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COLLOQUY ON EUROPE AND THE FUTURE OF THE ATLANTIC ALLIANCE

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The Hague, May 25-26, 1965

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Opening speech by His Royal Highness Prince Bernhard of the Netherlands (Appendix I).

In his opening speech, His Royal Highness welcomed this joint conference of the Institute for Strategic Studies and the Netherlands Institute of International Affairs, both occupied with the study of international affairs, the one concentrating more particularly on problems of strategy and ~~arms~~ control, the other on the political and economic aspects of Western policies. He emphasized the absolute necessity of real co-operation in the West, not only in the military field, but also in the economic and political field. Efforts such as this conference would help to deepen knowledge and understanding about each other's needs and problems.

Lecture by Dr. J. Linthorst Homan: A survey of European co-operation since the war (Appendix II)

In his historical survey, Dr. Linthorst Homan marked various important stages in the development of European co-operation. First, there were the federalist conferences just after the war, and the The Hague Congress of 1948 where the European Movement was founded. By 1950, the O.E.E.C. and the Council of Europe were established. They meant undoubtedly an advance on pre-war conditions, but many Europeans wanted more progress towards a well-defined entity. The Schumann Declaration of May 1950 was meant to start trying, through a bold yet not recklessly bold scheme, to transcend the purely national dimension, both econmically and institutionally. Should Monnet and Schumann have waited a little longer, or was there no prospect of general agreement? They certainly made clear that the last thing they intended was to establish a division between the countries adopting their plan and the rest of the European family. The scheme was meant as a pilot project.

During the discussions about the European Defence Community, much emphasis was laid on constitutional and theoretical aspects. Prof. Hallstein urged a different approach, less deductive and more inductive, less working from pre-conceived principles to their logical conclusion, and more from practical needs to common principles of action. The Spaak report of 1956, which served as the basis for the negociations that led to the E.E.C., was a perfect example of the inductive approach, choosing a method of institutional co-operation by which general economic outlines could be further specified and brought into practice. It must be emphasized that the Six were a random group, linked only by their having taken up the Schumann proposals. The E.E.C. was meant as a nucleus for wider European co-operation within the field of wider European and Atlantic partnership.

The E.E.C. has achieved startling successes in its own practical field, but the failure of British negociations was a great disappointment, the step towards greater parliamentary control has still to be done, and as for the follow-up of economic integration in the political field, the French proposals for political union of 1960/61 went counter to the ideas which seemed to be generally accepted at the start of E.E.C.. Dr. Linthorst Homan ended his tour d'horizon with his personal outlook about how things might have been if the ideals of 1950 and 1956/57 would not have been blocked by the present crisis. Convergent political forces between the partners of the communities would easily meet enormous tasks: the success of the E.E.C."contre vents et marées" made that abundantly clear. The institutional merger would lead to a constructive new treaty. New tasks would be taken up. The institutions would be given a modern democratic basis. European Parliament would be elected by direct vote and get real powers. Other European countries would be invited to join the small group of the Six. Atlantic cohesion would be strengthened. In that evolution nationalism would develop into common responsibility and a return to self-sufficiency, now on a larger scale, could never serve the interests of Europe. This could never be the "raison d'être" of the Six.

Lecture by Mr. Alastair Buchan: "The future of the Atlantic Alliance (Appendix III).

Mr. Buchan did not think that there is a serious danger that NATO will break up. Even France will hesitate to exercise its 1969 option. Nor did the speaker fear a new German Rapallo venture. He mentioned this not with the intention to sound complacent, but as a warning that we must not worry about the wrong dangers. The real danger is not of a formal breach in the Alliance but of NATO degenerating into a regional military arrangement, with the major countries concentrating on their bilateral relationships. It is necessary to achieve an evolution towards more effective collective action. NATO will fail in remaining the master system of the West, if we do not have an adequate idea about the major problems with which we will have to grapple in the future.

Many problems and doubts, which pre-occupied us in the Alliance in the period 1958/64, have luckily been settled to a large extent, although this was not brought about by our mechanism for collective action, but by the healing hand of time. Some of these problems settled or almost settled are: the validity of the American guarantee of Western Europe has been fully vindicated, especially in the Cuban crisis and by the fact of the obvious US strategy superiority over the SU; the doctrine of flexible response, which gave rise to European fears, is now much better understood; a war in Europe is becoming increasingly implausible; the danger of nuclear proliferation in Europe is not so great as people thought; the British attempt to retain a special relationship with the US in alliance affairs on the basis of nuclear weapons has been tacitly abandoned, and Britain is moving slowly towards deliberate acceptance of equal status with Germany.

Mr. Buchan outlined several new developments which could affect the situation within the Alliance over the next few years:

1. the relations between East and West European countries and particularly between East and West Germany will be very important. There need be no fear of a secret US - SU dialogue involving conclusions to the detriment of Western Europe.

But new developments in Eastern Europe make new relationships with them necessary. While no agreement will be possible without US participation and Soviet consent, it would be better if Europe took the initiative in this field. While repetition of old phrases like disengagement would not help there is at least scope for kinds of self-restraint about kinds and levels of forces in Central Europe. In this whole matter there is immense scope for multi-lateral talk in Western Europe. Germany's attitude is of crucial importance. As for the best way to establish closer relationships with the East European countries, perhaps bilateral approaches are most suited. Perhaps the concept of the Six as a rigid structure might need revision because a too clear political structure might stand in the way of a rapprochement to Eastern Europe.

2. The problem of nuclear proliferation in Europe itself has become less acute. But as a world-wide problem it is certainly of great importance. If the nuclear club were soon to double, other countries with an advanced technology and industry would be inclined to follow and then Germany too might reconsider its attitude. There is no easy way to solve the problem of non-dissemination and it requires a strategy with many facets. Some co-operation on the part of the SU will be necessary, but it is primarily a Western problem. As concerns the Middle East and Africa, Europe has some reponsibility, in Asia on the Chinese periphery it may largely be an American affair.

3. Extra-European affairs must be of increasing concern to Europe. After having been encouraged to de-colonise, we are now asked to re-engage ourselves in those areas, although this may take a more indirect form than in the past. European interest in these areas is not a matter of altruism, but of self-interest, necessary for retaining global influence and status.

4. Mr. Buchan saw special scope for a common European approach and close European c-operation in the field of armamants production. No European country alone can keep up with the US on research, and leaving this field to the US would only encourage anti-American sentiment. Co-operation based on the WEU or in a new European defense production agency ought to be considered.

Mr. Buchan thought that the British ANF-proposal was now negotiable. He considered it to be an improvement on the MLF, but MLF-like proposals were to him not a panacea for all ills or a golden aim for Atlantic co-operation.

The Alliance emerges from a sterile phase, sterile not only because of the French attitude, and the Alliance will only succeed if it recognizes the complexity of the present world and does not look too much toward the past. Different kinds of European-American relationships require different institutions. For some aspects the solution of partnership may be best suited, for other aspects multilateral relations between the NATO members. Furthermore, there may be a case for not only strengthening the Paris machinery, but also for a multilateral consultation arrangement in Washington.

Lecture by Prof. Thomas Schelling: "Present problems of arms control" (Appendix IV)

The main points of prof. Schelling's lecture were:
1. The fear of war does not seem to obsess us so much at present as it has done for a decade. There is a decline in visible arms build-up. One reason for the quieting down of the arms race is the scientific lull. After the furious pace of intensive weapon development during recent years, we have now the Minuteman and Polaris missiles, for which we do not at present see a replacement. Space is up till now of less military significance than expected. The anti ballistic missiles system seems to be the only possible boost for a new breakthrough in the arms race, which we can think of at present. Both the US and the SU will certainly hesitate to embark on such an anti missile program, if it were only for the staggering cost (at least 25 billion dollar). There is also perhaps a certain deliberate restraint in the defence effort of both countries, knowing as they do that the action of the one will provoke a reaction by the other (a "feedback" feature).
2. In the field of disarmament not many agreements have been reached, but the efforts made have not been in vain and have certainly influenced defence policy.

The Test Ban treaty has been hailed as a first step, but perhaps it can better be described as a last step, because it meant the removal of a feasible, attractive and highly symbolic proposal. Perhaps the treaty has encouraged the evident loss of public interest in disarmament since then. In the field of disarmament the scope for new formal agreements seems limited. Perhaps there is more room now for informal arrangements and self-imposed restraints.

3. China has with its atom bomb sounded the knell of its own supremacy in the Far East, which was based on the strength of its massive conventional armies. Now, Japan might well be tempted to follow in developing nuclear weapons, and with its industrial strength it could perhaps even overtake China. It has become very uncertain, whether the Soviet nuclear umbrella is still protecting China. In fact, China is now a very vulnerable nuclear power.

4. The main dangers of nuclear proliferation are:
a) as a trigger for a general nuclear war, but the US and the SU, with their relatively invulnerable strategic forces, will not easily let themselves be stampeded into such a war;
b) as a means used by smaller nuclear countries to provoke their bigger allies to a nuclear war, but it will be difficult to think of a credible scenario for a succesful provocation;
c) small rival countries (Israel and Egypt) might acquire such weapons, but even in case of war between such countries, the danger of a wider war would be small;
d) nuclear outlawry, where very small countries would use nuclear weapons, acquired perhaps illegally, to blackmail richer countries; this would be a complicated problem and its repression would have some of the features of the regulation of the opium and white slave traffic.

In general, Prof. Schelling did not deny that proliferation was a very serious problem, but if it came, we would have to learn to live with it, as we have done with other problems.

Discussion after the lecture of the first day (May 25th)

One participant regretted that in the E.E.C. too much emphasis has been laid on the aspect of the freedom of trade, while economic and social planning were neglected. The problem of European research and the invasion of US business (the case of the "Société Bull", where the "atomic General" was beaten by the "General Electric") merited serious attention. Dr. Linthorst Homan pointed out that, although a kind of planning or structural policy might be desirable, Europe should certainly not develop into an inward-looking and self-sufficient community.

It was observed that Secretary McNamara's latest pronouncements showed a certain departure from the "counter force strategy" formulated in the Ann Arbor speech of June 1962. Mr. Buchan agreed that there was some change. With the growing invulnerability of Soviet strategic missiles, a pure counterforce strategy lost much of its effectiveness, and there was a shift towards a strategy of limiting damage to cities. The concept of flexible response remained completely valid.

Some doubts were expressed concerning Mr. Buchan's remark about the concept of the Six being an obstacle to better relations with Eastern Europe. This was in direct opposition to the opinion of the Monnet Action Committee, which considered the Six to be a pôle of attraction for Eastern Europe. Mr. Buchan agreed that the problem of how to approach relations with Eastern Europe was a very difficult one.

The danger of proliferation was much discussed. In this connection, remarks of Mr. Buchan and Prof. Schelling in their lectures concerning anti ballistic systems were taken up. They had observed that, while the US and the SU would not easily decide to develop such a system effective against each other because of the immense cost, a system effective against smaller nuclear powers looked feasible at much less cost. If this was done, the British and French nuclear forces would be further downgraded in importance. Perhaps the SU would think of it with regard to China. But for nuclear proliferation as a world problem it would not be of much help.

The smaller countries with nuclear intentions were more often thinking of these weapons in connection with each other than as a weapon against the two world powers.

The case of India received much attention. Mr. Buchan had an uneasy feeling that India might go ahead. A formal guarantee to India by the U.S. and the U.K. would probably not be acceptable in view of India's non-alignment position, but perhaps a kind of informal assurances would have some chance of success. There was perhaps a 50/50 chance of India not deciding to go ahead.

Prof. Schelling's remarks about possible Japanese nuclear intentions gave rise to expressions of doubt. China would still have its conventional superiority, and Japan had the handicap of its vulnerable cities. It was considered more probable that Japan would ask the U.S. for more concrete nuclear guarantees.

Lecture by Prof. André Philip: "The role of the Third World in the equilibrium of international forces" (Appendix V)

Prof. Philip began by sketching the present position of the third countries: the gap between the rich and the poor countries was widening, most of the third countries were micronations with only a theoretical independance, many of them depending on the export proceeds of only one crop, and subject to the movement of international trade. Such conditions were favourable for establishing economic domination by empires such as that of United Food and the United African.

These countries required an agrarian revolution, with the end of feudal landownership, usury and the rule of the great families. The orientation now given to economic development in these countries, and the policy followed by the West would be of decisive importance for Western security in the future.

The United Nations Conference on Trade and Development at Geneva, which had certainly the benificial effect of fostering closer ties between the third countries, had in many aspects chosen the wrong policies. Especially wrong was the emphasis on the free movement of international commerce, and the pressure for the further opening up of European markets for the products of these countries. The fact was that primary products are suffering from short term price instability, and from a tendency "à la baisse" in the long term, because production is increasing relatively more than demand.

Prof. Philip advocated a completely different structure of international commerce. The third countries should diminish progessively the export of primary products, there should be diversification of agriculture, and development of light industry, which should be protected from foreign competition. Industrial development should proceed within the framework of a plan. Perhaps planning confined to individual countries would not be adequate. Regional planning would be far better. Foreign investment should be regulated and canalized in terms of the plans.

For the primary products, stabilization arrangements should be developed, perhaps on the model of the world market for wheat proposed by the U.S. in the Kennedy Round negotiations. Such stabilisation schemes should, however, be set up for all or most of the primary products collectively, so as to prevent rigidities in the production per product.

In the field of international aid, Prof. Philip considered the figure of 1% of national income, which was accepted as a goal by the Geneva conference, a "derisory" amount. Loans to the third countries should be given at a very low rate of interest.

Economic aid should be given free from political strings and cut loose from military considerations. The big powers must abandon their present policy and promote the military neutralization of these countries; this should be ensured by international agreement (Prof.Philip did not mean neutrality of the Swiss kind, which is unilateral, but of the Austrian kind, which implies international acceptance and enforcement).

Prof.Philip thought that Europe should formulate a policy regarding the third countries along the lines just set out. The policy he advocated would be contrary to the present U.S. line, but that would not matter. The Alliance had only sense if based on equality, and so Europe had every right to have its own voice, and at least freely debate about the correct policy.

Discussion after Prof. Philip's lecture.

Various questions were discussed. Was it not a hindrance to development in the third countries that the class of small entrepreneurs was often lacking or too small? Prof.Philip thought that the small businessman in those countries was not always a help, and was sometimes a blocking factor for progress. He expected a certain growth of the class of small entrepreneurs as a by-product of economic development. Prof. Philip agreed that the encouragement of industries for the production of simple tools could be useful for development, at the same time aiding in the underemployment problem. In answer to another question, he emphasized that he was not against the development of mining for minerals, or against the construction of river dams for electricity, but this would have to be done in the framework of a plan. Otherwise, after the construction stage, great numbers of workers who had been drawn towards the construction works, would be left stranded without jobs. Development would have to be balanced, with equal attention paid to the various parts of the economy. He also reiterated his conviction that the emphasis ought to be on industry and agriculture, not on commerce.

Prof. Philip was asked about a remark he had made in his lecture about the Maghreb possibly associating itself with Europe. Prof. Philip thought he had made clear that what he meant was that when everyone was speaking about the Europe of the Six being extended towards the West, the North and the East, why not also extend it to the South? It was a dream perhaps, but not necessarily an unrealistic dream, in terms of the far future.

Did Prof. Philip think his idea of neutralization of the Third World was realistic? It required of course, the consent of the nations concerned. Prof. Philip agreed, but he thought that for example the gradual growth of a neutralized federation for South East Asia was not out of the question. The S.U. would certainly give its blessing to such a scheme, and perhaps China too would not object. For Africa and Latin America, the problem of military interference from the outside, and therefore the necessity of neutralization, was less urgent, but the great powers should at any rate refrain from meddling in these areas.

Even if one accepted Prof. Philip's views about the best way economic and social developments ought to proceed in the third world, how could the West impose such methods against the will of the rulers of these sovereign countries? Prof. Philip's answer was that politically we cannot advise them, but as scientists we can. It was wrong to corrupt the leaders of those poor countries by familiarizing them with our standards of luxury, which their own countries could not afford. The emphasis should be on sending experts to the third countries, and these Western experts should not live in hotels, but among the people, like the Chinese, who were only prevented from making great progress in their penetration of the Third World by their lack of resources.

Lecture by Helmut Schmidt: "Germany and Atlantic Co-operation (Appendix VI)

The main points of Senator Schmidt's lecture were
1. Mr. Schmidt stated that it was **not** enough to have a military balance over the globe, but that we **must also** have balanced situatioms in the separate theatres, including Europe.
2. The pressure for reunification in Germany was on the increase, as was for example shown by public opinion polls. The generations that had no experience of, or at least no reponsibility for the Hitler era, were feeling more strongly in this matter than the older generation. If Germany could realize reunification, it would have to pay for it, in particular as regards
a) the political boundaries;
b) limits on quality and quantity of weapons, with international control on their application;
c) the Alliance status; Mr. Schmidt could not imagine that the S.U. would be willing to accept a reunified Germany as a full unqualified member of the Alliance.
3. As arguments for the MLF he mentioned:
a) the desire to act in unison with the U.S.;
b) to give a more equal status to the Federal Republic.

Theoretically at least, it would have been better to seek for a solution of the nuclear problem within the framework of the Alliance, although it would be futile to believe

that France would care to take part. After the German elections of September a new impetus should be given to action in this field, so that a solution could be reached next year.

4. Although the "conservatives" are even more suspicious of arms control proposals than the Social Democrats, all major parties would be opposed to such measures in Central Europe without reunification.

5. Among the "conservatives" French opposition towards the flexible response concept and their emphasis on keeping the nuclear threshold low, find more support than among the Social Democrats. Mr. Schmidt was insistent on the need of having enough conventional forces in Europe to deter war and also to defend Europe without use of nuclear weapons in a state short of general war. He would be very opposed to reduction of troops in Central Europe, particularly the American divisions.

6. On the other hand the nuclear problem, and the necessity to have some nuclear counterbalance in Europe for the 800 Soviet IRBM's pointed at Europe, required a solution.

7. NATO was the solid basis of German policy, an overriding necessity, certainly until reunification.

Discussion after Mr. Schmidt's lecture.

During the discussion Mr. Schmidt was asked to answer many questions. A number of them concerned the MLF/ANF proposals. Mr. Schmidt did not think that an MLF would block reunification. It could on the contrary even serve as a bargaining factor. He reiterated that he would personally have preferred another approach for solving the nuclear question. He would have liked to see the U.S., the U.K. and France bring a great part of their nuclear planning in the Alliance, thus educating the allies in nuclear policy and strategy, and giving them greater assurance concerning the validity of the nuclear guarantee. Such an approach would have been better from the point of view of relations in the Alliance and it would have been cheaper. Mr. Schmidt had misgivings about the British ANF proposals. He was not sure whether the commitment of British aircraft

and Polaris submarines would be really unconditional, and he would certainly be opposed towards a command arrangement outside SACEUR's command. He had no objection to the U.S. veto on the use of the force.

Mr. Buchan asked whether in the effort to establish more human relations between East and West Germany, a kind of Austrian status could not be contemplated for East Germany, with assurances for more human conditions, and perhaps after a generation or two reunification. Mr. Schmidt said that there was certainly a great desire in West Germany for more human relations with the Soviet zone, but one needed also to take care that this could not result in elevating the status of East Germany. The Federal Republic would oppose any recognition of the Zone as a sovereign state.

Strategic questions were also discussed. It was argued that one could not very well ask for a military balance in the world as a whole and in the European theatre as well. The only effective answer for the Soviet IRBM's was provided by U.S. strategic forces. On this last point, Mr. Schmidt answered that it was not only a matter of numbers and sizes of weapons, but that psychological factors were also involved. The IRBM's required some equivalent close at hand in Europe. The MLF might provide part of the answer. As for the question of conventional strength in Europe, Mr. Schmidt denied that it was practically impossible to achieve a balance in that field. The attacker needs much greater strength than the defender and he had the feeling that a kind of conventional balance could be realized with not many more divisions than were now available.

But, argued one participant, was it not true that we strive for deterring war, not for fighting one, and would we not end up with two inadequate forces (nuclear and conventional), if we aimed to achieve a balance in both? Mr. Schmidt answered that there was always the possibility of deterrence failing, that in case of a conflict he feared very much for escalation (he was not convinced by Prof. Schelling's relative optimism in that respect), that we must not be faced with the choice between holocaust or capitulation, and that - as he had already said - not much more forces were needed for achieving a more or less adequate conventional balance.

Lecture by Mr. E.H. van der Beugel: "European and Atlantic Co-operation (including the economic aspects)".(Appendix VII)

Mr. Van der Beugel considcredthe refusal of British entry in the E.E.C. a frontal attack against things we thought we had already achieved: an evolutionary process in which the Western world would function on the basis of a close partnership between the U.S. and Europe. This partnership must rest on the basis of equality. How should we define this equality? Evidently not in statistical terms, or in the military field, while even in the economic field Europe was still far behind the U.S. Mr. Van der Beugel considered the concept one of "mutual persuasion". If Europe were to find its identity in being anti-American either such a Europe would have no identity, or it would be a fallacy.

Mr. Van der Beugel then discussed three specific problems.
1. The British position. British entry in the EEC was impossible for the moment, but in the long run there could be no alternative. There was no objection against an interim solution, but so-called "bridge-building" between EFTA and EEC was no alternative, EFTA and EEC were based on contrary principles and the only future lay in integration. What was necessary was a clear British declaration of intent regarding Europe.
2. The United States balance of payments problem was in a way only a marginal problem for the U.S. economy, but one cannot go on losing 3 or 4 billion dollars a year, and the danger was that the U.S. would look at its foreign commitments, including its forces in Europe, through the focus of its balance of payments problem. This problem must therefore be cured and Europe should help in curing it.
3. The problem of U.S. investments in Europe was not very important in itself, but as an item on the "menu" of anti-Americanism, and thus more a matter of sentiment than of fact. U.S. investment amounted to no more than 2 % of total private investment in Europe, although in some branches (oil, chemicals and computers)the percentage was much higher. Europe formerly welcomed American capital and had much to thank it for, particularly as a stimulating factor for developing competitive industry. The cause of

U.S. successes was that they had larger firms ans spent more on research. The best way for Europe to react would be imitate that example, forming larger units and spending more on research. Restrictionist policy would be economically unwise and politcally undesirable.

Discussion after Mr. Van der Beugel's lecture.

A very lively discussion followed, most of it about the meaning of equality and the relationships within the Alliance. It was pointed out in connection with the formula of equal partnership that the idea of partnership was already old, but that the aspect of equality had only recently come to the forefront. Mr. Van der Beugel reiterated that equality was not a statistical concept, but rather one of influence on U.S. policy. One could find this element in the MLF idea. One participant posed the question, whether President Kennedy's main idea, when speaking about equal partnership, could have been his desire to have someone to speak for Europe. Mr. Buchan thought that this would be an illusion. Europe would never speak with one voice.

Was it perhaps a U.S. desire for greater European effort, especially in the military field? In this connection, the problem of the U.S. divisions in Europe and of the British Rhine Army was mentioned. Many thought that the cost involved was indeed a very heavy burden for both countries. Others were of the opinion that the problem was exaggerated. It was not so much a matter of cost as of the balance of payment and even that factor was perhaps less serious than it was made out to be.

Was not Europe, with its combined population and national income, quite capable of a much greater effort? No, said others, a big increase in military and other public spending was politically infeasible. Furthermore, the example of the Third World was there to demonstrate how much influence could be achieved without economic and military strength, if one only spoke with one voice.

The idea was debated, whether Europe's influence with the U.S. could be strengthened by establishing some machinery in Washington, a secret committee for example, or regular meetings of the U.S. Secretary of Defence with the ambassadors

of the NATO countries, or a kind of secondary NATO Council. There was the example of the weekly meetings of the Secretary of State with representatives of the sixteen countries taking part in the Korea campaign. But others warned that such a secondary NATO Council could only function correctly if it would have well-defined terms of reference, and there was certainly a danger of duplication with the powers of the Paris Council, thus creating confusion in NATO policy-making.

The cases of Vietnam and San Domingo were discussed, but there was no agreement about the question, whether Europe could have exercised more influence on U.S.policies in these cases than it did.

The matter of crisis management in NATO was also raised. In cases where immediate action was required, one man decisions would often be unavoidable, but there seemed to be greater scope for longer term planning concerning action in various contingencies. All agreed that intensive consultation in NATO also about extra-European problems, was essential.

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C O L L O Q U Y on

EUROPE AND THE FUTURE OF THE ATLANTIC ALLIANCE

The Hague, May 25-26, 1965

A Survey of European Co-operation since the War

by Dr.J.Linthorst Homan, Member of the High Authority of the European Coal and Steel Community, Luxembourg

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For the purpose of a political tour d'horizon the first problem is that it is not for a contemporary to judge which events in our twenty years since 1945 will ultimately come to be considered "historic". In my own case, a second problem is that I have spent most of these years engaged in special activities connected with European co-operation, so that my experience relates to certain particular corners of the wide European field.

I will try to describe the events and trends which I consider the outstanding ones, but it is only right to add that, for the reasons I have just mentioned, I shall be adopting a personal approach, and describing my personal reactions. If I tend, like most guides, to ramble on rather about these, you must excuse me; I hope that they may serve to stimulate your discussions.

The Hague Congress of May 1948, when the European Movement first took shape in this same building, came at an appropriate moment. Plans from the old years of division had been compared; the first post-war plans were out or in preparation. In 1946, federalists from a number of European countries had met in Switzerland, and Winston Churchill had made his resounding speech in Zurich; in 1947, O.E.E.C. had been set up to carry out the generous undertakings

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of the Marshall Plan. Also in 1947, it had become clear that relations with the Communist world were not to be what the optimists had hoped: for the present "Europe" could only be Western Europe. In the beginning of 1948 the Brussels pact had been signed. The Benelux partnership, launched in London in 1944, was by now in regular operation. Scandinavian co-operation was in process of establishment. Against this background the Hague Congress marked a meeting of minds on the future shape of Western Europe, embodied in a series of joint resolutions which were of the first importance in the light of what followed, though at the time they necessarily fell short of what some enthusiasts had hoped.

The next year, 1949, saw the follow-up to the Hague Congress in the institution of the Council of Europe, based on an idea mooted by Churchill in his Zurich speech, and vigorous debates ensued in the Council's Consultative Assembly among the federalists, the unionists, the "functionalists," and those delegates who had not yet formed a clear-cut opinion. In that same year, 1949, while the O.E.E.C. was gathering speed, the North Atlantic Treaty Organization was established to protect the common safety of the Atlantic world, with the United States, amid the heartfelt gratitude of every responsible European, shouldering very much the heaviest share of the burden. Meanwhile, the western part of Germany had ceased to be a mere grouping of three zones of military occupation and was an independent constitutional democracy.

This was in many ways an encouraging picture. None the less, there were many Europeans who thought it lacked an essential element. It was not the well-defined entity which many of us had understood Churchill had in mind when he spoke in 1946 of a "regional organization of Europe." The various plans and organizations were most valuable as far as they went, but there was no clear outline, no clear shape of things to come. There was constant talk of a "common market," but it looked more like a market of ideas

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than an economic programme.

In March 1948, an excellent report had been produced by a working party of experts from sixteen Western European countries meeting in Brussels, whose sessions had also been attended by observers from the three western zones of Germany and from the overseas Commonwealth countries; a working party which later developed into a "Conseil de coopération douanière." The 1948 report had listed the potentialities and the advantages and disadvantages of a number of possible economic arrangements, varying from a mere tariff agreement, such as had formed the basis for Benelux in London, to full-scale economic union. As time went on, a considerable stream of informed and thoughtful books appeared commenting on these and other structural possibilities.

By 1950 it was evident that O.E.E.C. was not going to adopt any of these courses. Although everybody understood O.E.E.C.'s difficulties, there was a good deal of disappointment about this. I remember once in Paris at a meeting of one of O.E.E.C.'s consultative committees I was snubbed for suggesting a common European external tariff: that would never do, Europe must not and could not hive off like that, must not and could not discriminate, there were wider interests to be considered than hers alone. It was evident, too, that the Council of Europe's Assembly in Strasbourg would not take the plunge of adopting a general structural plan: even if it were willing, the Committee of Ministers would not let the project go through, since there were always bound to be one or two countries against it.

The O.E.E.C. and Strasbourg procedures were undoubtedly an advance on the state of affairs between the wars, and the principle of intergovernmental unanimity certainly had the advantage that any action taken was taken with the agreement of all the Governments concerned, but it began to be widely feared that the result would never be more than the lowest common denominator, of all the interests concerned, too low to meet the gigantic needs involved in the total modernization of Europe in all respects, bar none.

The Schuman Declaration of May 1950 raised hopes in some quarters, but doubts and apprehensions in others. Should Monnet and Schuman, after having made it clear that the time had come for a decisive step, have held their horses a little longer? Or was there no prospect at all of general agreement, so that they had no alternative but to go ahead? The Schuman Declaration demonstrated that the last thing they intended was to establish a division between the countries adopting their plan and the rest of the European family. The whole scheme was only a pilot project: obviously there would be no particular sense in broadening the basis for two sectors only, coal and steel, and not for the whole economy, nor in establishing such an arrangement to last, as such, on its own, nor in conceiving of this comparatively limited bloc of six countries as anything but a nucleus for a larger New Europe. But a start had to be made somewhere, and why not here? The time was considered ripe to start trying, through this bold yet not recklessly bold scheme, to transcend the purely national dimension, both economically and institutionally, with a common Parliamentary Assembly to maintain the principles of democracy and a special Court of Justice to administer the law.

After fairly rapid negotiations this particular concept of a Common Market took shape in 1951. It was a shape that defied orthodox formulation: economically it was something of a composite, a free trade area with a dose of common policy on specific matters, organizationally and politically it was something more than intergovernmental agreement and something less than federation. In short, it represented a special approach which the experts were at a loss to define.

Once past the parting of the ways, from 1951-1952 on, the Six forged ahead with vigour.

Jean Monnet, at the head of the Coal and Steel Community, was an inspiring leader. On the basis of a Pleven Plan a treaty for a Defence Community was drafted, with many

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references to N.A.T.O.'s decisive responsibility. The existence of these two communities would ask for strong institutional and democratic organization.

Accordingly, the draft European Defence Community treaty contained a clause (Article 38) whereby the enlarged Common Assembly of E.C.S.C., meeting as an Assembly ad hoc, was to draw up a constitution for a federal or confederal organization, based on the principle of the separation of powers and having a two-chamber system of parliamentary representation. The Netherlands, anxious lest insufficient attention be given to the economic aspects, contributed the successive Beyen Plans for an economic section to be written into this instrument.

This ad hoc Assembly completed its work in the beginning of 1953. Meanwhile, the six Governments had also been trying their hand at drawing up their own brand of constitution, in an effort to establish just what their respective ideas on the subject really were. This turned out to be no easy matter, because political opinion in France was shifting in favour of other objectives, away from the ideas of Schuman and Monnet, as came out unmistakably at the series of diplomatic conferences in 1953 and 1954. I still often glance over our records of these conferences, just to remind myself how affairs stood in those early days and how they have developed since. It was all very much in the realms of theory, and I still remember how the German delegate, Prof. Hallstein, urged a different approach: to his mind what was needed was less deductive and more inductive reasoning, less working from preconceived economic and institutional principles to their logical conclusions and more from practical needs to common principles of action.

The whole project foundered in the French National Assembly in the summer of 1954. The Defence Community and the concomitant concept of a Political Assembly were no more.

The Benelux group, however, stuck to their guns. At the Messina Conference of 1955, the Six dropped the rather deductive approach, and a list of practical "European" questions was adopted, to be referred for consideration by a group of

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experts under the experienced leadership of Paul-Henri Spaak. Britain was invited to take part, and delegations were to be sent by the High Authority in Luxembourg and by O.E.E.C. and the Council of Europe.

In 1956, Spaak was able to submit his report, which was published forthwith and was accepted as a basis for negotiation. To my mind the Spaak Report should still be required reading for all: it is, I feel, a classic example of the perfect inductive approach. Europe was obliged to accept broader basing of many of its economic activities: very well, let it accept a similarly broad-based set of practical common rules and common institutions.

Our negotiations along these lines took only a year, and in March 1957 the Treaties of Rome were signed. I was staying with relatives of mine in Rome for the occasion, and I remember asking a young nephew why he was not at school that day. "There's a festa today," he told me. "Is there?" I said, "what festa?" "The Ministers have gone to market."

Gone to market they had. But they had not found the going particularly easy, nor was the marketing easy when they got there.

I should emphasize, I think, that the Six are a random group, linked only, as has often be pointed out, by the fact that they had taken up the Schuman proposals and the rest had not. Only in the circumstances prevailing at that particular juncture could it possibly have been those particular nations that took it upon themselves to try out this unprecedented form of co-operation.

The group of the Six includes a country with a centuries old system of centralism which has vitally involved the state as such in all the vicissitudes of the nation; it includes other countries with a history of federal and even confederal co-opération, where centralism has never been liked;

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it includes other countries again with a recent history of nationalistic centralism which turned into a drama the men of today never hope to live to see again. Some countries of the Six have always had a protected and even a rather self-sufficient economy, and others have always lived by trade. Small wonder that for the one the state has a tendency to remain the centre of all things, while others have a natural desire for international law. But notwithstanding these deep differences between them, each and all of them were convinced that a new Europe could be born when common methods and activities would take the place of the old tug-of-war between nationalisms.

The initial success of the Schuman Plan was the force which in 1955-1957 brought the national standpoints into a common focus; prudently, because the set-back of 1952-1954 was vivid in everybody's mind. Spaak's report cleared the way, chosing a method of institutional co-operation by which the general economic outlines could be further specified and brought into practice, and gradual evolution made possible.

This meant that on this decisive step many others would have to follow, steps of execution and of evolution. The new organization would bring forward new powers and these would lead to new tensions. There would be tension in the economic field, tension in the institutional one, and behind the treaties there would remain that wide field of general policy, the forces of which, in those years, were convergent but nontheless not canalized by a political treaty as foreseen in 1952-1954.

In other words, a new personality entered national and international life, and much would depend on the atmosphere around it.

This time again, just as in the case of the Schuman Plan, the new organzations had a character "sui generis." It was, in fact, and it remained, a settlement for which each partner had made his concessions in a rather non-classical way. This fact might unsettle the experts of political and legal science, it might not be very important in itself ..... but it was to be important as soon as the partners would be confronted

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with further developments, because it is difficult to change this or that element of a basic agreement without disturbing its initial political balance.

In my opinion, however, evolution on the road forward should always be possible. The "raison d'être" of the group of Six and of their treaties was clear in the initial years and should remain clear. The idea of a nucleus for wider European co-operation within the field of wider European and Atlantic partnership can, as far as I can see it, either be gradually strengthened, or there is no "raison d'être" anymore.

During the preparation of the Spaak Report the British experts threw in their hand. I still remember their last words on the subject. They could not go all the way with the Six in aiming at a Common Market in the form of a Customs Union and even an Economic Union, nor did they approve the proposed institutional set-up. A free trade area was all that was either necessary or desirable.

The Six from their side now had the Community for Coal and Steel, a common experience of mutual negotiations since then, and a common conviction that, whatever their mutual differences, a common organization with common institutions would be the only way to modernize their regional economy. Later in my speech I hope to defend the standpoint that the differences between their so-called "structural" and the so-called "functional" approach are not so much a matter of principle as of degree, and I think that the difference which divided the Six and Great Britain in 1955-1956 was that the Six were convinced that they should go rather far whereas the British were not only not convinced of that necessity but also, of course, had to consider the Commonwealth. At that decisive moment the differences looked very essential indeed. The Six wanted an organic entity,, the British preferred to pick out things functionally, <u>à la carte</u>.

Much the same happened at a later date, when the Danes asked repeatedly to be allowed to participate in

matters of agriculture without becoming full members. Again the Six would have none of it: to them the settlement reached applied to the whole field with all its mutual concessions, rights and obligations.

The Treaties of Rome were duly ratified and in 1958 the two new Communities came into being.

E.E.C. started under difficulties. The negotiations on the new British proposals for a free trade area, to embrace the whole of O.E.E.C. including the Six, had shown up not only the differences between the E.E.C. approach and the approach of the other O.E.E.C. countries, but also differences among the Six themselves, the Netherlands and Germany in particular being more in sympathy with the British line than the rest. But gradually it had become clear that no comprehensive settlement was possible. Again the Six and the others parted company.

This tension within the Six was to some extent reflected at Brussels, where not everyone had been wholeheartedly in favour of the position taken by the Commission. It took some time before the Commission had the confidence of the whole Council. By sheer luck the economic weather favoured the implementation of the Treaty. There was also constructive pressure from both sides of industry, the trade unions speaking with a particularly united voice. In the background Monnet's Action Committee for the United States of Europe helped to get difficulties and hesitations overcome. The movement gathered speed. But efforts to arrange for periodic meetings between the Ministers and the heads of the Executives to discuss general European policy came to nothing.

E.E.C. made startling progress. The timetable was speeded up; in some fields, though not in all, impressive strides were made in framing a common policy; many problems on which the Treaty of Rome had cautiously committed itself to very little or to nothing at all were tackled jointly, as part of the natural tendency of integration, which is inclined, once started, to spread in ever-extending circles. Private enterprise and

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organized labour went ahead so fast that they often outstripped even this rate of progress, and the farmers too gradually came to see that the agricultural sector could not afford to be left behind.

In 1961, Ireland, Britain, Denmark and Norway applied to join the three Communities, and the neutral Powers, Austria, Switzerland and Sweden, asked for associate status. This, in conjunction with the association of Greece and Turkey, would have been a tremendous advance towards the reunion of all members of the original O.E.E.C. -- I say "original" because O.E.E.C. was by now O.E.C.D. and no longer purely European in character. In those happy days of confidence in the prospects for a wider Western European partnership, I went to see many friends who in 1950 and 1956-1957 had been dubious about the plans of the Six, and said to them, "What did I tell you?"

But in January 1963 it was their turn to say, "What did we tell you?" -- for their direst forebodings had come true.

Paradox now followed on paradox. The rupture of the British negotiations was not followed by a showdown among the Six, but, within a few days, by a treaty between France and Germany. The French Head of State who had told Britian she was not ripe for Community membership, and who was soon to insist on a go-ahead agricultural policy within E.E.C., lost no opportunity of proclaiming that the institutional procedures laid down in the European Treaties were a dead loss -- while at the same time blithely taking the continued cohesion of the Six for granted in his suggestions for a special political set-up entirely different from that provided for by the three existing Treaties.

1963-1965, then, has been a period of unhoped-for progress by E.E.C. itself -- E.C.S.C. and Euratom have been up against special difficulties of their own -- , but of steadily growing political estrangement among the member countries.

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Not that I mean everything in the E.E.C. garden has been lovely. Difficulties over agricultural policy could be ironed out in the course of the celebrated "marathons," but the central institutional trend has been hampered by differences between France and the other five. The "democratization" of our institutions has made no headway so far.

In E.C.S.C. the European Parliament can exercise considerable control over the implementation of the Treaty, since the High Authority is answerable for the execution of what really is a rather concise programme of action, and can be compelled to resign in a body; the Parliament also has a certain say in budget matters, though not a very large one. But under the Treaties of Rome the Parliament has a much weaker voice concerning the budget, and no authority over the Councils of Ministers: the Councils can and do introduce all kinds of measures which practically amount to European legislation, with even the Commissions playing only a limited role. The position is therefore that the raising and framing of common funds and the channeling of common policy are no longer controlled by the national parliaments, and not yet controlled in any real sense by the common European Parliament. And absolutely nothing has been done to implement the provisions in the Treaties of Rome whereby the European Parliament is to be elected by direct universal suffrage.

For Western European democracies this is an awkward position to be in, impossible to explain both to our own peoples and to the associated nations in Africa and elsewhere who wish their own system of government to be on the modern democratic model.

If we want to foster a balanced development of the community, important decisions will soon have to be taken. Since years many constructive suggestions have been made, by the European Parliament itself and by five of the six national capitals.

In theory there would be three occasions to improve the situation. Certain aspects of the agricultural policy with its enormous common funds have to find their final shape

which in the financial field will ask for ratification by the member states. The merger of the three existing treaties would be another occasion. And finally there might once be an agreement as to procedure in the direct political field between the Six.

A fortnight ago the European Parliament, in its large majority, expressed the opinion that something should be done now, and that the speeding-up of agricultural policy and its financial consequences should go hand in hand with a speeding-up of the customs union with the financial implications of its outside tariffs, and with a strengthening of the budget-power of the European Parliament. In other words, with some amendments Strasbourg supported the suggestions which the Commission recently put forward.

The Council of Ministers, however, did not or not yet follow this line, and I wonder what will happen now.

Meanwhile it is clear that in the long run the only real solution in tune with the start of 1950 and with the steps of 1956-1965 will be a separation of powers, the basis of democracy, as discussed in the years 1952-1954.

Let me now take a look at the progress of European co-operation in the wider field.

E.F.T.A., "the Seven," set up as the natural substitute following the collapse of the Paris negotiations for a broader free trade area, just as naturally carried on after the French veto in 1963.

Some political and economic experts tend to consider the respective approaches of the Six and the Seven as mutually opposed. This is surely going too far: personally, I feel the two approaches, though different, might well produce in the long run the same ultimate results.

In this connection I should like to say a word

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about two particular developments during the post-war years -- the establishment and consolidation of Benelux, and the gradual evolvement of the Netherlands approach.

Starting modestly as a tariff agreement before the end of the war, Benelux has progressed on its road towards economic union. As time has gone on, more and more action has come to be taken in common, or at any rate more and more enactments and arrangements co-ordinated. While originally the approach was strictly commercial and functional, it is now the general conviction that in this day and age economic and social policy, and indeed the whole conception of society as such, needs to be envisaged on the same broad basis as has been adopted with regard to the Common Market -- whether a small common market like Benelux or a larger one like the European Community. To begin with Benelux had only a Secretariat: now there is also a Parliamentary body with certain specified powers, and there is optimism as to ratifications of a recent agreement on a Court of Justice discharging a number of important functions.

The Dutch approach to the Common Market of the Six has progressed from the submission of the first Beyen Plan, proposing the inclusion in the Political Community statute of 1953-1954 of an economic section providing for the introduction of a customs union over a period of ten years but for hardly any common policies, to pressure for economic union with integrated policies in the economic and social fields -- a demonstration if ever there was one that the Benelux principles were regarded as not only the right ones in themselves but worth applying in a still more highly-developed form -- and from initial doubts in 1950 concerning institutional integration to absolute insistence on it later on as the only way to ensure that the common policies finally arrived at really would be in the common interest.

On the other side, several of the Seven in 1961-1963 were prepared to accept the economic and the institutional approach of the Six. Again, although the neutral members of E.F.T.A. are of course in a difficult position, they did apply in 1961-1963 for association with the Six, and Austria is even now conducting negotiations with E.E.C.

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Surely in logic at any rate -- though political affairs seldom develop entirely logically -- we are entitled to feel that a few years of differing approaches will not really wreck all chance of a successful outcome.

In the meantime, much more use could be made of the existing machinery for Western Europe as a whole -- for instance of such organizations as the Council of Europe. A great deal of co-ordination could be effected through these channels, especially in the all-important field of law: in the end European integration means a system of regional European law.

The prospects will be all the more encouraging if we can tackle common external tasks shoulder to shoulder. There are plenty of these ready to hand. There is the Kennedy round, designed to reduce the incidence of economic protection and so of economic division. And the other ideals which President Kennedy listed when he spoke at the Paulskirche in Frankfurt in 1963 -- they are there waiting to be taken up and worked for by us all. A genuine partnership between Western Europe and the North American continent, making for increased Atlantic solidarity and increased possibilities for aiding development in the world at large, would stimulate Western Europe to still more vigorous efforts to play its full part in achieving these tremendous ends. On the technological front, we could contribute to one another's research; on the economic, we could step up the process of international specialization -- the great object of a common market -- to the benefit of consumer and producer alike; on the political, much could be done to build for the future; on the military, our nuclear defence would be in line with the requirements of our time.

Since the plan for a European Political Community of the Six had failed with the E.D.C. in 1954, the general opinion was that economic integration was the way to try and find out what in the end would be desirable and possible in the political field, both in the sense of a so-called constitutional treaty and in the sense of an organization for common attitudes in the field of

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"la grande politique." And there was general agreement that overall political strategy and the central questions of common defence should be left with N.A.T.O., as had been foreseen by the drafts for the E.D.C. and the E.P.C.

The constitutional basis for integration can either grow gradually by constant execution of treaties as the one of the E.E.C., or else be laid by a special treaty. "La grande politique" and nuclear defence, in my opinion, can always -- and should -- be seen in their present dimensions, which are larger than the European ones.

The idea of steady growth, however, was interrupted by the French proposals for political union between the Six in 1960-1961. These proposals even chose another method and gradually it appeared that they were meant to lead the Six into other directions than the ones of the years of their initial agreements. Later it became clear that this would even mean opposite directions.

I venture to hope that you will forgive me when I end my tour d'horizon with a personal remark about the present situation of the Six. In my opinion I should stress the outlook things might have if the ideals of 1950 and 1956-1957 would not have been blocked by the present crisis. Convergent political forces between the partners of the communities would easily meet enormous tasks: the success of the E.E.C. contre vents et marées made that abundantly clear. The institutional merger would lead to a constructive new treaty. New tasks would be taken up. The institutions would be given a modern democratic basis. European Parliament would be elected by direct vote and get real powers. Other European countries would be invited to join the small group of the Six. Atlantic cohesion would be strengthened.

In that evolution nationalism would develop into common responsibility, and while serving the highest interests of our nations we would give the world a good example of how one

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can adapt the dimensions of this century and of the centuries to come.

For me this is the main task, the high ideal. I cannot possibly visualize how a return to the old methods of tug-of-war between national interests on the basis of absolute sovereignty of the national state, and how a return to self-sufficiency, now on a larger scale, could ever serve the interests of Europe and show the world that our region has the strong force which should be its essential strength, the force of imagination. On the contrary, it is sure and certain that we would do the exact opposite of what in 1950 and in 1956-1957 we promised ourselves and others to do.

And that can never be the "raison d'être" of the Six.

Therefore their present crisis might well be decisive for themselves, for wider European co-operation, and for the future of the Atlantic Community.

Appendix III

Alastair Buchan : "The future of the Atlantic Alliance"

(Nearly complete text, as compiled from the lecturer's notes and recorded by the secretariat).

A

I should like to open this introduction to our discussion on a very large subject, by expressing my great pleasure that this conference is taking place. My own Institute was founded, six and a half years ago, to fulfil an international not a national purpose. It was founded in the belief that problems of defence and security had reached a point of complexity which meant that they could no longer be adequately studied in a purely national context. One of the central objectives of the Institute of Strategic Studies has been to provide a forum, through various kinds of conferences, where scholars and experts from different countries could confront and invigorate each other's views. Gradually, as resources have become available, we have built up a small international staff as well as a group of research associates from several countries. This occasion is a particularly happy one, since it is the first conference in a continental country that we have organised jointly with a national Institute, and we hope that it will set a pattern for more other such conferences in other countries, and perhaps, before too long again in the Netherlands itself. I personally extract a great deal of pleasure from the fact that the first of our joint conferences should be taking place in the Netherlands. We have always cherished our links with this country. Speaking as an Englishman we find refreshing similarity of approach in many great international questions, perhaps not surprising in view of our closely interwoven historical experience. Speaking personally, I had the honour to participate in the liberation in the last period of the war and it is always a great pleasure to return.

We are on the threshold of a very difficult period of Atlantic relations. It is desirable that those who have a common approach should fully understand each other's views.

B

I have no reputation as a prophet, and I am not going to try to peer far ahead or attempt any grandiose vision of the future of Atlantic relationship. Moreover, I am not an economist and will confine myself to political and military aspects, knowing that others will be dealing in expert fashion the economic aspects.

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First, I would like to put on record my own belief that there is no serious danger that the NATO alliance will break up. The only country that might exercise the 1969 option is France, or other countries choose this possibility on behalf of that country. I don't believe that it is De Gaulle's intention, and even if it were, he could not do it because of the strength of the European system that you yourselves have helped create. France could not leave NATO and still hope that the Six will survive as a community. France's national interest in maintaining the EEC is too great to permit that. All we have is attempts at separate diplomacy that expose the weakness of the French position.

Nor do I attach much importance to the danger of another Rapallo. If French policy were to continue on its present course, it would have a very unsettling effect on Germany. But a German reversal of alliances flies so directly in the face of German interests that this danger has little credibility.

I mentioned those two points not to be complacent but because it is important not to be worrying about the wrong dangers. The real question of the future is not so much that there will be any formal breach in Atlantic political and military system, but how one can make NATO's system evolve in such a way that it remains the system with demonstratable capability for collective action of the force wanted, and does not degenerate into a regional or local military arrangement with the major countries concentrating on their bilateral relationships with each other, especially with the U.S., each pursuing unilateral policies towards the communist and third worlds. There is a great desire in all NATO capitals, except Paris, for such an evolution towards more effective collective action, whether it takes the form of partnership between the U.S. and a Europe that is acquiring capacity for collective political action, or a more effective multilateral system.

C

Now, we will fail in this task of retaining NATO as a master system of the West, if we don't form some estimate of what will be the major problems with which that system is going to have to grapple. The sixteen years of history of NATO can be divided in two periods of equal length, from the signature of the Treaty to Suez and from Suez to the election of President Johnson.

The Alliance broke down in 1956 because we were so preoccupied after the Korean war with building a viable system of defence in Europe and getting the U.S. committed to it. Much too little attention was paid to the other main problem of the period - the developing of a collective approach to the problem of decolonization. During eight years since Suez we have been wrestling with series of problems that arose out of events of 1956/1958: the ICBM and the doctrine of flexible response to which it inevitably gave rise; the growth of secondary national nuclear forces in Europe; Anglo-French rivalry and jealousy; the political implications of the Treaty of Rome in terms of a possible collective military and political vote for Europe; later the fear of a Soviet-US rapprochement.
Characteristics were:

1. Intense concentration on the problem of nuclear strategy and control;
2. Fear of nuclear proliferation as a purely European phenomenon, especially as regards Germany;
3. Tendency to regard the communist threat in its military aspect as principally directed against Western Europe and European confrontation as the most dangerous;
4. The tendency to regard European-US relationship as largely s u i g e n e r i s, unrelated to other relationships, such as the other U.S. alliances and the U.N.;
5. Growth of a theoretical model of the European-American partnership, a relationship of units of roughly equal size and weight,

I don't need to remind you of the arguments ; the validity of the U.S. guarantee; the right of U.S. to lay down alliance strategy; implications of a special U.S. dialogue with Soviet Union; how can European allies exercise influence over U.S. policy making and practical decisions; what control can a conquered country like Germany exercise over its own security; can a European political and defence system be brought into existence.

It was a debate that became corrupted:

a) By De Gaulle's very narrow defination of French interests, preference for the capacity for French freedom of action in the strategic stalemate to increasing French influence on collective policy making;

b) By British hesitation about relations with Europe and the political position of its nuclear force;

c) By German nervousness;

d) By a certain dogmatism in Washington about both politics and strategy, which was an unfortunate aspect of enormous gain in the intellectual consistency of U.S. policy which Kennedy administration brought about.

After 1963 the debate became restricted to talking about one proposal, MLF, which was designed to meet only one point on the agenda, German claims for some equivalence in status to U.S. and France, though vague promises were held out that it would be a panacea for all other ills. When this proposal stalled, it was clearly time for a complete reappraisal of the whole problem.

D

It is a great pity that these years 1958-1964 were not used to better effect, because factors involved in developing a better NATO system were more fully under an American-European consenses than is likely to be the case in the future. But I would like to suggest that many of these arguments are in reality already settled and are not likely to show the/priority in the future /some We are prevented from seeing them by the slow exit of a great old man, who like other great men is bent on undoing in his dotage the great contributions he made to his country in earlier years.

Some examples of arguments which have been settled or have been almost settled, are (not necessarily in the right order):

i) The validity of the American guarantee of Western European countries has been fully justified by the Cuban crisis, by the marked caution of Soviet policy since then, by demonstrable measures of U.S. itself to keep its guarantee valid, in terms of force levels (the strategic superiority over the S.U.), in terms of technical advance, invulnerability, and in the general determination plus caution shown by the U.S. in all crises.

ii) The doctrine of flexible response is now seen in a better perspective in Europe, then when first mooted three years ago. It demonstrated that it is dangerous to proclaim such ideas without preparation. Flexible response concept is not a device for fighting a Soviet-American war on European territory, but a means of retaining some degree of rational choice between strategic responses at each stage of a major crisis.

iii) A war in Europe by design or intent is becoming increasingly implausible. This does not imply a Soviet change of heart or the end of the possibility of a European crisis. Certainly the danger of war by miscalculation remains. But with American superiority, the balance of terror has become more stabilized. The likelihood of a deliberate Soviet assault on Europe has diminished.

iv) The danger of nuclear proliferation in Europe from European sources is not so great as one thought. Even Strauss has never advocated a German nuclear force, as his last article in "International Affairs" again demonstrates.

v) The British attempt to retain a special relationship with the U.S. in Alliance affairs on the basis of nuclear weapons has been tacitly abandoned. This was done by Labour but I don't think that the Conservatives will resume the policy abandoned by Labour. There was some temptation of a special relationship with France. Britain is moving slowly towards deliberate acceptance of equal status with Germany. The economic relations with Europe also influence British political conceptions.

vi) Finally, the strategic limitations of Europe are more clearly appreciated. There is very small inclination to see the French force de frappe as a nuclear protection of Europe. The problems of a European deterrent (command, control etc.) are seen to raise fundamental problems. This requires a very developed political authority and a high degree of popular confidence, which are far away, at least a generation. Strategic strength can no longer follow automatically on economic strength.

E

If some of the present tensions within NATO are losing their force, there is no cause for satisfaction with the mechanism of collective action, for, if they are allayed, it is only/by reason of national action of the healing hand of time.

There is nothing in which I have said that gives any clue to the proper relationship of Europe to the U.S., or give a real guidance for the future. But we shal make no sense of the future of the Atlantic alliance if we continue to be preoccupied with problems of the past. If Europe remains purely Euro-centred when the real dangers have moved elsewhere, hopes of a more influential relationship with the U.S. will be dissipated. If the U.S. does not appreciate new problems that are confronting European countries, old tensions will arise in new forms.

I am not a prophet, but I think we can already detect several new interrelated developments which will affect the relationship over the next few years.

1. Relations between East and West European countries and particularly between East and West Germany. The next few years may not be productive in formal arms control agreements, let alone disarmament. The Sino-Soviet conflict has diminished Soviet freedom of action in this respect. (Many years have been wasted on this point). There is certainly little ground for European fears of a secret U.S. - S.U dialogue which would lead to agreements prejudicial to European interests. But the increasing freedom of action in East European countries must lead to new developments in inter-European relations,. and there is no doubt that reunification or something like that is certainly on the top of the German agenda. These relations raise several questions. Repetition of old phrases, such as disengagement is not enough. Certainly no solution can be given by the U.S. alone not requiring a very full European debate about the kind of self-restraint, which should govern kinds and levels of forces stationed in Central Europe, and forms of reciprocal control and assurances between East and West European states. No proposal is viable without U.S. participation and no new agreement is conceivable without U.S. participation and no new agreement is conceivable without the Soviet Union, but to my mind the initiative in the field of arms control proposals and the new relationship between Eastern and Western Europe and between most parts of Germany, must come from Europe and in particular from Germany itself. Germany cannot go on seeking new insurances against military attacks that are increasingly improbable and expect to develop a meaningful policy that would make a new relationship with East Germany possible. Individuel initiatives by European countries are self-defeating, as was shown by McMillan's attempt in 1959 to draw S.U. into a discussion of a negotiation on European arms control, and the attempt by De Gaulle in 1964-65 to develop a unilateral approach. There is immense scope for a multilateral talk in West Europe concerning the conditions acceptable for a new relationship with East Europe. Perhaps the concept of the Six as a right structure might need revision. Perhaps it has to remain a economic union and not to acquire a too clear political structure.

2. Nuclear proliferation.
I have suggested that arguments about the control over nuclear weapons or divisive effect of national nuclear forces in Europe may be losing some of their force. The reason is that we have merged from 20 years of breakneck development to a period of much greater technological stability in strategic weapons. The progress of assimilating these has revealed the extreme difficulty which a small power has in confronting a large and technically sophisticated one. Credibility is not merely a question of possessing nuclear potential but related to which range

of casualties including the degree of damage a society can absorb. This tends to a continuing downgrading the significance not only of the British but also of the French nuclear force. It will be very difficult for the U.S. and the S.U. to develop anti-missile forces effective against each other, but there is a practical possibility against a smaller country.

But there is also the case of countries not faced with a sophisticated adversary, but that yet feel their prestige or security challenged. Two obvious examples of countries considering nuclear weapons are India and Israel. And the time may well come for Japan and Egypt. It is a fact that as a result of our mistaken belief ten years ago that peaceful atom could be separated from warlike atom, the ability to accumulate plutonium has been spreading around the world. If the nuclear club, which has taken 19 years to spread from zero to five, were to double in the next five years, the countries with a nuclear potential and advanced industries like Sweden, Switserland, South Africa, Italy and Pakistan and several others, which have reasons either of prestige or security, would begin seriously to consider exercising it. At that point Germany might well reconsider her decision concerning nuclear weapons in a world of many nuclear powers.

There is no easy way to solve this problem. Non-dissemination is only valid if accompanied by a self-denying attitude in the part of the non-nuclear powers. Dissemination of technology and material/to eliminate prolieferation merely by restrictive agreements among nuclear powers. The question of guarantees to eliminate the incentive for acquiring nuclear weapons is less easy than people sometimes suggest.

/ make it impossible

We require therefore a non-proliferation strategy with many feacets. It will require such cooperation with the S.U. as we can achieve but it is primarily a Western problem. It will require the provision of an alternate means of security to national nuclear force. In some areas in the Middle East and Africa this will involve greater involvement of Atlantic powers. For some areas such as the periphery of China, it may largely be an American affair. But the same problems that have operated in Europe will apply to India and Australia. What happens in NATO with regard to the nuclear problem will have great influence.

3. Interrelationship between Asian and European developments.

Asian decisions are often made unilaterally by the U.S. and to a lesser extent U.K. Yet Vietnam could lead to a deterioration of Soviet-American relations which might create an internal necessity for renewed Soviet pressure in Europe, or at any rate damage the prospect of a more constructive relationship with Eastern Europe. Asian developments are thus affecting NATO policy in Europe. There is also the U.K. problem of allocating resources between Asia and Europe and the possibility of a switch of U.S. resources.

It is ironic that after having been encouraged to decolonize, the European powers are now asked to reengage themselves in the other regions. It won't happen in the same way, probably not with direct relations in these areas, but perhaps indirectly via the U.N. for example. But I would like to emphasize that growing European interest in Asia is not a question of altruism but of direct self-interest. The price of global power for the Alliance is that one must acquire global interest, if one does not want to lose importance and status.

4. One subject of a different kind that is acquiring increasing importance in the Atlantic debate. Defence is not only the purchase of security, but also a form of economic activity, closely related to all advanced industries. It is a complex question in which many mistaken ideas circulate. One fact is apparent: no European country has a large enough scientific base to compete alone with the U.S. in weapon research. One judgement: it is undesirable, economically, politically and militarily that the U.S. should be the one source of advanced technology (aircraft, electronic computers etc.).

There is a tendency to handle this problem by short term stopgap action, e.g. the bilateral project of U.K. and France. But here is a case for a real communalization of effort, as regards:,

a) definition of requirements,
b) research, and
c) development. It will cost ten years before a real improvement in production is possible. This cooperation need not be limited to the Six, but could be based on WEU or a new European Defence Production Agency. It would involve European countries for the first time in close reconciliation of their views not only about military tactics and strategy, but also about the technical conditions governing them. U.S. should welcome this because it is unmistakable that U.S. dominance in this field is a source of anti-American feeling in Europe.

F

I hope to have made it clear that I am a great believer in the importance of NATO alliance and in its future, but I believe that different kinds of European-American relationships require different institutions. I believe the solution of partnership for some aspects the best, for other plural forms may be better.

1. Nuclear control. The ANF is probably negotiatible now though not exactly in terms of the U.K. proposal. It is an improvement on MLF. Equally, a wide variety of ideas has not yet been explored. The ANF is certainly not a panacea, or a golden aim for Atlantic relations, but it is only one more piece of machinery.

It should be very clear that its control system must be a rigorous one and fully understood in Eastern Europe. Otherwise it will conflict with one main preoccupation of the Alliance over the last 5 or 7 years, the relationship with East Europe.

2. Development of new relationships with East Europe. This will remain largely a plural one for different European countries have different points of contact. But there is scope for the closest discussion within Western Europe of arrangements for new relationship between the two Europes and especially as it affects the NATO defence posture. Possibly the ANF will provide a forum, and it is to be hoped NATO itself. Europe must take the initiative on measures with regard to Eastern-Europe. There has been little work done on arms control. It will be highly damaging to European - U.S. relationship if the U.S. proposes and Europe shivers in fright about any change in the status quo. The real stimulus ought to come from Germany.

3. Extra-European problems. By their very nature they must involve the U.S. They cannot even be approached on a European basis alone, since no sphere of influence division is conceivable. France has blocked new NATO machinery, the overhaul of the NATO organisation; it is a matter of judgement whether it is necessary to force a slow-down or better to wait for a new French government. It is necessary to improve the Paris machinery, but also multilateral planning in Washington should not be overlooked, in view of the importance of the U.S. policy process.

4. Defence production. Here is a clear case for greater European cooperation.

G

We are about to emerge from a sterile phase in Atlantic relations, for which De Gaulle is by no means solely responsible. We emerge into a much more complex world, in which non-European problems will impinge more directly on our own than ever before. We shall only achieve real influence, if we recognize this complexity and fit our institutions to meet the problems of the future rather than of the past.

Appendix IV

Thomas Schelling : "Present problems of arm control"

(essential points, as recorded by the secretariat).

Disarmament is still almost wholly discussed in terms of the relation between the U.S. and the Soviet-Union. In the whole matter of disarmament, the role of arm chair thinking and of speculation is still dominant. In a way there are no experts, but only amateurs in this field

Thomas Schelling observed that war does not seem to obsess us so much at present as it has done for a decade. C.P. Snow said ten years ago that we would soon have a nuclear war, and many shared his pessimism. But nuclear war has not come yet. In fact, the arms race seems much less apparent than some years ago.

In the first place, there is a decline in visible arms build-up, as compared with the first years of the Kennedy administration. Although the production of strategic weapons is now at a maximum level, this is the result of the procurement programme of about five years ago, and this production will now taper off, so that the number of missiles will not go beyond about 1000 Minuteman and 400 Polaris missiles. Secretary McNamara announced this year to Congress that the 100 additional Minuteman missiles, which he still thought necessary the year before, would after all not be needed.

There is something almost complacent about saying that we have enough weapons.

Perhaps there was a conscious determination to avoid an upward swing in the arms build-up. The arms race is a kind of feedback process, with the one reacting to the others actions and so onward.

Another reason for the quieting down of the arms race is the scientific lull. One may say that it is the first time that the weapons which come into service are not already obsolete. We do not know now, what weapons will make the Minuteman and the Polaris obsolete. There will be some further improvements in their quality, but they are at present the last word. The pace of obsolescence has slowed down. Not so long ago we had the situation that when the B 47 bomber came into service, the B 52 was already in development, then the B 58, then the ICBM's. In view of the long period of development needed for new weapons, there will certainly be a long period between the present generation of weapons and possible new weapons.

It is a simple historical fact that technical development goes in sputs, not gradually. The big revolution in rockets, computers, etc. led to enormous changes in the strategic weapons arsenal. But recently there has been no such technical revolution.

People do observe a certain quieting down in the weaponing. It will not last forever, but perhaps for five or ten years or so.

Space has been a military disappointment. Ten years ago many thought that it would be the great area of battle, but up till now it has not worked out that way. Space does not yet separate us. Everything that matters, all targets, are on earth. And as a hiding place for weapons, space is not so good. The ocean is better.

As for prospective weapon breakthroughs, there is perhaps one exception, ballistic missile defence. President Eisenhower said once that hitting a missile was like hitting a needle with another needle in a dark room. Perhaps, for the scientist it is not so difficult to find and hit that needle. Ths problem is not one of technical feasibility, but of cost, for the U.S. something in the nature of 25 billion dollar or more. About this there is still uncertainty and it is still a matter of consideration and discussion. If we would really go ahead with anti-missile defence, it would be the only major boost to the arms race we can think of now. If the one begins, the other will follow, if it were only for psycological reasons.

Nobody is now really trying to improve the quality of strategic forces, an enormous contrast to several years ago. At the time of the first Sputnik there was an outburst of weapon development. A flurry of "Angst" about the vulnerability of weapons, especially the SAC concentrated on a view airbases, could be observed. The 1958 disarmaments conference in Geneva, decided upon in an exchange of letters between Bulganin and Eisenhower, was concerned with the problem of surprise attack. People understood that surprise attack was the big problem of the strategic force, the only weakness of the deterrent. And so we had a disarmament conference dealing with the protection of weapons. The U.S. delegation pointed out that there was a possibility of pre-emptive warfare. It /un- was a very/stable situation, as a consequence of the vulnerability of strategic forces. PresidentEisenhowers Open Skies proposal of 1955 was concerned with the same problem.

No feasible idea for collective action could be developed, but it educated the U.S. in arms control problems. Secretary McNamara said at Ann Arbor, that the apprehension of war itself could cause war.

Professor Schelling is personally disappointed that the U.S.-S.U. dialogue did not become more sophisticated. But a kind of communication can be observed. As an example mention may be made of the Soviet book on strategy, which came out first two years ago, and the new edition of which reflected implicitly American criticism of the first edition. This is again an example of the "feedback process"

The test ban treaty was proclaimed as a first step. It is much more likely to be a last step. It finished something, it removed a most attractive proposal that was evidently feasible, simple and highly symbolic. The treaty may be one of the reasons that the public interest for disarmament has diminished since then.

Another measure was the agreement about not putting nuclear weapons in orbit. Neither the U.S. nor the S.U. had an interest in it and it was a formal ratification of an understanding already realised than a real measure.

/more

Things have calmed down. Does this preclude the need for arms control, or is it arms control? Careful analysis lead to the conclusion that work on arms control of the last years have surely influenced the defence planning of the U.S. Perhaps it is at present more a time for informal forms of arms control, not treaties, but self imposed restraints.

The speaker will now say a few words about two other subjects, China and proliferation.

With its atom bomb, China has sounded the knell of its supremacy in the Far East, which was based on the power of its massive conventional forces. If Japan will develop a nuclear bomb, China's mass armies will have lost much of their value. Japan could even overtake China with its more developed industry so China will have lessened its supremacy by its own doing. Furthermore, the Prawda has said that the Soviet nuclear umbrella is adequate for all communist countries, but only for those who would accept Soviet protection. The events of Vietnam could not have happened five years ago and there is somewhat less reason for disquiet about possible escalation, because the automatic guarantee of the Soviet Union probably is no longer credible. The idea that China is invulnarable to attack was fostered by the West itself. The Chinese know that it is not true. In fact, China is a highly vulnerable nuclear power.

Professor Schelling would have finished his lecture there in order to leave more time for discussion, but at the request of participants he continued with the final subject of his lecture, proliferation.

Which are the dangers?

1. As a trigger for a major nuclear war, This danger has become minimal. The U.S. and S.U. strategic forces are incleasingly invulnerable and the two powers will not easily let themselves be stampeded in to nuclear war.

2. Headstrong allies might try to provoke nuclear war. But it seems to be very difficult to think up a scenario of such provoking of a nuclear war. Once the dissuation to

proliferation has failed, one has to live with the problem and it is possible to face it.

3. Small countries waging war against each other (Israel and Egypt)
It is a special problem, but the danger for a big nuclear war because of it is not great.

4. Nuclear outlawry. Exceedingly small countries, using them for deterrent purposes and threatening nuclear mischief, destruction of Amsterdam, and other big cities for example. They could procure the weapons by diplomatic exchange, revolt, black market. Arms control against it is comparable to the regulation of white slave and opium traffic. Rich complacent countries would realize that life is unsave. The countries that are thinking of nuclear weapon have to know that it is unreliable. Nuclear weapons don't solve our problems. But it must be feared, that a country only realizes that the weapon does not help much and involves in fact many limitations on its freedom of action, when it has already taken the step of acquiring the weapon.

The whole question of proliferation certainly involves difficult control problems.

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Appendix V

Prof. André Philip: "The role of the Third World in the equilibrium of international forces".

(Essential points, as recorded by the Secretariat).

The speakers of yesterday (25th May), dealt with some problems of the structure of Europe and the conditions for the relationship with the U.S. Now a problem of specific interest for European foreign policy will be discussed.

First, a sketch shall be given of the way the problem poses itself, and then will follow a discussion about the conditions for a common policy of Europe in this field.

A

Two-thirds of the world's population are living in increasing misery. Their gross national product increases only by about 2 or 3% a year and the gap between the rich and the poor nations is widening instead of decreasing.

In the development of the countries of the third world three periods may be distinguished:

In the first period they were subject countries. They fought for their independence, often by means of guerilla war or revolts, which were difficult to fight against, as the French experienced in Algeria and Vietnam (a fact which may serve as a warning for U.S. policy in the latter country).

In the second period the countries are no longer subject nations, but they have now become "debtor countries" ("obligés"). Independence has turned them into micronations, which are in a weak position vis à vis the developed countries so that one might speak of a rather theoretical independence.

In the third period will have to come the building of a modern economy. Brazil is an example of a country making great strides in that direction. In fifty years the fate of these countries will have been determined by the orientation which they now choose.

Then it will not be possible any longer to speak about a Third World, because there will have taken place a far-reaching differentiation. For the West it will be of the utmost importance what ties will be established and what orientation will be given to that development. This is not only a matter of ethics, but it is also of decisive importance for the future of our common defence and for the world equilibrium.

At present these countries enjoy only a nominal independence. While in Europe the nation came before the state, with them the state comes before the nation. The tribe is often the fundamental group in these countries and the national identity is yet in the growing phase. We must not feel scandalized by cases of corruption, nepotism etc. in these countries. The growth of the ethics of public service demands one or two generations. With us the tip is still a remnant of former venality.

It is necessary to make the peasant in these countries more independent, and this will require an agrarian revolution with the elimination of feudal landownership and of usury, the end also of the power of the great families. These are forces which hold up the modernization of the economy. In Asia usury is the great enemy, in Latin American it is feudalism.

The industrialisation will have to be effected in the framework of a plan. We must not fall into the error of using terms having a special meaning in the West for the quite different circumstances in the Third World.

One can distinguish two categories of these countries. First, the countries which are rather isolated from the rest of the world, like Mali and Uganda. There economic development takes place under the direction of the State, there is a kind of bourgeoisie of administrative functionaries, and one may speak there of state capitalism. With the elevation of the level of living, one may expect a growth of independent artisans etc. and a kind of revolt against the too heavy state administration.

To the second category belong the coastal countries, where international commerce plays now an important role and foreign capital dominates. In these countries, one may expect tendencies towards nationalisation of foreign enterprises.

These countries are often very far behind the Western countries, comparatively speaking sometimes perhaps in the 12th or 14th century of our history. One can also see comparisons with Colbert's mercantilistic policy. In these circumstances, terms like socialism and liberalism are meaningless phrases. One must beware of judging situations on the basis of the words used.

B

The problems of the developing countries were discussed at the Conference of Geneva. While it had the beneficial effect of fostering closer co-operation between the third countries, the policies which were chosen were in many cases wrong.

Many of the third countries are "one crop countries" ("monoculture"). The problem of these primary products is that they suffer from short-term instability, while there is also a tendency "à la baisse" in the long run, with the gradual replacement of natural products by artificial products. At present we take with the left hand what we give with the right hand. These countries have asked for more access to our markets, without restriction. They want to produce more, but with the increase of the export volume, the prices have fallen. This is, therefore, a solution in the wrong direction.

It is necessary to construct a different structure of international commerce. These countries must diminish progressively the exports of primary products, there must be diversification of agriculture, and the development of light industry. Exports must acquire a different character.

The present structure lends itself to economic domination by empires like the United Food and the United African concerns, and by "La Société Pacifique" in Madagascar. Under such circumstances it is wrong to ask for the "free development of international commerce". It is on the contrary necessary to pursue a policy of stabilization and of protection of infant industries. Otherwise the misery would only increase, and we must seek therefore a new structure of international commerce.

An interesting aspect of the Kennedy Round is the project for an international wheat market. This may be an example for the stabilization for primary products, which would also be a kind of aid.

The Conference of Geneva accepted as a goal for aid the figure of 1% of the national income of the richer countries, which might be called a derisory amount. Loans must be given at very low rate.

Foreign Investments must be canalised in the framework of a development plan, with public assistance. The framework of the U.N. would be too heavy and regional projects would be better suited. The consortium aid to India is also a good example.

Aid has to be given completely free of political strings. The big countries must abandon their present policy and promote the military neutralization of these countries. They would have to agree about a neutralization agreement, more or less like the Austrian example.

In these countries economic aid must be cut loose from military considerations and political vicissitudes. These change so quickly, as the example of Algeria shows. Prof. Philip has a kind of dream that, just as one speaks of

associating with the Six countries to the West and North of then, one could also associate with them countries to the East and the South, that is to say the countries of the Maghreb.

In Geneva the United States were not respected by the developing countries, and the S.U. fared the same way, with its argument that it had no obligation to give aid, because that was a kind of repayment for former colonial oppression, of which the S.U. had never been guilty. China had success and the West must be glad that China is at present not yet strong enough to gain much influence.

Europe has not yet a policy with regard to the Third World. It must try to acquire one, and may consider the moderate revolution of Frei in Chile as a constructive example.

Of course this policy is contrary to that of the U.S. but we must not let us be prevented for that reason. Let us speak about it freely with the U.S. We are an Alliance, but an Alliance must be based on equality.

A final suggestion might be that we must talk about future policy, even when we are not in agreement. We must not talk in term of institutions but of concrete problems. We must define policy concerning concrete problems, and this defining of policies will require the establishment of institutions. This is a better method than to put institutions before policies.

P/50

Appendix VI

Helmut Schmidt "Germany and Atlantic Co-operation".

(essential points, as recorded by the Secretariat).

Mr. Schmidt will concentrate on the strategic and military aspects of the Alliance.

For our security it will be necessary:

1. To maintain now as well as in the future an overall balance of political power;

2. It is not enough to have a military balance over the globe, but we must also have balanced situations in the separate theatres.

Equilibrium in Europe is also necessary, but for Germany there is always fear that such an equilibrium would interpret as meaning stability in the status quo, that is the division of Europe and Germany. Germany and the German people will not be satisfied with such a situation and will press for re-unification. With the new generation having no personal experience of the Nazi-period and at least no responsibility for that period, the will for re-unification is bound to become more vigorous all the time. A reasoned public opinion poll showed that re-unification had acquired a much greater priority in the public mind than a similar poll showed five years ago. At the same time public interest in European political unification is declining.

As a consequence of this drive for re-unification, any arms control agreement in Europe will have to be tied together with steps towards re-unification. Mr. Schmidt read here part of an article of Prof. Patijn's, in which the link between the German question and arms control was stressed.

The status of a re-unified Germany would have to be paid, in particular as regards three points:-

/Limits on

a) The German political boundaries;

b) The quality and quantity of armaments and international control concerning these limits;

c) The Alliance status of Germany; Mr. Schmidt believes that the Soviet Union would never permit a re-unified Germany to be a full member of the Atlantic Alliance.

At present these concessions will not be made. Any German Government would say no to an arms control agreement, which would give the Federal Republic a special status. Only in connection with steps towards re-unification could concessions be considered. This is also the case with regard to the nucleair organisation and control within the Alliance.

The motives for MLF are twofold:

1) To act in unison with the U.S.;

2) To give a more equal status to the Federal Republic.

Under a conservative government Germany would perhaps become more pro-Gaullist and be more suspicious towards arms control arrangements. Under the Socialist Democrats there would be a little bit more flexibility, but there is a consensus against any unilateral act affecting the balance of power of Europe, certainly when involving a substantial reduction of troops in Germany, especially American troops.

As regards strategy, there is another slight difference between the parties. Of course most German leaders agree with the McNamara strategy. But there are some who think that De Gaulle's vision concerning the U.S. is perhaps partially based on a correct analysis. They want a low nuclear threshold.

The Social Democrats are not of that opinion, but more or less followed the change in American strategy of the last years. They see the idea of flexible response as more credible.

There is no chance of using the French-German treaty as compromising the relation between Europe, the U.S. and the U.K.

It is theoretically better to have a solution of nuclear power on a community lain within the Alliance. But it is also absolutely clear that France will not join.

A new impetus must be given to the solution of the nuclear problem after the September elections, and results should be reached in the course of next year.

We all know that it is necessary to have a joint common deterrent, despite the fact that the partners will have different theories on nuclear strategy. After the breakdown of the talks on MC/100/1 and the development of the Stikker exercise nobody can expect any common strategy for the Alliance in the next year, but that is no cause for dramatization or despair. Instead, great composure and calmness are necessary.

NATO is redeveloping itself. Greater integration is necessary. We must uphold the Alliance, which is as such a difficult task. There is a generally shared feeling of the decline of the Russian threat to Europe. De Gaulle, Wilson and Johnson all share this feeling. Washington, London and Paris agree at least in one aspect. London tends to diminish troops on foreign soil. Paris had already done that with its nuclear policy and its diminishing of assigned troops. The United States has - behind the scenes - the same tendency, quantitatively at least.

Speaking as a German, Mr. Schmidt considered such a development dangerous, because:

1) We should insist on a common military posture in Europe, capable to deter but also to defend Europe without use of nuclear weapons in a state short of general war;

2) On the other hand we must not forget that Berlin is not only the German capital and a great German city, but also of enormous symbolic and psychological importance for the West as a whole. It will remain a touchy point, with many possible crises. Most of these crises cannot be countered without sufficient Western military power. For these two reasons the emphasis should be on adequate conventional troops, on mobility, on sufficient tactical air power, which is now almost absent (too many nuclear aircraft). NATO should not be forced to emergency plans with early nuclear escalation by our own nuclear posture; we should not be forced to the choice between holocaust or nothing.

Conversely, the nuclear problem must be solved. The unbalanced 800 Soviet IRBM's askfor some answer in the coming years.

And so we come again to the question put in Prof. Patijn's article. Germany stands before a decision. Equilibrium of nuclear power in Europe will be necessary with or without arms control. As long as reunification is not there, Germany will stick to the Atlantic Alliance. It is the solid basis of German foreign policy. We need to be a partner of the Atlantic Alliance more than any other country. It is the overriding necessity for us.

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Appendix VII

E.H. van der Beugel "European and Atlantic Cooperation (including the economic aspects)".
(essential points, as recorded by the Secretariat)

In the earlier lectures so much has already been said that the speaker will limit himself to a few remarks, in particular with regard to three problems:

1. The British position in Europe;
2. The problem of the U.S. balance of payments;
3. The problem of U.S. investments in Europe.

But first a sketch will be given of the general background against which these problems must be seen. People who are confronted with the day-to-day problems of foreign policy, cannot escape the feeling that the developments of the last years in Europe constitute a deviation from an established direction and that the situation is controversial and difficult. The refusal of the entry of the United Kingdom in the Common Market in 1963 constituted in fact a frontal and global attack against things which we thought had been achieved in the post war period. We thought we had achieved an evolutionary process in which the Western world would function on the basis of a close partnership between the United States and Europe, not only to safeguard our existence, but also as the only way in which the Western world could exercise its influence on the global scale.

Atlantic partnership between Europe and the United States as formulated by President Kennedy in his 1962 speech, is still the valid goal. It is constructed and based upon a political imagination without which we cannot live. What was that concept? It was one of equal partnership. It was quire clearly only possible on the basis of equality. There was an assumption that the United Kingdom would be part of the European pillar.

The idea of equality becomes more precise when we discuss it somewhat more fully. In the sense of completely equal it is rather difficult to see. In the military field it is quite impossible. U.S. defence spending three times that of all NATO partners together. In the economic field it is perhaps better possible. We should not, however, underestimate the still existing inequality in economic power.

Today we suffer from the confusion about this term of equality and from the notion held by some people that partnership must be preconditioned by European unity. We must realize that partnership is a good concept, but that it is only a concept. There was no operational policy to follow up the concept. So we must not seek this equality in the military and the economic field, nor in statistical terms. We must consider the concept of equality as one of mutual persuasion.

If we would say that Atlantic partnership has to be preconditioned by European unity that would mean that we must have European unity on any terms. There is no great danger that Europe will go Gaullist. But listening to Professor Philip, one has the feeling that there are people who are not Gaullist, but who feel that Europe needs to be anti-American. If that were the case, there is only one possibility, either such a Europe has no identity or it is a fallacy.

The three problems mentioned above will now be considered against this background.

1. The British position. There is no need to say that we were disappointed about the United Kingdom not taking part in the EEC and that we were glad in 1961 when the United Kingdom applied for entry in the Common Market. We were glad primarily politically, because the structure of the Six could use such an element of democratic tradition and political stability. Furthermore, from the point of view of achieving equality with U.S., the United Kingdom could provide a valuable contribution.

For the moment U.K. entry in the Common Market is out, because

/ of operation

1. The British Government has not quite reached the point for a new application for membership;

2. France would refuse again;

3. The EEC cannot wait and will go on.

In these circumstances, people will logically look for alternative solutions. We must realize, however, that Britain is on the move toward European integration, and the British economic problems can only be solved in a larger framework. This is even clear to a substantial part of the Labour Party.

There is nothing against an interim solution. The last two or three months we have read much about bridge-building. But I warn against the illusion that bridge-building is a real alternative to Britain joining the EEC. It would be an illusion to build a structure on two incomparable processes, that of integration in Brussels, and that of the EFTA. The U.S. was opposed to bridge-building in the period 1958 - 1961, because it was against discrimination against the dollar on commercial grounds only. The only reason for their support of the EEC was as a stepping stone towards European unity. As an economic concept alone, they did not like it. This U.S. policy supporting European unity is the only example of a policy to build up another major power. They are opposed to bridge-building and consider it as incompatible with the Kennedy Round.

For the U.K. the only option is joining the existing process of European economic integration. This is at present impossible but a clear British declaration of intent is necessary.

2. American Balance of Payments problem.

In 1958 the U.S. suddenly discovered their balance of payments problem. It is a marginal problem, but you cannot lose $ 4 billion every year. It is not a normal currency problem for two reasons:

a) The U.S. economy is very strong and competitive.

b) More important, a continuing balance of payments problem involves the danger that the U.S. will see its commitments in the world through the focus of their balance of payments problem. This is incompatible with the position of leadership of the U.S. It is, therefore, in our interest as well as in that of the U.S. to have it cured. It will be cured, but it must not be cured with the wrong methods. We understand that the U.S. will tend to reduce their commitments abroad, including military commitments in Germany. It is remarkable that the U.S. has not done this so far. There is something irritating in the speeches of European bankers and treasury officials talking about the U.S. currency problem "du haut de leur grandeur". This has dangerous aspects.

3. U.S. investments in Europe.

This is not an important problem in itself, but especially as an item on the "menu" of anti-Americanism. It is based more on sentiment than on economic data. Not long ago we queued in Washington to get as much U.S. investments as possible. Seven or eight years ago every self-respecting mayor had to have an American industry established in his city. There were two reasons for the inflow of U.S. investments:

a. We were short of dollars and could offer good conditions, because we liked to have American products made in Europe;

b. The U.S. believed in the future of the Common Market and we ourselves did our best to make them believe in it.

The objections to U.S. investments are partly psychological, partly economic. Psychologically, European producers were confronted with a new kind of competition that they did not know before. There were also economic arguments, especially the shortage on the labour market.

When we try to quantify, U.S. investment never exceeded 2% of total private investment in Europe. In some branches the percentage is greater , e.g. the motor industry, chemical industry, oil industries. But it is a marginal problem. We have invited the Americans to come and we have benefited enormously from the U.S. investments:

They have shipped up our economic activity and competitive spirit. The basic problem is that of size. Many of the frictions stem from the fact that the American firms are generally larger and spend much more on research. American private research amounts to $ 25 mrd per year, in Europe it is $ 7 billion. But these are no valid arguments, because the solution is not to keep the Americans out, but to build bigger units ourselves and spend more money on research. Restrictionis policy is economically unwise and politically undesirable.

There are special ad hoc problems. The Netherlands Government for example refused an application for establishing a factory of General Motors because it would have taken 8.900 men from an alrgady labour short market. But this is a practical problem.

We stand before the choice between finding our identity in Europe in being anti-American or in the closest possible relation with American allies on the other side of the Ocean.