better shape than the world of 1983, when our Council declared “The world is now threatened by the most dangerous situation it has faced since the end of the Second World War”. Such statement would today be absolutely unjustified. Of course we are faced with a number of dangers and challenges today, but our resources necessary to meet them are largely increased. Many nations and many leaders have learnt the lessons from the former division of mankind into hostile camps. Today East and West and North and South have engaged in a learning process of cooperation.

Of course, it will take courage to change the things that we can change. It will need serenity to accept those things which we cannot change. And it will again need wisdom to know the difference.