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EUROPEAN STUDY COMMISSION

February 14/15, 1969

Provisional
List of Participants

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Dr. L.G.M. Jaquet	Director, Institute of International Affairs
M. Jean Laloy	Ministere des Affaires étrangeres
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Mr. Erik Seidenfaden	La Fondation Danoise, Cité international de l'université de Paris

Dr. Theo Sommer	Foreign Editor, DIE ZEIT
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CLOSER EUROPEAN CO-OPERATION IN DEFENCE - THE PROBLEMS INVOLVED

Preparatory paper for the Meeting of the

European Study Commission

February 14 - 15,1969

This paper sets out to give a short-hand catalogue of the main considerations that seem relevant to any new attempt at closer defence co-operation in Western Europe, be it an institutionalized European Defence Community or an informal "European Caucus", inside or outside the existing organisations. The paper does not try to give the answers but, by listing the questions, to indicate the scope of a study on this subject. It may also help in deciding which are the decisive questions, which are the most important and which the most rewarding to concentrate on.

The time scale for examining the problem is the next five years.

I. Why should closer co-operation in defence be desirable?

It may be that co-operation in fields other than defence could both be easier to achieve and politically more rewarding. Yet, as West European governments spend about 20 billion dollars on their defence annually, here is a vast area which conceivably could be structured more efficiently and more economically in a framework of co-operation. Besides, the issue has recently come up again in international discussion and, if only for this reason, deserves looking into.

1. Political desirability

There are two conceivable impulses for closer co-operation in defence: a) to provide a device to serve the atlantic system by improving the European - American relationship and b) to take a step towards European political integration (e.g. the abortive EDC). Both concepts may not be incompatible in principle, but in detail what is essential for one may not be useful for the other, and the same applies within each group of arguments.

a) European - American relations:

The presence of American troops in Europe could be made more acceptable to U.S. governments (or American reductions be accelerated?); if West Europeans have to carry a greater part of the burden, it will be helpful to increase the alliance cohesion accordingly; if the super-powers embark on bilateral talks, a greater co-ordination of West European attitudes can yield greater influence with the United States.

b) Relance européenne:

It could provide the vehicle for European political integration by creating new common institutions (e.g. an arms

procurement agency), develop common attitudes and common policies, including foreign policies. It would provide for the U.K. a means to get closer to Europe, for Germany a framework to offset the political disadvantages of an increase in her defence effort, for France a bridge to rejoin West European defence arrangements without adhering to military integration within NATO.

Or will new institutions and groupings encourage regionalism in Western Europe and generally strengthen the centrifugal forces in the existing system?

It is evident that some of these aspects are contradictory. In addition, they do not demand the same pattern of co-operation; while some would require an institutionalized framework, others would be possible, if at all, in an informal setting.

2. Military and economic desirability

The means to render European defence militarily and economically more efficient include standardisation of equipment, joint procurement and arms production, specialisation of functions etc. Some of these seem to fall within the aims and framework of already existing multilateral or bilateral arrangements and organisations, such as NATO, WEU, bilateral arms production ventures. The questions to ask, therefore, are whether the existing arrangements are sufficiently suited for an increase in co-operation; if not, what sort of new organisation or arrangement; and what the political implications of conveivable solutions would be.

II. How could closer co-operation be achieved?

1. Fields of co-operation

A rough distinction may be drawn between a) common advisory institutions, b) co-ordination of policies, c) common decision-making including the transfer of authority to common institutions.

a) Joint advisory bodies and agencies (e.g. European Defence Institute, operational research, technological transfer, oceanography etc.)

b) Common defence planning, elaboration of common attitudes on alliance matters (including nuclear affairs), harmonisation of national regulations.

c) Standardisation of weapons, joint arms procurement, joint arms production, integration of logistics, specialised functions for national forces, integration of forces.

This list is not supposed to be complete. It may, on the other hand, include items that experience may have shown either to be

unfit for "collectivisation" or unable to be improved beyond the present level (e.g. integration of forces), and also some that cannot be limited to the military but spill over into the civil field.

Would a) and b) be sufficient to keep the grouping together? Or would the need for some of the fields under c), particularly in the technological sector, prove too strong a centrifugal force if left outside?

How much could be done within the existing organisations? At what point would the need for a new organisation arise? Is the sequence under c) the most likely one to lead from a less formalized to an integrated structure? What steps would be impossible without a prior harmonisation of foreign policies among the participants?

2. Organisation of co-operation

a) outside NATO:

-WEU: although the Treaty provides the framework, a major political revival would be required to use it efficiently. WEU would, however, be the natural choice if either France were to co-operate or the other states were not prepared to go ahead without her. But then a formula may have to be found to include the Scandinavians.

-other institutions: while a full-fledged European Defence Community, integrated and with supranational structure, seems unlikely in the foreseeable future, some elements of it -a technological community, a European Advanced Project Authority (both not limited to the military field), a gradual pooling of defence budgets under a supranational organisation-may be conceivable first steps.

-ad hoc groupings: would seem only to apply in joint procurement projects. It would appear the most acceptable formula politically, and therefore the most feasible. But is this so? Past experience with joint projects has shown failures and disappointments, so much so that rather than increase political solidarity among participating governments, ad hoc projects have often undermined cohesion.

b) inside NATO:
seems to have some advantages: no new organisation and no new major political decision by participants required; France can be informed while being left out, the smaller countries would feel less uneasy than in a purely European grouping; the framework of NATO would allow a gradual evolution of the European element and provide the net to fall back into if the initiative should fail.

But what sort of initiative could it then be that is more than simply polishing up already existing but not sufficiently exploited possibilities? There seems to be little reason why West European governments should not, within NATO and prior to the shaping of NATO policy, co-ordinate their defence planning, agree in joint arms production ventures or standardise equipment.

Or are there limitations within the NATO machinery? Has it become too rusty during the years? There are, no doubt, some political obstacles, but do they not reside in the reluctance, to use the NATO facilities to their full extent of

precisely those member states that are expected to take part in the new grouping? If it failed in the larger context, are there any special motives why it should succeed in the smaller (e.g. anti-Americanism, hope to circumvent France s EEC veto, special concern for regional problems, etc)?

Whatever the best organisational form, it will have to be examined as to its implications for existing organisations. Additional supranational institutions will have consequences not only for NATO but for the European Communities as well. A European Caucus may, even if it refrains from setting up a distinct grouping, generate pressure for a revision of the Treaty for political reasons. The participants' fear of unwanted implications of this sort will be decisive both in respect to the fields of co-operation (co-ordination rather than joint decision-making) and to the form of organisation.

3. Participants

Who should be the states to initiate and form the new grouping - Britain, Benelux, Germany, Italy with / without Norway and Denmark, Greece and Turkey, with / without France? Should the membership be specifically limited, or remain open to all European members of the Alliance? Should association to joint projects be possible without membership? Which are the states sine quibus non f r a Central European grouping? Are there other conceivable reg onal groupings?

INSTITUTE FOR STRATEGIC STUDIES

EUROPEAN STUDY COMMISSION

Minutes of the Eighteenth Meeting, held at the Centre d'Etudes de Politique Etrangère, 54 de Varenne, Paris VII, on 14th-15th February, 1969

Present:

Mr. Alastair Buchan (in the Chair)

Signor A. Albonetti	M. Jean Laloy
Général d'Armée Beaufre	Général Baron A. del Marmol
Dr. Christoph Bertram	Dr. Roger Morgan
Dr. Karl Birnbaum	Herr Uwe Nerlich
M. Paul-Marie de la Gorce	Dr. John Sannes
Mr. Francois Duchêne	Herr Walter Schütze
Dr. Curt Gasteyger	Mr. Erik Seidenfaden
Mr. Niels Haagerup	Dr. Theo Sommer
Brigadier Kenneth Hunt	Prof. Jacques Vernant
Dr. L.G. Jaquet	Dr. Wolfgang Wagner

M. de la Gorce and Herr Schütze attended as observers on behalf of the Centre d'Etudes.

1. Composition of the Study Commission

Mr. Buchan announced that he would be leaving ISS in the autumn, and Mr. Duchêne had been appointed his successor. He felt that his new appointment, with the British Government, would mean his resigning from the Commission, partly because of the pressure of time, although he was anxious not to sever completely from participation in conferences, etc. He would like to propose as the third British member after his departure Dr. Roger Morgan, Assistant Director of Studies at the Royal Institute of International Affairs: apart from Dr. Morgan's personal qualities, he felt that the R.I.I.A. ought to be more closely associated with the work of the Commission, as various other national institutes of international affairs were.

This proposal was adopted unanimously.

2. European-American Conference

Mr. Buchan recalled that this would be held at Ditchley Park from April 25th-27th, and listed the American and European personalities (outside of members of the Commission); who had been invited; various additional names were suggested. The subject for the Conference was "Bipolarity and Alliance Cohesion" - the conflicts and problems raised by the US getting into an intensive dialogue with the Soviet Union, what this dialogue would be about, and its implications for European-American relations.

3. Warsaw Conference of Directors of European Institutes

The question was raised first of the usefulness of the Conference of Directors of European Institutes to be held in Warsaw in mid-May and secondly of the desirability of accepting the Polish Institute's invitation at this juncture given that in the prevailing Polish internal political situation such a Conference would be exploited to the full for propaganda purposes.

After discussion it was unanimously agreed that the opportunity for East-West contacts should not be declined, but that in order to make clear to the Polish Institute the West's awareness of the use to which such contacts were being put the various Institutes represented on the Commission should suggest postponing the Conference until the first half of October, on the grounds of pressure of other commitments; it was further agreed in consequence that the Commission's autumn meeting with East European representatives should be held in November.

4. Finance

(a) An estimate of ESC costs in 1969 was circulated. Mr. Buchan recalled the formula agreed in 1967 for financing the Commission on the basis of the present pattern of meetings: the cost per participant had been agreed at between £60 and £70, but since the Italian Institute paid the costs of the European-American Conference in 1967 and the German Institute did the same in 1968, the cost per participant for the past two years was only £55. This year ISS would pay the costs of the European-American Conference. However, ISS also paid virtually all the costs of the annual meeting with the East Europeans, so that for 1969 ISS would be contributing nearly £2,400 or 70% of the total costs, plus the per capita contribution for three British members.

In order to limit the ISS contribution to around £2,000 for the current year the question was put whether the other Institutes would be prepared to increase their per capita contribution to £65. This was generally agreed, it being understood that the Centre d'Etudes would continue to contribute by paying the costs (proportionate to its share) of meetings on French soil. It was further agreed that from 1970 onwards, the East European representatives should be asked to pay their own fares.

(b) It was agreed that the Swedish Institute of International Affairs and the Atlantic Institute should be asked to contribute towards the central costs of the ESC on behalf of Dr. Birnbaum and Dr. Gasteyger respectively.

European Study Commission Meeting in Paris, February 1969

Friday Morning, 14th February

DISCUSSION ON THE INTERNATIONAL SITUATION

1. The new US Administration and prospects for Soviet-American Relations

Mr. Buchan opened the discussion with the remark that while one member of the new Administration was very well known in Europe, very little was known about the others. The Assistant Secretaries were the appointments that made the real difference, and no Assistant had yet been appointed for International Security Affairs. In the meantime Henry Kissinger was filling a vacuum: he was building up a very powerful team - including such men as Morton Halperin, Helmut Sonnenfeldt, Robert Osgood - and it appeared that a series of taskforces was to be created within the executive building in the White House. The initial formulation of policy was more likely to come out of this group than out of the Departments. One difficulty about Kissinger, perhaps, was that he had been on record for so long; however, his appointment would surely be generally welcomed in Europe, and it did suggest that the rather architectural approach to European affairs associated with Robert Bowie and George Ball would disappear in favour of a more traditional diplomatic relationship with Europe and with countries like China and Japan.

This view was endorsed, although Professor Vernant wondered, first, how decisive an influence Kissinger would in fact be able to exert on the conduct of affairs; secondly, assuming he would have real influence, what was the current state of his thinking which had varied over the years?

General Beaufre said that when he saw Kissinger - very briefly - recently, he seemed absolutely bewildered. He was an intellectual, not an administrator, and while he would no doubt settle into the job his need to master the techniques of government would inhibit the influence of his intellectual qualities. With regard to his thinking, two points of interest emerged from a study which appeared under Rockefeller's name in December: first, not to try to reconcile the American attitude towards the USSR with the Soviet attitude towards Eastern Europe; the US had an interest in accommodation with the USSR on the technological level without any corresponding desire for conciliation on the political level. Secondly, in regard to Western Europe, a desire to improve relations in particular with France, Germany and the UK as the nucleus of a Northern West European grouping, no doubt still with the long-term aim of supporting British entry into the Common Market, a desire to see what could be done to please the Europeans.

Turning to American-Soviet relations, M. Laloy referred to the uncertainties prevailing on both sides. Both governments were in a state of fluidity in their external policy. In the USSR, the situation was the opposite of what it had been under Khrushchev: he had combined a policy of détente at home with a hard line external policy; the present leadership had hardened their internal policy, but they were at the same time seeking to maintain a moderate external policy. This reversal of policy created uncertainties. The harder line within the USSR and particularly within the bloc had not been accepted without resistance - from Czechoslovakia, still continuing, and from Rumania, for instance. Their resistance was currently making itself felt within the Warsaw Pact, and we should see how far the Rumanians would be able to carry their disagreement. In the external field, in the Far East the relations of both super powers with each other were dominated by the problem of the other's relations with China; in the Middle East however he saw a good chance of a Soviet-American rapprochement and talks about the Israel-Arab crisis - to limit the conflict rather than to bring about a change; he saw some room for movement over Vietnam, although the relatively flexible Soviet attitude was not new. Certainly there was more flexibility in matters of primarily

Soviet-American concern; the USSR was seeking a dialogue on disarmament or arms control. At the same time, there were indications of an evolution in strategic doctrine. There seemed to be a school of thought among the military arguing that a nuclear war by a socialist country would be a just war, and therefore a possible war. Of course this did not mean that nuclear war was more likely; but it did mark another change from Khrushchev's day when he laid down what had become the classic doctrine; it indicated that a new discussion about strategic doctrine was under way within the system, and this was an added factor of uncertainty. Taken together with the Soviet attitude towards the bloc, it could double the uncertainties for the Europeans.

Asked by Mr. Duchêne about Soviet policy towards Germany, where their interest in maintaining the German threat as a unifying factor within the bloc surely cut across their interest in a more moderate policy towards the West as a whole, Mr. Laloy agreed about the contradiction, although he did not think that in their manipulation of the German threat the Soviet leadership wanted to go so far as to bring about a new Berlin crisis, for example.

M. de la Gorce thought that more importance should be given to the fact that everything depended on what the Administration and Nixon in particular did with their victory. The Johnson withdrawal, and the democratic defeat, were directly linked with the consequences of American policy in Vietnam; they were beaten by the Vietnam war. Nixon would always have this in mind; the fate of the Republican Party, as well as his own political fate, would be in question at the next elections on this issue. He would certainly not be prepared to engage his Administration in anything like a new Vietnam adventure.

Professor Vernant said that if the US aim was to improve relations with Paris, Bonn and London at the same time, given their very divergent positions, this indicated the fluidity M. Laloy referred to. He wondered how justified the impression was that the ideas matured during the Democratic Administration (the Grand Design for Europe) would no longer be pursued. A great deal of British press comment interpreted the Kissinger appointment as indicating that the special relationship between Britain and the US would not continue as it had under the previous Administration: was there any validity in this?

Mr. Duchêne did not expect a great difference in Anglo-American relations on the general political level: this relationship had been declining in importance - on the American side at least - for some time. The problems of Britain today were essentially to do with Europe and with Britain herself; the only real question between Britain and the US was that of the Polaris submarines and the independent deterrent, but this was much more a technical issue. He expected policy in the new Administration to move in the same general direction, towards a further relaxation of ties and of the special relationship. Dr. Morgan supported this view.

Gen. del Marmol referred to France's difficulties in the nuclear field: there seemed to be a French desire for better relations with the US, perhaps with the aim of eventual help in this field. Was there any possibility of France agreeing to have US warheads back on French soil?

Gen. Beaufre added that in December there was considerable speculation in the US about a Franco-American relationship in certain aspects of the nuclear field - with the idea of what could be done to please the French.

Prof. Vernant said this was entirely out of the question; there was a will for rapprochement, but not the least intention on the French side of reversing its present policy towards NATO.

Asked what room there was for change in Franco-American relations and what was likely to be discussed during President Nixon's visit, he said that formally from the French side the talks were expected to bear on the great international issues of the day rather than on bilateral questions, which did not really exist: the Middle East, Vietnam, the monetary question, US-Soviet relations.

Herr Schütze maintained that this would mean ignoring the very questions which most needed to be aired.

M. de la Gorce referred to the changed climate in Franco-American relations, which was important for the success of the talks. In certain areas of tension the evolution in the American attitude had contributed towards the change of atmosphere: first of all on Vietnam, where the differences between the two governments' positions had narrowed considerably, and particularly the US attitude towards negotiations, which were taking place on French territory, also on the Middle East, where it seemed the two governments would at least be able to reach agreement on the procedural level. In the monetary field, where the US had been most irritated by the French stand against the dollar, action taken by France had helped to improve the atmosphere. In their attitude towards the Czech crisis, towards the Soviet Union, and in their desire to continue the search for détente there was a certain parallelism between the two governments. However, relations would in the end be determined by the way in which the two governments deal with practical problems.

On the question of what would please the French, he was not aware of any issue in particular. The climate of relations was determined by American actions in areas where France had fundamental doubts about American policy.

Mr. Duchêne wondered why the fear of the two hegemonies had lately been less evident in French declaratory policy, given that we were moving towards closer Soviet-American relations: was it likely to become more evident?

M. de la Gorce replied that the fear of hegemony was without any doubt a permanent preoccupation of the French President. But in the present international situation, the fact was that the two big powers ran into great difficulties in trying to exert their authority on certain questions - in Vietnam and in the Middle East, for instance, what happened depended by no means on the Soviet or the American will, and certainly Eastern Europe had shown the will to resist hegemony. There was this contradiction, therefore, that in the present situation emphasis was put on the search for solutions, although the permanent historical preoccupation remained in being.

Prof. Vernant added that those responsible for French policy saw dangers in the present international situation and felt that agreements which could be reached at the great power level (not just between two great powers) would be useful and that France ought to contribute to them. The French attitude towards the NPT bore this out: France did not propose to sign herself, but she had declared that the treaty was not a bad thing, and she was in favour of Germany signing it; a position difficult to defend logically perhaps, but not politically. On the Middle East, France considered a four power agreement would be helpful. This did not mean that in some areas an agreement between the US and USSR would not also be a good thing. But in an area such as the Middle East where they had something to say, France and Britain should take part in the consultations. The official French proposal for the first time put as a practical question the possibility of the UN Security Council having a special responsibility for peace. In order to avoid hegemony there must be a concerted policy at least by a certain number of powers, and those who stood at a certain level must take responsibility.

Dr. Gasteyger suggested that after the events of 1968 there had been a change of climate, but not a change of policy. Many Americans made the mistake of taking the one for the other.

Prof. Vernant agreed.

Gen. Beaufre said the same applied to the US Government: the desire not to mix up Soviet-American relations with European problems and the wish to conciliate European opinion changed the climate. The previous Administration put Soviet-American relations first and relations with Europe second; now, relations with Europe were coming up in the scale of value.

Mr. Buchan said the new Administration was less tied to the positions of its predecessor than any new Administration in the post-war years, simply because American opinion did have so much doubt about the objectives of American foreign policy. Nixon had wide freedom of action. The two priorities of Soviet-American and European-American questions were in no sense competitive: the mere process of events - technology, Vietnam, the Middle East, etc. - forced a degree of Soviet-American negotiation. Priority had to be given to Soviet-American relations, the question was how to bring the European allies along - by force majeure, or by traditional diplomacy.

Dr. Birnbaum agreed about the basic lines of French policy being unchanged. However, in the aftermath of the Czech crisis and the general rapprochement between France and the US, Debré in October said something very positive about Soviet-American relations which could lead to limitation of the danger of nuclear war. Was this attitude likely to continue?

Mr. Haagerup asked whether it was possible to envisage a lasting improvement in the climate of Franco-American relations without a changed French attitude towards European institutions, which the new US Administration would still like to encourage although less dogmatically than previous Administrations.

Prof. Vernant said it was impossible to predict the course of relations because irrespective of policies or tendencies there was a personal factor involved. Personally he believed that the new Administration would be less dogmatic than its predecessor, less concerned with ideology, more desirous of materialising the adjustment which had already been made towards the French phenomenon which was liable to get in the way of the concept which the US was trying to carry through. The feeling that the US would have to live with France would be stronger now. It was well understood in the White House therefore that de Gaulle would hardly change his attitude towards European institutions in order to facilitate a rapprochement which was already taking place, so this did not really come into the picture. European questions would be discussed, and the two sides would restate their respective positions, but the divergence would not affect Franco-American relations on condition that something positive emerged on a certain number of precise issues. The attempt at a concerted policy towards the Middle East would be a test case for France.

Herr Schütze expected a clash about the subjects for discussion with Nixon: the French would want to discuss Vietnam and the Middle East, but Vietnam was a question on which the Europeans had nothing to give but advice and the US had the responsibility, and the Middle East was almost in the same category. Nixon would want to discuss issues where results could be achieved only as the result of a better understanding between the US and Europe. If this clash became too obvious, the Nixon visit and Kissinger's role in the White House were likely to mark an episode rather than a new turn of policy.

Mr. Buchan qualified his earlier reference to the wide freedom of action of the new Administration: this did not apply where legislation was concerned, since Nixon had no great control over Congress. There was a fairly strong anti-European tide in American opinion, forcefully reflected in Congress, where de Gaulle had tended to get identified with Europe, and this would make itself felt particularly in fields where Congress made policy, i.e. nuclear matters.

Dr. Jaquet wondered why Nixon was making his tour so soon after his inauguration: the consequences of failure would be very serious. There were all kinds of unsolved problems which could have been tackled through diplomatic channels.

Mr. Buchan considered the main motive to be a desire to redress the balance after Johnson's gross neglect of the Europeans.

Gen. Beaufre said Soviet-American relations were also an important consideration. Given the likelihood of negotiations on the limitation of strategic arms, defensive and offensive, the prospect of an agreement of this kind posed serious problems for Europe, especially the Germans, and affected the climate of European-American relations. It would be indispensable for Nixon to know how far he could go vis-à-vis European opinion before entering negotiations. Also when he himself was in Poland recently, there was much talk about the Rapacki Plan; ideas about the denuclearisation of Europe might be coming to the fore again, therefore, and this was relevant to an arms limitation agreement.

Prof. Vernant added that it also raised all the problems relating to the NPT. (It was agreed to discuss this in relation to the question of co-operation in defence.)

2. Far East

Dr. Jaquet said he had visited Indonesia recently, and was struck by how different the reaction on Vietnam was there compared with Europe. They were very fearful about 1970, when they reckoned on an American withdrawal from Vietnam and the British withdrawal from East of Suez; they wondered what would happen with the US-Japanese Security Treaty; there was suspicion of Japan, partly because of world war II but also because the Japanese and Indonesians did not understand anything of each other, and a great fear of China. The attitude towards the US was ambivalent - they could not afford to support the US openly, and of course they did not want the war to go on, but they were very fearful of what would happen after a withdrawal and they hoped some American bases would be left; they also hoped a new balance of power might emerge in Asia.

Gen. Beaufre said that when he was in Vietnam last year, it seemed that the Americans had come to realise that they could not win and that it would be better to disengage, but on honourable terms, and at the same time the Vietcong had the will to permit an honourable US withdrawal. When he was in the US in December he observed a considerable evolution in the American psychology: the mood was for peace, to consider the war a thing of the past, to regard an agreement as an excuse for believing the US had won, and get out. The status of South Vietnam still presented a considerable problem, however. When he talked with the Vietcong, he had been struck by the surprising moderation of the Front's policy. They aimed to build a truly democratic government in the South, with a certain freedom of opinion and without socialisation of the economy (they defended this on the grounds that foreign capital would be essential to rebuild the country); until reunification would be possible, they wanted to create a different régime in the South than in the North. This did not mean a Thieu-Ky government, any more than a communist government; the present South Vietnamese Government would therefore either have to relinquish power, or be overthrown. The question was, would the Americans support such a development, just as they let Diem fall from power?

With regard to the consequences of a US withdrawal, he did not subscribe to the domino theory. South Vietnam was thoroughly tired of war; the people did not think about the arrangements for ending it, they just wanted peace. Even if the Vietcong wanted to continue agitation after a settlement, it would meet with no response. North Vietnam too had had enough. Consequently he felt that after a settlement South East Asia would be a relatively calm area, at least for several years. There was the broader problem, of American strategy in the Far East. Everyone knew that the US wanted to retain bases for a certain period and that they would base their strategy on a ring of islands - Formosa, the Philippines, Japan. Thinking about Japan, he had been struck last year by the fact that psychologically the Japanese were not yet ready for an offensive strategy or even a policy including a military strategy; they were still atomicised by defeat. There was a party which thought about rearmament and wanted nuclear weapons; but the government was not ready to consider this. For the next five years, corresponding to the period of US withdrawal from Vietnam, Japan would continue to have a strongly expansionist economic policy without making her presence felt on the world political scene; and even then the position would change only if the situation in Asia were such as to mobilise public opinion in Japan, which was not the case at the moment.

Brigadier Hunt agreed about Japan. He also agreed that a relatively calm space could be expected in South East Asia in the future, although the future may be a little way off. The problem was how long it would take the Americans to disengage, even if given a chance to do this honourably. He agreed about the war-weariness; and politically in the US it was tended to assume that the way was over (although the East coast liberals should be separated from a large number of other Americans who if not offered anything reasonably honourable would not be happy). But the physical war was not over. Would the Americans agree to a fairly long drawn-out period of withdrawal, and would during this time the South Vietnamese army be able to build itself up and secure for its government a much stronger base for assuming a position of strength for keeping the peace? When he was in Vietnam last summer he thought the government had a stronger hold on the country; Thieu had more links with the corps commanders than at any time over the past four years; people's minds were now concentrated on the problem of their own survival and what would happen after the Americans withdraw, and they were holding more towards the centre government.

Mr. Buchan stressed the internal pressures on the Nixon Administration to reduce the US forces in Vietnam fairly substantially, if possible by the end of the current year: of the 30 billion dollars a year that Vietnam was costing the US, only 6-8 billion would be saved by a cease-fire alone. Moreover the American military commanders were extremely doubtful whether the required degree of pacification could be maintained with a lower level of forces. The US felt considerable urgency about the Paris negotiations, for this reason.

Brigadier Hunt said the urgency for Nixon was the mid-term elections: casualties or costs must be cut by then. The budget could be reduced by 500 million dollars if the Abrams strategy were followed on a low-cost scale: a low-cost war could go on for a long time, and with increasing chance of success (by success he meant a degree of protection of the cities, a greater degree of pacification than in the past); it would however require a relatively lesser role for the US and a greater role for the South Vietnamese forces. If offered an honourable withdrawal, the US could pull back on this basis.

Dr. Sommer was not prepared to put much trust in the South Vietnamese forces from what he had seen on the ground. All the talk about boosting the army to a million men was meaningless. He found it very difficult to envisage a deal which the Vietcong would be willing to concede and which the US could regard as honourable. He felt with General Beaufre that American public opinion really just wanted to get out, although the Administration was not prepared to accept a dishonourable solution. Was the pressure on the Administration such that they would finally accept a virtual surrender?

Mr. Buchan believed not; but they could accept a solution that did not stand much chance of lasting and public opinion would close its eyes if the settlement broke down in a few years. He saw the same weariness in the US as had existed in France towards Algeria.

With regard to the South Vietnamese army, General Beaufre said that whenever he had asked the Vietcong about it all they would say was that it did not exist. Why they should take this attitude he did not know: the Southern forces did include some very reliable units, as well as others which would not survive a US withdrawal, and could not be dismissed out of hand. There was also the problem of the million Catholic refugees from the North.

President Thieu had said that he needed five years to make the country politically viable. But in General Beaufre's view this would be the crucial year for Saigon - there was no knowing what political or military offensives might be launched during the negotiating phase. The basic problem for the government was that its position was untenable: it wanted to continue the war, but its people no longer supported that aim.

Prof. Vernant considered it absurd to imagine that whatever its level of activity at the time, the South Vietnamese army would carry on fighting a day after the Americans announced their withdrawal. The general atmosphere of dissolution which was pervading the political scene hung over the military too.

M. de la Gorce emphasised the growing divergence between the positions of the American and South Vietnamese governments which was strikingly apparent at the Paris negotiations. These negotiations started from the clear idea that the US wanted to withdraw and there was no sign of a shift in the US position; so far as he knew, no fresh directives had been issued since Cabot Lodge's appointment to the team. If an agreement were to be reached acceptable to the Front and to the US there would have to be a different regime in Saigon. The Front would adapt its activity to its policy aims. Judging by its behaviour in the areas which it controlled - and the Front did already control a large part of the territory and population of the South, and even exerted a considerable degree of control in Saigon itself - he expected the Front to carry through its programme when the time came. There were already signs of anticipation of a change of régime; many South Vietnamese were quietly making adjustment, or preparing their departure.

M. Laloy took up the question of what would constitute an honourable settlement. Suppose there were a US withdrawal, with a moderate, democratic, transitional government established in the South with the blessing of the North: would that be honourable? The Vietcong would still be the victors, for how long would they respect the agreement? And supposing the Front did respect it and the South prospered, what would then happen if the North became envious?

General Beaufre thought that for the US, what would be honourable would be to withdraw with their troops and remain with their economists and engineers.

M. de la Gorce said that getting to the point of an American withdrawal was a constant preoccupation for the Front. A favourite phrase of the woman leader of their delegation in Paris was that there must be in Saigon a government which can 'escort' the Americans out.

Mr. Duchene considered the timing an important factor for the durability of any agreement. An agreement could fairly be presented as honourable in the context of certain hypotheses, but everything depended on what happened in reality and at what stage a future crisis occurred.

Dr. Jaquet agreed with Mr. Buchan that when one party is eager to get out, an agreement that does not stand much chance may be knowingly accepted; the Dutch had done this twice. Based on their experience, once a formula had been found public opinion accepted it and did not care too much about the final outcome. The question remained however whether the North Vietnamese would be prepared to co-operate in finding such a formula, and whether they would be hindered by the Chinese.

General Beaufre was convinced the North Vietnamese would co-operate: they were more war-weary than the Front. He had no proof, but he believed that the North did withdraw forces without an agreement even before the suspension of the bombing. Each power had sought to give proof of its good will. The slackening of pressure on Khe Sanh, for example, was arranged by the Soviet Union.

Prof. Vernant said the French Government played a part in that incident too. Not only were the North Vietnamese ready to help the Americans to save face, they even spoke of having the red carpet ready for their departure. They quite understood that a withdrawal could only take place on honourable terms (M. de la Gorce agreed); a modus vivendi would be found. But as Mr. Duchêne said, it all depended on what happens afterwards.

Asked how long the Paris negotiations would spin out, M. de la Gorce found it impossible to estimate. General Beaufre said it would depend on the incidents that cropped up; but the North Vietnamese were not in a hurry.

Mr. Buchan said the US were not pressed either, except in a matter of scale. The North Vietnamese would be making a mistake to think that because the US could not stand the present scale they could not stand anything. If the North Vietnamese were not prepared to make the concessions which would enable the US to depart completely, but equally not able to put into the war the level of resources committed over the last three years, and if the South Vietnamese forces and government did gradually become more efficient, the US might be able to adopt a long-term policy)with an American commitment of some 100,000 troops and 8-10 billion dollars a year, say). There was no ideological resistance in the US at present to forces on the Asian mainland: the resistance was to fresh involvement. American forces had been in Korea for years.

Prof. Vernant found the comparison with Korea misleading; the US forces there had no combat role. Failing an agreement, it was highly probable that we should see a continuation of the present situation, perhaps on a somewhat reduced scale but always with the possibility of re-escalation. That would be an Algerian situation, and the US were beginning to understand that.

Dr. Birnbaum said that his difficulty with suggestions for de-escalation was that as long as American troops were in Vietnam in any significant number they would be shot at; when he was in the US the previous year the rate of casualties did have a very strong impact on public opinion.

Asked about the US-Japanese Security Treaty, Brigadier Hunt thought that the US would have to make some concession on Okinawa in order to obtain its renewal. If the Treaty could have been considered as a separate issue, the Japanese would have preferred to continue sheltering under the American umbrella; they were treading water in their policy with China and wished to go on doing so. However, Okinawa did put a festering point in. There was a strong feeling that Okinawa should revert to Japanese rule, and that if base facilities were granted American nuclear weapons should not be stationed there. The American military had been reluctant to admit that an island policy was realistic without Okinawa. The original American bargaining position was now changing however: it was now being said that a base must be retained, but not necessarily the full facilities enjoyed at present.

Asked how serious the loss of nuclear facilities on Okinawa would be for the US, Brigadier Hunt found this difficult to estimate without facts which the US were not prepared to release. Considering the size of their carriers, he believed the US had all the facilities they needed elsewhere: Okinawa was simply more convenient. The US would not admit this publicly, however. Asked about China's MRBMs, he confirmed that these could reach Okinawa; but he did not find a scenario in which Chinese MRBMs would take out Okinawa convincing because of the risk of American retaliation.

General Beaufre considered the Chinese nuclear capability essentially dissuasive.

Dr. Sommer tended to agree; but bearing in mind that the US withdrew their nuclear bases from Europe as soon as they could after the bases came within range of Russian missiles, he would expect the US to withdraw from Okinawa before it became a target.

Brigadier Hunt said that the US also retreated from their European bases because they were able to reach the USSR with other missiles.

Mr. Buchan argued that American planners would feel very unhappy about deterrence of the Chinese if operating from American bases alone: far greater distances were involved in the Pacific compared with the Atlantic Ocean. This concern may decline, however. Much would depend on the evolution of Chinese policy, and on Sino-American relations. The fact that the Canadian and Italian Governments had decided to recognize China was not tremendously important, but it did mark a change in the relations of China and the outside world.

Dr. Jaquet said that those countries which had recognized China earlier did not find it rewarding. The question was whether the gesture would irritate the US, it was not important from the standpoint of relations with China.

Dr. Albonetti said the Italian decision to recognize China was taken in the context of signature of the NPT; it was meant to demonstrate that Italy saw other doors open to her and did not accept that there were only two great powers. He doubted whether it would have much practical result.

Dr. Sommer reported that the Canadian decision had been taken back in 1967; its announcement now meant that the Chinese foreign service was working again.

Brigadier Hunt felt that now that the dust of the cultural revolution had settled for the moment other countries might find relations more profitable now than Britain had done. The Chinese had proposed resumption of the Warsaw talks.

Mr. Buchan suggested that the decision to put the Sentinel system into cold storage, whatever the US motive, would obviously have an influence. However, he did not see much business on the Washington-Peking agenda. In MacGeorge Bundy's view it would take five years before the US would have a degree of dialogue with Peking of the same order as with Moscow. Mr. Buchan added that the Russians were terrified of a Sino-American deal behind their backs; he personally considered this extremely unlikely.

General Beaufre commented on the difficult balance between American relations with the Soviet Union and with China: an improvement of relations with one of them would be bound to affect relations among all three.

Dr. Jaquet speculated about the effects of the cultural revolution on the Chinese nuclear weapons programme. In two ways this development may be hampered: first, because Mao had won and his policy of developing the country from the base along Chinese lines had been chosen, development would

be much slower than if he had been prepared to accept foreign assistance; secondly, it was reported that a number of well-known Chinese nuclear experts had been arrested. He found it hard to accept the general view among experts that China was becoming the third super power: the economic base was not great enough.

Mr. Buchan quoted Kahn's reference to the tendency to equate the 750 million Chinese population with power. With a GNP estimated to be not much larger than that of Canada, and with universities closed for three years, China had a long road to travel. Regarding the nuclear programme, the test pattern did not indicate that they were on any line of operational development yet: this generally required a dozen or so tests of a similar kind.

Dr. Albonetti argued that the West had consistently under-estimated the Chinese capacity. The GNP was a misleading basis of comparison: Europe's GNP was double that of the USSR, but how much influence did Europe have? The Chinese nuclear development since the first test had proceeded quickest of all the nuclear powers, and we had been astonished at every stage - at their having enriched uranium, at their chemical separation plant, at their having tested a ballistic missile with a warhead inside (which the others had not done).

Dr. Sommer doubted whether the Chinese capability would mean much on the international scene: China would at best be a middle power because her nuclear power rested on such a weak industrial foundation. She would have regional weight, but this did not depend on her nuclear power and he did not think she would exploit her nuclear potential to the point of becoming a world power.

Brigadier Hunt emphasized the setback due to the cultural revolution. The 1967 test was a failure, and a year had elapsed before the latest test. The West had under-estimated Chinese capacity in the past; but the rate of progress was now falling behind our estimates.

Dr. Albonetti said this was true for 1968; but the December 1968 test was a major one with thermonuclear material, and this changed the picture again. She had reached this stage after only 10 years in this field, compared with France's 20. In five or ten years' time China could well have 50 or 100 ICBMs and 10-15 nuclear submarines; if not a super power, she would be a larger nuclear power than either Britain or France.

Mr. Buchan argued that it was essential for China to have weapons of far greater range than France or Britain had. Even if she did develop a capability to reach the US and the western USSR, in terms of actual assured destruction the balance would be heavily weighted against her. He saw the Chinese force as purely self-defensive; it would not give her much leverage in international politics.

General Beaufre pointed to the immense amount of information and plans obtained through Chinese scholars in Europe and the US; a formidable and highly successful economic and scientific espionage operation was mounted. Work could continue along the same lines, but with all their specialists recalled new development would be hampered.

Dr. Albonetti maintained that regardless of the quality of their espionage, the difference between plans and achievement in that field was as the difference between night and day. It was not just a matter of technology, tremendous will and a coherent policy were essential. He was still convinced that China would be a super power, and even if this should take 20 years China could still exploit her potential politically now.

General Beaufre did not see how any judgement could yet be made about the future direction of Chinese policy, internally or externally. Apart from the major question of what would happen after Mao's death, we did not even know what form the reaction against the excesses of the cultural revolution would take.

General del Marmol felt that since China was nevertheless unlikely to abandon her nuclear programme, it was still important to look on her potential as a danger for the future. It would be unwise to consider the force purely self-defensive; she might one day pose a real threat to her neighbours.

Dr. Sommer maintained that the uncertainties were so great that we could not even say that China was bound to have nuclear weapons. General Beaufre agreed: Japan would be a political factor in the world long before China came out of her political difficulties.

3. Middle East

Recalling the declining authority of the major powers in international politics, Mr. Buchan wondered what the four powers could hope to do to change the basic cause of the Arab-Israel confrontation.

Prof. Vernant said the four powers could do nothing to affect the given facts or the basic cause of the present situation. Nor was it feasible that any four-power solution could be imposed on the parties concerned. On the other hand if the four powers could agree on recommending energetically a solution based on the principles adopted by the Security Council this would be a factor of great political and diplomatic importance working in favour of a solution. A fortiori, if the four powers who were also the major suppliers of arms to the region could reach agreement on a recommendation in this field, including measures to control arms supplies (leaving aside whether an agreement could be carried out), this would be another favourable factor.

Mr. Buchan agreed that an agreement on the control of arms in particular would be an important step politically; but he feared it would be easily circumvented in practice.

M. de la Gorce said that the importance of a four-power recommendation should be viewed relative to the situation as it was developing in the area and the dialectic between various new elements that had come up since the six-day war. First of all peace had not come out of war: Israel accepted the cease-fire, but the Arab states still refused to recognize her existence. In the aftermath of the Israeli military successes new political problems had arisen due to the territorial revision of Israel: their measures to change the status of Jerusalem meant that Jerusalem was now a very important element in a final settlement; there was the question of their continued occupation of the Golan Heights, Sharm el Sheikh, the Sinai peninsula and the West Bank of Jordan, which was the subject of fierce internal debate among the Israelis themselves; the problem of the Arab population in the occupied areas and the Arab refugees. The whole question of the Arab population of Palestine had to be faced and would become progressively more important. Another serious issue made more acute by the war, as could have been foreseen, was the new territory by Israel had led to a cycle of resistance, repression, resistance to repression, reprisals and so on, and to the growth of guerrilla organisations in various countries. Israel had made the issue of the guerrillas a mean point in her claim. But as well as the risk of serious consequences from the retaliation to incidents across frontiers, these guerrilla organisations presented a growing challenge to the authority of the Arab governments themselves and would make a solution progressively more difficult to reach. Two courses were open to us. Either we sought to arrive at a diplomatic negotiating position based on the Security Council Resolution of 1967, which was the idea behind the French initiative, or we had to face the problem of time, which was not working in favour of a solution.

Friday afternoon, 14th February

DISCUSSION ON EUROPEAN CO-OPERATION IN DEFENCE

Mr. Buchan (in the Chair) said that ISS had circulated (a) a paper he had written some 18 months previously, 'The Implications of a European System for Defence Technology', which sketched out three possible alternative approaches to the institutional question: a Technological Community similar in form to the other Brussels Communities; a European Defence Commission; and a European Advanced Projects Agency for both civil and military projects in the field of high technology; (b) a paper by Dr. Bertram, drawing up the agenda for discussion and posing questions.

The first question to address was whether any function was seen for a system of European defence co-operation, whether in an institutional form or in a more informal caucus. Why was there any need for this? One argument was the vast amount of money spent in this area - over 20 billion dollars a year in European defence expenditure generally and about 7-8 billion dollars on defence procurement. Secondly, what would be the political impulses behind it? To improve and balance European-American relationships so that the European countries could argue with the US on political and strategic as on technological questions on a more even fashion than today, or to take a step towards European political integration, as in the case of the old EDC?

The US started talking about the desirability of a European caucus at the end of 1967, without making specific what that would mean; the Harmel Report referred to this, and the Belgian Government had gone rather further on the question of political co-operation; most recently there were the decisions taken in WEU which opened up an area of controversy between France and the other member governments. What was the function of altering the present system in the field of defence and the politics that related to it: a British gimmick to get round the French veto on the Common Market? Something with inherent value? Something that was going to happen anyway?

General Beaufre thought it might be a British gimmick; but there were valid reasons in support of closer co-operation in defence. Over and above those mentioned in the paper, which he accepted, was one which had been borne in on him during his experience with NATO. As NATO was organised, and particularly since the Supreme Commander was an American, it formed a screen between security in Europe and the chiefs of staff of the nations constituting the alliance. The Europeans no longer concerned themselves with the problem; and everything was subordinate to the US view. We did need something European to foster a greater awareness among the Europeans of their own real interests in security.

Dr. Albonetti fully agreed about the overwhelming psychological reason for European co-operation: he was appalled by the extent to which responsible military and technical and official opinion in his own country had come to identify Italian interests with American interests. One of the most dangerous consequences of the Atlantic alliance was that certain countries had completely forgotten the notion of security. The US could not solve all Europe's problems: in the long term there would be a terrible vacuum. Once a country abdicated responsibility in the technical field, sooner or later it was bound to abdicate political responsibility too. Defence was a matter of will as much as of capacity. He was the more concerned to find this lack of interest in national security not only on the Left, which could have other motives, but among the military and in circles generally considered Right-wing. Before a state could do anything, even within an alliance, it had first to prove that it could exist.

The brainwashing had gone to the point where many people in Italy considered that even a European defence effort was no longer feasible and that the only solution was the Atlantic solution. Certainly defence was no longer possible on a purely national basis. From the technological point of view, therefore, we must unite in order to preserve our national identity. We did collectively have sufficient resources. The 20 billion dollars a year we were now spending would be sufficient to assure a good part of our security if it were spent in common, and we should make considerable savings through avoiding waste and duplication. The importance of a European caucus would be to demonstrate whether anything really could be done co-operatively. The political argument for it was that if we did not find a political cement for our objective of a united Europe it was doubtful whether we should ever achieve it.

A European armaments organisation was not a short cut to a united Europe. But after all the difficulties we had experienced in our efforts towards political co-operation we had resorted to the defence field just because, although at first sight it was the most difficult, involving highly sensitive national interests, it was more empirical and therefore offered greater prospects of success on a step by step basis. The defence field could be broken down: we did not need to start with the heart of it, a European Defence Commission, or joint nuclear defence; we could begin with the conventional field, hunter-killer submarines for instance, or with enriched uranium.

Herr Nerlich saw no point in talking about political unity at this juncture, the only question was the possibility for joint ventures. A European caucus was one of the vague formulas under consideration in this respect, and while it was useful just because it was so vague he was not clear about where it could lead. He saw it as essentially a British invention, and Britain alone was promoting it.

Dr. Birnbaum saw three principal arguments in Denis Healey's speech of November 1968: first, an argument usually put to the Europeans by the US, that co-operation would lead to a more equal sharing of burdens; but this could also be expressed as the more efficient use of common resources. Any future US Administration would insist on a more equal European share, but the Europeans should also use their resources more efficiently. Secondly, a purely European argument, that co-operation was one of the pre-conditions for giving Europe more leverage to influence the process of decision-making in Washington. Thirdly, for the very long term, that it would maintain the perspective of an all-European community.

Herr Nerlich agreed that the first two arguments were reasonable, although in regard to the second one surely the need was for some machinery for making European views known in Washington-where policy issues were discussed and decided upon a year before they became current in Europe - such as Mr. Buchan had advocated in his paper on crisis management? This had little to do with the caucus idea in the sense discussed by Healey: this boiled down to little more than the MRCA, and he could see no spill-over.

Mr. Buchan urged that the technological and political considerations be kept apart for the moment. The technological argument about the prospects for bilateral or multilateral weapons projects arose out of fear about domination by the US arms industry. The MRCA would require a multilateral agreement, but the proposed caucus would be a political entity trying to ensure that the European powers spoke to the US with roughly the same voice in the NATO Council. The US was increasingly dissatisfied not only with the disproportionate monetary burden but with having to deal with a dozen governments, all relatively weak, none of whom necessarily agreed with each other, and corporately not in a position to take any responsibility.

Brigadier Hunt did not agree that joint efforts would necessarily save money: most bilateral projects had proved very expensive. It was not self-evident that the MRCA would save money: it would save the German aircraft industry. Interdependence would save money, but that took us further down the political road.

Dr. Albonetti maintained that co-operation could include many types of agreement. If we looked at the whole spectrum of defence equipment, excluding the nuclear field, where the smaller systems were concerned buying from outside Europe did not matter because our national autonomy would not be affected; but the more complex and expensive the weapons systems the more important it became to safeguard our high technology industries, and in order to preserve our autonomy we must take care not to waste our money.

Prof. Vernant commented first on the argument in the paper for the military and economic desirability of a European caucus; the means to render European defence militarily and economically more efficient must of course include standardisation of equipment, etc., but this raised formidable problems which had so far proved insurmountable. Secondly, consideration of the means led to the question of defence policy: common defence without a common defence policy was not feasible, and the broad orientation of policy in Europe was still very much under debate. Thirdly, while the US would obviously and understandably prefer to deal with one single European partner, and certainly if Europe could influence the US she stood more chance of so doing if she spoke with one voice, here again we came up against the question of what policy this Europe would have, and what its function would be. If we went beyond consideration of specific projects for bilateral or multilateral co-operation and understood closer co-operation in defence to mean a political structure, a defence community of some kind, the prior problem arose whether we could have a common policy. If we imagined that we could start with common defence arrangements and that this would lead to a common policy, we should run into the same difficulties as we did with the old EDC. The fundamental issue was whether any common political structure and common policy could be envisaged which could include the nuclear and the non-nuclear states in Europe.

Mr. Duchêne saw a tendency to discuss two possible mechanisms of solutions to problems, whereas in reality the mechanical and the political possibilities could not be neatly separated. At the present moment there were all sorts of political difficulties not just to getting political authorities but to getting a caucus within NATO as well: once governments thought in terms of their own interests, these applied to the minimalist as much as to the maximalist, and there was a prior question of the kind of political forces we were dealing with.

He did not think that the need basically to defend European industry would be a decisive factor in the end. Ultimately there were no particular reasons why the Europeans should have an aircraft industry, say - the employment problems, etc., involved would be relatively small problems for expanding economies. A more likely motive, although not an overriding one, might be the British desire to enter a European community. There might also be the desire to have industrial nationalism as an affirmation of European nationalism vis-à-vis the US. This would be very long-term, however.

The question of what was likely to happen affecting Western Europe in the years to come was relevant. The Nixon interest in Europe had been mentioned. But over the years the relationship between the US and Europe had been one of shifting scales. During the inter-war years Europe had been allowed by the US to go on enjoying a false sense of being the centre of the world, and even after World War II the Europeans still felt themselves the centre because of the high-tension wires crossing Europe. Now, however, with the prospect of a Soviet-American rapprochement one suddenly discovered what the specific weight of Europe was. The Americans could not avoid being impressed by the power of China and Japan. But the specific gravity of Europe was falling in the world, and the divisions within Europe made it fall even more. It was difficult to imagine the Soviet Union, who had made Germany the centrepiece of

the NPT, not making a relative disengagement by the US from Western Europe part of any agreement on arms limitation. Congress would support this - there were very topical pressures on the US side favouring such a move. On the other hand the psychology in the West European countries, not only the civilian revolt against all things military, which existed throughout the open societies of the world and may also exist in the closed societies, but the general European sense of being parochial, indicated that it would be very difficult to compensate for an American disengagement by a great European effort.

In two or three years' time, putting these elements together, there might be great pressure to come together, with industrial and military and psychological nationalism as the motive. The atmosphere in which people were discussing such a Europe might be different from now. The implications of the events in Czechoslovakia could have made themselves felt. Healey's interest in talking about collective organisation for defence may be a prescient sign. But if the will to implement this were not strong enough, he could not say what Europe would do.

General del Marmol argued that the difficulty of arriving at a common political will should not be exaggerated. The answer to the question against whom should we defend ourselves was clearly "the Russians": it would be relatively easy to agree on a common defence policy in a European context, just as we had a common concept of defence within NATO today. It was possible for the Europeans to get far better value for the same amount of resources, as Dr. Albonetti had argued. We should need common institutions, but this would be a final stage in a gradual process of rationalisation and harmonisation of our national efforts in production and in functions for our forces to achieve standardisation of weapons, joint procurement and production, an integrated logistics system and integration of forces.

Prof. Vernant agreed with General del Marmol in theory. In practice, however, he did not see that we could get very far without institutions with overriding powers. There was a long history of failure of efforts within NATO and WEU to get standardisation, joint production agreements, etc. simply because in the absence of a body with the authority to resolve the inevitable conflicts of important interests between governments and the inevitable conflicts of opinion between experts, which were always related to domestic considerations, no agreement was possible. These were very difficult questions to settle within each of our countries, let alone internationally. It was quite unrealistic to imagine we could have a common defence policy before we had agreed on our political policy and a minimum of political institutions; and for the moment, he could see no basis for a common European political policy.

Dr. Albonetti appreciated this argument. His contention was that unless the European countries wanted to become part of an Atlantic community, which to his mind would in the long term mean their becoming American colonies, and he detected a certain reluctance towards this solution even on the American side recently, they had no alternative but to make a greater effort in common. The political objectives Mr. Duchêne was looking for also derived from the fact that there was no alternative. There was a third possibility, perhaps, an Anglo-French alliance, which did have a certain credibility in the technological as well as in the defence field. On the other hand it would raise serious issues for Germany and Italy, and the US would be opposed to it. Obviously a policy of two was easier than a policy of four or six. A multipolar solution (i.e. keeping freedom of action on the national political level) was not credible in the long term because of the limits to what the European countries could do on an individual basis, so some sacrifice of sovereignty would be essential.

M. Laloy took up the question of joint European defence in the context of the NPT, which he feared raised insuperable difficulties. Supposing the NPT were signed (except by France) and ratified, including by Germany, without special conditions, and supposing we could envisage some system of West European defence in which Germany would participate on terms of equality: either through having a common budget, or through arrangements for an equable division of expenditure, somehow or other we would get to the situation where if Italy and Germany were to specialise in non-nuclear weapons and France and Britain maintained their nuclear armament, the effects of specialisation would lead Italy and Germany to finance the Franco-British deterrent. Would they be prepared to do this without receiving anything in return? And if the French and British nuclear forces were 'Europeanised', so that other members of the system had access to these weapons, how could this be made compatible with the terms of the NPT? What was the Soviet attitude likely to be in such a case? Should we try to get Soviet agreement before ratification of the NPT that all-European defence co-operation would not be against the interest of the treaty? (He could not see the USSR ever accepting such an interpretation).

Mr. Buchan said that this was why the motive was the essential consideration. If the aim was to rationalise an increasingly expensive effort in Europe on defence the nuclear element could be left out: only about one-seventh of expenditure on military hardware had anything to do with nuclear weapons. But if the Europeans were thinking about a system to exert great political and strategic influence on the super powers, then the reactions of the super powers could not be left out of consideration.

Mr. Duchêne saw a deep difference of approach, which may be a real dividing line. The implication of Mr. Buchan's comment was why not build on the basis of felt needs in defence industries and expand the present joint arrangements, which could lead to multilateral or even institutional or joint management arrangements? The alternative view was that technological co-operation would not take us very far in terms of political consequences and of ability to get the Europeans to act together. Would agreement on the MRCA, for instance, really have very much impact?

Brigadier Hunt said that technological co-operation might retain for Europe the option of going further: in the absence of co-operation, the Europeans would lose their high technology industries.

Mr. Buchan added that it might get us further if the issue were posed more starkly, if the US forced Europe to pay a larger share of the bill.

Dr. Bertram saw another dividing line, between the maximalist and the minimalist approach. An intermediary solution would be more in the general interest. There was a strong overriding interest in all European countries to influence and if possible slow down the process of reduction of American troops, otherwise the strains within both parts of Europe would become even greater. The other overriding interest was among the members of NATO to organise their defence in a more efficient way, although this may not involve France. With regard to the nuclear aspect, it could be argued that there was danger of creating a situation of non-equality in Europe, but this would be looking very far ahead. For the present there were many areas of possible co-operation where the question of who was nuclear and who was not did not play much role.

Dr. Sommer said many of us felt that there ought to be a common basis of felt needs and that we ought to do something about it, but this did not exist in reality. (1) There was no feeling that we were being threatened from the East. Debré's callous description of the Czech events as a road accident had proved correct, even so far as German opinion was concerned. The period of mourning was over. (The slightly different reaction of the CDU was due to

electoral considerations.) (2) No-one in Bonn (or in some smaller European capitals either) was prepared to risk the wrath of de Gaulle for anything in the way of European co-operation or cohesion. (3) Procurement in itself was not a force making for cohesion. For the Germans, not only had past efforts at joint ventures failed miserably, it made more sense to buy American, if only to alleviate the offset problem, because this would serve the overriding German interest to keep as large a US presence in Europe for as long as possible. (4) Britain was now peddling the idea of a technological community (George Brown's suggestion for a second Messina conference to initiate a parallel community for all fields not touched on by the EEC); but the British record of technological co-operation was so poor that there were grave doubts about their ability to go through with any one project. (5) The proposed European caucus could not have any significance so long as the European members were so rent by dissension that they could not act.

He saw three possibilities alone which could change the picture: de Gaulle had to go, or be gone; or one at least of the tired men running Europe elsewhere had to be replaced; or the US had to put a pistol to our heads (and he was not even sure of the European reaction if they did).

Dr. Birnbaum found all these reasons valid. On the other hand there were at least two conceivable arguments that would make for cohesion. First, the pistol: he had heard sufficient argument in Washington that the Europeans were now rich enough and strong enough to pay for their own ground defence and had better do so to believe that the US would make a move in this sense; American domestic needs would militate in this direction too. Secondly, the USSR: everyone said today that the threat from the East was not convincing; but there were many forces making for greater militancy and he would not discount the possibility, at least, of a greater convergence of common threat perception.

M. Laloy supported Dr. Birnbaum. However, if, as it seemed, the functional approach was not effective and the institutional approach not possible, especially given the prospect of a general Soviet-American rapprochement, the pistol would be very difficult to use.

Prof. Vernant thought that if the US and USSR did agree on a balanced reduction of forces, this would hinder rather than encourage the Europeans to take more defence into their own hands.

Dr. Sommer added that if problems of disarmament were to be taken into account, why should the Russians accept to withdraw divisions on their side if American divisions were being replaced by European divisions?

Mr. Buchan agreed that there had been no dramatic increase in felt need. But the 20 billion dollar European defence activity was a compelling factor and would remain so. Secondly, in regard to the German position, it was being said nowadays that by buying American hardware rather than investing in their equity bonds, Germany was tying herself to American military domination of policy as well as of weaponry. Mr. Buchan added that he personally had always advocated European co-operation in this field: now that Britain was (belatedly) showing interest, why should she meet such a hostile reception in Germany?

Dr. Sommer replied that his interpretation of the feeling in Bonn was that the Nixon Administration would be much tougher than its predecessor (Republicans always tended to be tougher than Democrats); it was now asking quite insistently for 900 million dollars offset costs and there was more readiness in Bonn to give in if American presence could be bought for a fixed period of time (Schroeder suggested three years).

Herr Nerlich disagreed that the German position had softened: the various American suggestions for meeting the offset costs, including the purchase of more US equipment, had all been turned down and he saw no acceptable basis for

a long-term agreement. To Mr. Buchan, he said the reaction to the British initiative was not so much hostile as sceptical. In the case of the MRCA, for instance, we still had not yet reached a project definition phase, moreover there were serious doubts on the German side as to whether Britain would finally need the plane, given that the Jaguar and the Harrier would serve most of the purposes for which the MRCA was proposed. /Mr. Buchan said this was not so./

Dr. Sommer cited the ELDO experience. Credibility may be restored in a different context with the British-German-Dutch gas centrifuge project, provided Britain saw this through; the feeling did exist however that the British always backed out when things became interesting.

Brigadier Hunt cited the AFVG aircraft, German-American and German-French co-operation on the tank. All co-operative efforts involved great difficulties and every nation had a history of backing out.

Mr. Buchan said all this made him feel very sceptical about his own paper. Perhaps the answer was to start at an earlier stage: there was no joint systems analysis, or basic research, being done in Europe. We needed something like a European Defence Institute.

Herr Nerlich said a Franco-German institute did exist, at Saarlouis - but it had not achieved anything.

Dr. Albonetti reflected on how restricted the field of action for European co-operation in major projects was: space, the nuclear field, and aviation, and perhaps aviation alone in practice, and then only the possibility of keeping a national industry remained; and co-operative efforts did cost more. However, integrated Franco-British aviation industry, or at least an integrated market, did seem on the way. For the smaller weapons systems, national efforts would remain bearable in terms of cost.

Mr. Duchêne considered protectionism a major issue. If joint projects could be used to buy time while these industries were made complementary to each other there would not be the same resistance to joint analysis of the requirements, joint policy or even joint institutions. But at present, behind the co-operation there was jockeying for industrial position.

Dr. Jaquet said the discussion proved that it was useless to speak about European co-operation in defence without specifying the fields in which co-operation is envisaged. We must distinguish between for example co-operation in technological research, research in the conventional field, or in the nuclear field. If technological advantage were the sole criterion, the smaller countries at least would be tempted to co-operate with the US rather than with Britain or France; but if the political implications were taken into account, countries would see their interests differently. The same applied to the idea of a European caucus; if this would be an option for Europe to play a role in the first stage of crisis management and flexible response, many Europeans would not be happy about playing the role of football. If the idea was to ensure Europe a better position than it enjoyed today, then again the question arose whether Europe was to be just a more effective junior partner of the US, or a third force. As long as there was no agreement on the basic policy towards the US and towards the Soviet Union, it would be very difficult to find ways of co-operating in any field of defence policy. The smaller European countries did not share the emotional feelings of the larger ones against American predominance: indeed since domination was to a certain extent unavoidable they would in certain situations prefer American domination to that of a major European country. However, with the prospect of the American commitment becoming less sure the small countries agreed that Europe had to start thinking about its own security, and Europe was in such disarray that something must be done on a European basis; whether defence was the most promising field was doubtful, but it had to be considered. But if something were done on a European

basis, the small countries would prefer a supranational to a bilateral framework, simply because it would be easier to co-operate with three or four countries than to take orders from one.

Mr. Haagerup broadly agreed. He saw two sets of motives for co-operation: first, the Europeans were trying to identify joint interests in order to strengthen their position in a situation where the US had to base its policy on giving priority to the super power relationship. Secondly, given the fact that the EEC did exist, many things in terms of European policy were being judged on the basis of the likely effect on the enlargement or the continued existence of the Community. This applied to the British initiative for a technological community. Bonn saw it as a British gimmick. But recalling Dr. Sommer's reference to the reluctance to incur de Gaulle's wrath, many small European countries felt that so long as the Germans did not dare to do this, why should they? He believed the current Nordic negotiations marked a certain resignation vis-à-vis Europe; they were not presented as an alternative to joining the EEC, but they did start from the sense that Europe was a closed door. He could not judge what fields these Nordic negotiations would cover eventually, but he doubted whether an agreement could be limited to strictly economic matters.

Mr. Buchan suggested that it would be more useful to broaden the discussion the following day to include consideration of where Western Europe would fit into super power interests over the next few years. It was agreed to begin with discussion of the Sorensen Committee's proposal for a European security system and the implications of the NPT for European defence arrangements, and if time permitted to discuss whether the successor to Lemnitzer as SACEUR should be a European.

Saturday 15th February

Opening discussion on the Sorensen Committee's proposal for a European Security Commission, Mr. Buchan said it did not differ very much from a proposal which had been gaining wider consensus in the West for retaining the two alliance systems but building a European security structure over them. It did raise certain problems straightaway: first, the proposal made a clear division between Central Europe and the rest of Europe. Other countries were mentioned besides, but the region the authors had in mind was Central Europe (Czechoslovakia, Poland, the two parts of Germany). Most proposals (e.g. the Rapacki plan, the models drawn up by the Centre d'Etudes, the Hassner paper for ISS) did envisage treating Central Europe differently from the rest. But in view of the range of weapons, the possibility of trouble in the Balkans, the fact that both the super powers had a number of allies in Europe who were not Central European powers, did this concentration of a European security system on Central Europe make sense? The second area of doubt related to the vagueness of the German formula: all the paper said was that a bilateral German negotiation with the eventual reunification of Germany as its goal would be encouraged, on the basis that in return for acceptance of the Oder/Neisse line as the eastern frontier of Germany the East would accept the division of Germany as provisional.

For Prof. Vernant the significance of the document lay in ideas of this kind having been made public in the US with the qualified support at least of a number of important specialists at a time of change of Administration, rather than in the text itself. It was interesting that minds were searching in this direction which they did not find it useful to explore before. The main problem as he saw it from the Western side was that in Europe there were countries which were nuclear and would probably remain so, and others which were non-nuclear and would probably remain so; any proposals for a European grouping would have to be flexible enough to permit their co-existence; this

grouping would also have to be reconciled with the security system envisaged in this document, a system which we could perhaps visualise in other forms.

Dr. Bertram doubted whether this proposal would get very far in terms of Soviet-US talks: it contained a fundamental contradiction. On page 8, it was assumed that Europe would be divided more sharply in the next five years than in the last five; earlier in the text initiatives were proposed to overcome the division. We must make a choice here. Would Europe be more divided than before? And if so, could these new structures be contemplated?

Herr Schuetz thought Europe might be more sharply divided if nothing were done. He saw the contradiction in the reference to strengthening Western institutions (not spelt out) and to a European caucus: if some new structure for security in Central Europe were seriously desired, the NATO structure itself could not be strengthened along old lines. The paper was a bad copy of the Centre d'Etudes' models.

General del Marmol stressed the common ground between this proposal and the Rapacki plan: would the Europeans really want the US to take up in negotiations with the USSR the idea of a certain demilitarisation and perhaps neutralisation of Europe? Would that satisfy the Europeans or give them guarantees for the future against a still hostile Soviet Union?

M. Laloy related his own part in the preparatory work on this document last year as a member of a European-American panel which met at Bellaggio. The American members, with Sorensen in the Chair and Bob Kleiman as the moving spirit, invited proposals from the European side and acted as a tribunal. Proposals were submitted: but these were not really grasped by the Americans who then went back home to write the document. There was a lengthy correspondence between the two parties, but nothing much came of this and he finally lost contact with the committee. He was very disappointed with this paper, which was both vague and unoriginal, an assemblage of more or less Rapacki-type ideas. What the European members had proposed - and this was before the Czech events, of course - was a political declaration that nothing was gained by perpetuating the division, that we needed a new solution, and that if the other side were prepared in principle for a fresh attempt various ideas could be explored through various means, in study groups, private contacts, etc. Ideas were put forward that could form the basis for research. Looking at this document, the American side either misunderstood the European thinking, or gave little weight to it.

Dr. Birnbaum said that the central idea did at least try to marry proposals for arms control in the most sensitive area of Europe with the idea of political evolution, and this was something to be grasped at. But he did agree it was extremely vague. The only elements of political evolution were, first, the vague idea of the commission functioning as a body in which the general problems of a European settlement would be prepared, and secondly that the division of Germany would be "provisional".

The point of interest here was that we had discovered an issue on which the East European and the Soviet attitudes did not correspond. At least as late as 1964 the Poles were willing to consider acceptance of the status quo in Central Europe as the beginning of a process of bringing the two parts of Germany and Europe together. The USSR had never said this: they had no interest in a process which would only erode their influence in Eastern Europe. If the West could succeed in making the USSR accept the principle that acceptance of the status quo was to be considered as the first step in a process leading to a political evolution, this would be something worth trying. But for serving that purpose this formula was rather vague.

Dr. Sommer found the ideas quite interesting, but he pointed to a number of difficulties. First, the timing. If the principle of political evolution were to be accepted on the Eastern side as Dr. Birnbaum indicated, the point would come when the ideas in this paper would have to be considered; but we

were not there yet. Secondly, it was a matter of the basis on which we proceed. It was not only a question of finding the right mechanical toy: the paper completely ignored the ideological content of the European set-up. Thirdly, there was the matter of Soviet agreement. At a time when the USSR was profoundly interested in consolidating her hegemony in her part of Europe, he did not see how she could agree to establishing the area called Central Europe in which by her natural economic weight, also perhaps by population, West Germany would be the dominating partner. Any future settlement in Europe would have to give a special status to the Central European area; on the other hand this ran counter to basic Soviet interests - and possibly to French or other Western interests too - and he did not see how it could be halanced in such a way that no-one would feel threatened.

On Herr Schuetz's point about the seeming discrepancy between "strengthening the unity of the West" and a new structure in Europe, he did not agree that the idea which governed French thinking for many years, that if you want détente you must weaken NATO, still held water; NATO was at no time weaker than in summer 1968. The idea of a West European caucus within NATO, to strengthen it, did make sense, because it was only from a basis of security that détente could proceed at all when the other side was ready for it again.

Dr. Albonetti agreed with this last point with a proviso. Strengthening NATO could cover two different policies, and had done so for the last 20 years: it could be strengthened either through unipolar integration, or through European integration - the two-pillar system, with a European caucus or defence identity as the second pillar. The time of mourning may be over, but not the time of rethinking our policy in the light of the Czech affair.

The paper itself did not strike him very much. These ideas had come up from time to time in the US and in Western Europe over the past 20 years, and no-one familiar with Sorensen's and Kleiman's writings should be surprised at the tone of this document. There was even something of this in the Eden plan, for example, the central idea that through some process of adjustment to the East in the military and political fields we should arrive at the unification of Germany and of Europe and Soviet suspicions would disappear. The argument had come up again in relation to the NPT: one school of thought argued that the NPT would be acceptable provided a European clause were retained, the other wanted to renounce a European clause on grounds that the way to European unity was not through a two-pillar organisation but through an all-European arrangement. If the Treaty as signed were ratified, there were two possibilities: on the one hand Rusk had been encouraging the Italians and Germans to sign by arguing that it was not meant as a first step of American disengagement from Europe and that it was compatible with the Atlantic Pact and European unity, encouraging the idea of a European caucus; but it could also mean not only the denuclearisation of Western Europe (apart from Britain and France), denuclearisation could by a certain kind of process lead to neutralisation; after August 1968, however, we should not deceive ourselves that we could get a denuclearisation and neutralisation of the Eastern part. The last few pages of the paper were obviously written after Czechoslovakia in order to show that the argument was still valid. But in the light of Czechoslovakia he did not see how the paper fitted into the actual situation. The reference to a European caucus was inserted, he felt, in line with the old idea of a European pillar, merely to give some dressing to the Atlantic idea. Right or wrong, however, these ideas would not fade away, simply because they represented not a new approach but an established school of thought.

Dr. Sommer said if the paper was drafted before May 1968, against the general background of the mood at that time it showed some perspectives which made sense then; they may make sense again in the future; but he could not take them seriously now. Détente was a frame of mind rather than an institutional process.

Dr. Albonetti agreed; but there were two concepts of détente in the West. The US could afford to dismiss what happened in Czechoslovakia because of its own position of strength. But the European position was different, from resources as much as from geopolitics.

Dr. Jaquet saw the paper as aiming at the neutralisation of Central Europe with a face-saving formula. However it was dressed up, the danger still remained that if the Americans did step out it would be much easier for the Russians to step in than for the Americans to come back again.

Mr. Duchêne said that if the proposal for a European Security Commission were taken literally, it would lead to a three-tier structure - the US-Soviet tier, the outer European tier and the Central European (essentially German) tier. Dr. Sommer had raised the obvious points why the USSR or the outer tier would oppose it, but he had not raised the German arguments that used to be posed against proposals of this kind (for example, that it would lead to a further fragmentation of Western Europe, and would put the Germans in a different situation from the other West Europeans). (Dr. Sommer said he had refrained from listing those arguments because he did not take the paper seriously.)

Mr. Haagerup wondered if this sophisticated version of the Rapacki plan was the kind of thing we could expect from the US Administration unless it were faced with a European identity of view.

Mr. Buchan agreed; the paper did reflect a weariness with West European problems in the US understanding of policy or intellectual states.

Dr. Albonetti suggested that the weariness could take two forms: support for an all-European security pact, or a disposition to let the Europeans settle their quarrels in a more autonomous way.

Dr. Bertram thought the very lack of originality reflected a feeling that if nothing happened this would be the fault not of the formulas but of the Europeans. There was a concomitant danger that it might also be a preparation for a better conscience about dealing with the Russians about the Europeans. (This point was supported by several participants.)

Herr Schuetz found it most disquieting that the assumptions on which US policy had been built were no longer considered valid. The earlier part of the document which made the case for a basic change was more serious than the proposals, which were only to give some food for thought. The change of assumptions was the crux of the matter.

M. Laloy said this was precisely his impression from the European-American discussion last year. But having listened to the European voices, the American tribunal did not attach much importance to them.

Mr. Buchan thought this had some relevance to the question of a caucus. The Americans found it very unsatisfactory that they got no co-ordinated European view, therefore they did tend to set themselves up as a tribunal.

Dr. Birnbaum came back to the proposals. One reason for the mild German reaction was that not only did they marry arms control with political evolution, they were very vague about the region of arms control. Reference was made to a zone wider than but including Czechoslovakia, Poland and the two parts of Germany, but elsewhere NATO and the Warsaw Pact alone were mentioned. There was no clear indication of discrimination against Germany, therefore.

The link between arms control measures and political evolution was not only a fact of this document, it appeared also, and more significantly, in Nixon's inaugural speech. Would the US insist on some kind of political measures in negotiations with the USSR on strategic weapons? Personally he believed that when the chips were down they would not.

Mr. Buchan also put the question whether the Russians would insist on a political price for agreement on their side. According to Marshall Shulman, the important thing was to devise a formula which would enable the two powers to restrain their technological competition without affecting their political competition. Mr. Buchan doubted whether this was capable of translation into political assumptions, however.

Dr. Sommer said did the Europeans want Soviet-American talks to be confined to strictly technological issues, or to include political problems? Bonn had always tended to establish links between the two, but he had noted hints of a change of policy. In view of the complexities which arose in relation to any political plan, he personally felt that a strictly technological approach would be more comfortable for Bonn.

Mr. Duchêne pointed to the risk of a technological agreement with major political consequences without any policy having been discussed. Might not an agreement on limiting missiles lead sooner or later to an acceleration of the tendency to reduce American forces in Europe? This would have consequences very difficult to assess at the moment, although the timing was an important element in this.

Asked whether the pressures for a reduction of the American presence were not independent of talks with the USSR, Mr. Buchan said not entirely, because of the costs involved.

M. Laloy supported Mr. Duchêne. The vacuum on the European side increased the risk. His personal idea at the preliminary discussion last year had been to interpose between the two big powers not a vague political idea of the possibility of evolution in Europe but the idea of brakes on their talks, an awareness on the American part that the implications for Europe of certain courses of action put them out of consideration. Nothing of this appeared in the document, however.

Dr. Morgan also supported Mr. Duchêne; the Europeans must insist on co-operation on the effects of strategic missile negotiations. Noting the reference to consultation with NATO after such negotiations (page 3) and to the proposal for a Summit Meeting (page 6), might this not be a trace of the brakes M. Laloy referred to?

Dr. Albonetti suggested that instead of the present proposal for a European caucus, why not look again at an earlier idea of Kissinger's, for a special executive inside NATO composed of five permanent members plus one rotating member? Such an arrangement might help to allay fears of an American disengagement and encourage the Europeans to make a better effort. It might prove acceptable to the Russians, as well as to the Americans. It could lead to a more balanced alliance and a more balanced relationship between East and West.

General Beaufre said that he had not read the paper. But one thing was certain: the prospect of a Soviet-American rapprochement. He agreed that technological agreements would inevitably have political consequences, and there was no European opinion which could act as a brake or even exist as something which the US might wish to take into account. There was no agreement in Europe because all solutions had to be a compromise. Whether or not the European caucus may be the right vehicle, some European study aimed at reaching a compromise was necessary and urgent, otherwise we should be lost between the two hegemonies.

General del Marmol said the great difficulty in all this was the attitude of the French Government. Recalling that France's decision to leave NATO stemmed from the refusal of de Gaulle's proposal for a directorate, if Nixon should make a gesture towards reviving this idea would there be any possibility of France coming back into NATO?

Dr. Sommer asked whether France was perhaps more ready since 21 August 1968 to participate in a European caucus within NATO; he felt that if France were not ready, even the caucus would be more divisive than healing.

General Beaufre said ambiguity always arose through France being a member of the alliance but not of the Organisation. There was no desire to come back into an integrated military organisation. In this context that did not matter, because our problem was political. Much would depend on Nixon's meeting. The overriding necessity to reach some agreement might however push people towards some accommodation.

Dr. Albonetti wondered whether the fact that Nixon was more flexible than Johnson made European agreement easier, or not. Hostility between France and the US was bound to reflect on France's relations with other countries. If relations between France and the US were restored to the point of speaking-terms even, would that not facilitate intra-European discussion?

Prof. Vernant said that even at the end of the last Administration Franco-US relations were good, not just normal. There was reason to expect them to be just as good, or better, with the new Administration. This was a fact. The question of a European regrouping was another matter; it could be considered either theoretically, or in terms of the present diplomatic situation, which he did not consider favourable. French support for this idea could be envisaged, but this would not depend on France alone; it would depend also on how some other powers conducted their diplomatic activity, on whether it was felt in Paris, rightly or wrongly, that (as had happened in the past) this was an operation designed to force the French Government's hand in a particular direction.

Dr. Albonetti restated his argument. If the new US Administration had decided to stop trying to isolate France, would it not be easier in this changed climate for London and Bonn, say, to reconsider their own attitude? If there were a general desire to start from scratch again, especially given the urgent necessity for Europe to speak with more of a common voice in order to be listened to, might not a better atmosphere come about in Europe too?

Prof. Vernant agreed; this was why he distinguished the diplomatic context from the problem itself.

M. de la Gorce also agreed. He saw an interaction between the steady deterioration in relations between the US and France from 1962-3 until the end of 1967 and the cool relations between France and her partners; the change in the climate of Franco-American relations, due mainly (though not entirely) to changes in the American attitude, could have consequences on the European level. Certainly at the moment the two sets of relations were out of step. He was still rather sceptical, however, judging by experience, about the European will for autonomy of action. In recent years in a number of important cases the European governments had not acted in the same manner.

Dr. Sommer maintained that while France may be on the verge of regaining the sympathy of the US Administration she might also finally risk losing the sympathy of her European neighbours. At the moment France faced two alternatives: she could either play a national role on as high a level as possible, or try to play this role on behalf of Europe. The Middle East was a test case. If France wanted to go ahead within a four-power framework she could be the speaker for Europe; but she would have to test European beforehand rather than hold forth on her own. Why not make use of WEU as a sounding board? Or was France determined to be a "loner"?

Dr. Gasteyger was sceptical about a real rapprochement between France and the US. Should it occur, however, France would become even more interesting to the Soviet Union (there were already indications of this). If France were courted by the two great powers, therefore, why should she have any interest in dealing with her European partners as far as the Middle East were concerned?

Herr Schuetz pointed to the contradiction in French policy of asking for four-power consultation with the UK but refusing to talk with her in a European context. Moreover for years France had been saying that Europe should speak with one voice, especially on questions of world politics.

Mr. Buchan considered the whole four-power context moribund. He saw no reality in the idea that four permanent members of the Security Council had a special role in international order, or that approaching the Middle East problem through a four-power context would make any impact.

Dr. Sommer and Dr. Albonetti endorsed this point.

Prof. Vernant registered disagreement with Mr. Buchan about the role of the Security Council. There was no other way in which a world organisation could work in practice, no substitute for the present framework, and for historical reasons the permanent members did have a special role.

M. de la Gorce agreed that the four powers could in practice make little impact on the Middle East problem for the moment; he recalled the argument of the previous day in favour of the diplomatic importance of a consensus by the four powers with major interests in the area. He wondered how valuable a concertation of purely European ideas would be on this subject; it was not a European problem. However, if it were considered worthwhile the Middle East could have been discussed among the various ministries; normal consultations in the normal course of things on questions of importance were to be expected. The French objection was to the framework chosen for consultation, the method and the way in which it had been decided; and given the absence of substance on this matter the French Government was obliged to question the real aim underlying it.

Dr. Albonetti did not understand the French objection; the attitude of the other WEU governments was reasonable. If it were agreed, as he had suggested, to make a fresh start at reaching agreement in a new atmosphere surely there would be no reason for excluding discussion (not just in WEU) of problems that did not strictly concern European security?

General del Marmol agreed that no definitive result could be expected from European consultations on the Middle East; nevertheless this was an area of interest to all our countries. If the Europeans could discuss the situation amicably would it not strengthen the position of France and Britain in four-power talks if they could reflect the agreed view of their European friends as well?

Mr. Buchan reflected that the interests of the European powers was not identical on all aspects: for instance the re-opening of the Suez Canal was of no special interest to Britain or the Northern countries, but it was a vital interest to Italy. It might be possible to agree on a compromise, however.

Recalling the scepticism expressed the previous day about technological incentives to a European caucus or institution, he saw far more enthusiasm generating itself for a European caucus in relation to world politics. Should that lead to the conclusion that rather than try and deal with specific problems of European policy, the function of such a group, whether it took the form of a special organisation of the permanent European representatives in the NATO Council or the form of some reshaping of WEU procedure, should be concentrated primarily on questions where the interests of the European powers may not march in harmony with that of the US, in dealings either with the developing world or with the USSR?

Mr. Duchêne felt that too sharp a distinction should not be drawn between the functional and the political. The question was less whether there was any chance to get anything functional going than as to what would be a political moment when enough pressure would be generated to get something going that was more than ad hoc co-operation on certain items. This might be generated by

the Soviet-American talks; the very prospect of these talks was generating the same thing on the level of political consultation. At the same time, he saw exactly the same obstacles that lay in the way of getting functional things done also lying in the way of consultation; consultation might be easier as a first step, since only political difficulties would be encountered; but the approach to changing attitudes went along the same road.

Dr. Wagner basically agreed with Mr. Buchan: he saw the main importance of a European caucus as forming a European opinion on problems where the Europeans might not be in harmony with the US. He would add a point however: if further American troop withdrawals were envisaged, the Europeans should jointly form an opinion about the strategic questions involved. He did not wish this to be a bilateral issue between the US and Germany. Mr. Buchan argued that this would require professional study.

Dr. Wagner added that the question must be faced whether the Europeans would be able to form a common opinion without the Americans when they had been unable to form a common opinion with them.

Herr Schuetz said that the Europeans had hitherto tended to try to influence the US bilterally, believing that they had more weight. The debate about the NPT, for instance, was conducted almost entirely bilaterally.

Asked whether Norway would be prepared to take part in such a new European political organisation, Dr. Sanness said she would; there had been a great evolution of opinion in the last few years. There were doubts about the feasibility; but if an organisation were set up, Norway would join. However, there was a general Scandinavian doubt about the impact of European opinion, whether institutionalised or not. European opinion had an impact on political problems where the Americans were aware that they needed European co-operation; but there was a slight tendency to stress the possibility of European impact on fields where the Americans were not dependent on European co-operation and did not care what we thought. Vietnam was an example. He was even more sceptical about trying to reach some European consensus by starting with the Middle East: to begin with, French and British opinion cancelled each other out.

Dr. Sommer maintained that if Europe evolved a common position on the Middle East we might have an impact: we could influence the US on tactics vis-à-vis Moscow. The Middle East was a vital interest because of our oil supplies. Sometimes a vehicle was needed for consultation: if Middle Eastern policy lent itself as a vehicle, why not use it?

Dr. Gasteyger did not disagree; but he questioned whether we had our priorities right. We seemed to want to try to solve West European problems by way of Eastern Europe or the Middle East, by giving priority first to East-West relations, secondly to influencing the great powers, and only thirdly to European co-operation. Surely the order should be the other way round? The real problems for Soviet policy were internal ones (within the USSR itself and within the bloc); the Czech events affected relations among the communist countries much more than relations between East and West. Not only the German problem or the Central European problem needed to be reconsidered, the whole future of Eastern Europe and the Balkans was in question. All these aspects were interrelated with the West European issue.

Dr. Jaquet said the fault was a desire to escape the need to keep watching over a hot pot. Faced with a crisis in West European co-operation, there was a tendency to escape into consideration of problems in which our vital interests were not involved (the Middle East was not a vital interest for the Netherlands) simply because the chances of reaching agreement were so much greater.

Mr. Buchan wondered how long it would take to reach a genuinely common European viewpoint. Reflecting on how unsatisfactory ad hoc meetings of Foreign Ministers etc. were for discussion of complex subjects in any depth, and on the three years of work by officials which were needed to arrive at the Berlin contingency planning, could we ignore the institutional aspect?

Herr Nerlich said it was a question of the areas in which we needed new institutions. In the case of a European caucus intended to create a common policy among the Europeans, the problem was not to find a formula for bringing the parties together but to find new concepts on a question such as US troop reductions. Formulas were no substitute for ideas. He saw two areas where the institutional aspect was relevant: first, if some common European view were reached, influence could only be exerted on the US in the US itself during the policy-forming process; this would require the prior establishment of some machinery for consultation, and perhaps the Berlin planning group might serve as a model. Secondly, looking ahead to the possibilities of East-West negotiations on a range of issues in relation to arms reduction and control, and desirably on a mutlilateral basis, there was a case for reconstructing the instruments of East-West diplomacy. The ENDC was not a satisfactory instrument, for instance. He did not have a proposal in mind; but we would need a vehicle for East-West negotiations on European security when the time was ripe and in which the countries principally involved could come together and exert an influence in the meantime. The procedural arrangement might help to prepare the way for the political arrangement we wanted.

Mr. Buchan appreciated this last point, although he thought a suitable institution would be very hard to constitute. It was a pity there was no equivalent of the UNECE.

M. Laloy pointed to the problem of Soviet participation which underlay proposals for any all-European forum: it made difficulties for us if the Russians participated, and if they did not the East Europeans would not take part either.

Mr. Buchan turned to the question of the Supreme Commander, which was relevant to the European caucus idea. He had heard suggestions both in the US and in parts of Europe that Leminitzer, who would retire shortly, should be succeeded by a European. He doubted whether this would come about; but would it be desirable from Europe's point of view?

Dr. Wagner was not in favour of making a change. It was generally agreed that if the Supreme Commander were European, there would have to be an American Deputy in command of nuclear weapons, so that the European would be just a figurehead. General Beaufre argued that if the post went to a European, it would have to rotate among at least some member countries. Restating his concern about SACEUR acting as a screen between the problems of security and the national chiefs of staff, he recalled that Norstad, for instance, had exercised enormous power, quite independently of the Standing Group or of his own government. A European Supreme Commander would never be in the same position. General del Marmol said the unavoidable fact was that whatever his personal qualities, if the Supreme Commander were American his own government would always be disposed to support him when he asked for something on behalf of Europe. If he were a European, we could never be sure that the changing climate in the US might not lead to a less responsive attitude on the part of Congress and public opinion towards European needs: this was the most important consideration. This view received general assent.

Mr. Buchan then drew the meeting to a close.

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Defence, Technology and the Western Alliance

THE INSTITUTE
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Number Six

THE IMPLICATIONS OF A EUROPEAN SYSTEM FOR DEFENCE TECHNOLOGY

By Alastair Buchan

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INTRODUCTION

As I explained in my Introduction to this series, the purpose of these six monographs has been exploratory, neither didactic nor making any pretensions to be definitive. The impetus to initiate them was basically political, an awareness of the growing friction between the United States and several of her West European allies, as a consequence of her dominant position in many advanced industries, which arises from the fact that she devotes twice as much scientific manpower and four times as much money to research and development as the whole of non-Communist Europe. The consequent American advances in the field of, say, medicine or biology, or even space research, command nothing but respect among the European countries who, in a group of free societies, are also beneficiaries of this pioneering. But there is no need to emphasize the malaise that Europeans feel lest the size and range of both American research and production in certain advanced industries—notably aircraft, aviation and computer electronics and missiles—coupled with a deliberate national policy of maximizing the sales of American military equipment in Europe (and elsewhere) in order to offset the foreign exchange costs of American troops there, may put in jeopardy the future of the equivalent industries which have been developed in Europe in the past twenty years.

It is only natural, therefore, that there should be considerable discussion of whether, by a more comprehensive and intelligent system of co-operation or division of labour, it may be possible to put the relevant European industries in a stronger competitive position *vis-à-vis* the United States. In initiating the series we were, of course, aware of the impossibility of separating the problems of defence technology and production from many other forms of technological activity and industry, as well as of the large amount of expert work being done in other centres on both sides of the Atlantic on the broader questions. But equally we were responsive to the feeling of many in Europe that European defence research and production should be studied as the possible nucleus for a wider system of technological co-operation: partly because it is a field of scientific and industrial activity in which the governments are the direct consumers, and therefore one in which new institutional arrangements could be significant if they were effective and if the impetus to create them exists; partly because this field of technology, involving both national autonomy and significant politico-economic interests in the countries concerned, has direct political repercussions, in terms of European-American confidence, at many levels of industry and government.

It is also a propitious moment to isolate the question of defence and see whether a more rational system of European co-operation in research and production can be devised. The policy of the United States in seeking to maximize her sales of finished armaments to Europe has been challenged both in Europe and in the American political debate. The cost of maintaining an effective system of defence and deterrence in Western Europe, whether in budgetary or in foreign exchange costs, is a source of increasing concern in every advanced country in Western Europe. The Federal Republic is embarking on a major reassessment of her defence and procurement policy for both budgetary and wider reasons. Britain has set a time limit on liquidation of her major military commitments outside Europe, and can therefore design her future defence policy and the next generation of weapons systems to meet much the same requirements as her neighbours: the old inhibition of the need to design systems for desert sands as well as European mud is losing its significance. This parallels her increasing interest in European co-operation, bilateral or multilateral, and her pending application to join the EEC. The strain which the creation of an advanced but modest nuclear force is imposing on France's defence industries, and the problem of establishing markets adequate for her defence products, have made the limitation of a largely autarchic programme apparent.

But equally this may not be a moment for decisive action. The last years of President de Gaulle are unlikely to coincide with French support for any major European initiative, and many forms of European defence organization are not feasible without France; and the relationship of Britiain, the strongest technological power in Europe, to the Six is not finally determined. It is also partly because the subject has itself been so little explored. Moreover, any consideration of developing a more coherent European system of co-operation in defence and other technology is entwined with a number of larger issues. It involves some broad consensus on the future structure of the European-American relationship in an era of *détente*

in Europe but of great and probably continuing American responsibilities elsewhere; of the kind of strategy and forces which it will be appropriate for NATO to maintain in Western Europe in the 1970s and beyond; and of the relationship of the European industrial powers themselves, whether for instance the EEC is enlarged and whether it regains its lost political momentum.

For this reason it has seemed not only legitimate but essential to lay the foundations of discussion on the capabilities of the European armaments and advanced industries, on the political problems of co-operation between European governments in the defence field, on the precedents of successful co-operation that exist, on the inherent disparity between American and European resources, and on the kinds of technological and industrial requirements of new weapons systems calculated to maintain European stability in the next decade or more, with a view to suggesting certain guideposts for the future. To discuss the desirability or feasibility of new forms of European co-operation in the defence field is not to accept the view—prevalent in some European industrial circles—that because of her technology and marketing power the United States is a menace to the future well-being of Western Europe and that protectionist barriers should be erected against her. Least of all is it based on any *a priori* assumption that European co-operation is valuable merely for its own sake, or that Western Europe should take risks with the future of *détente* or of possible broader schemes of European security by undertaking major new military programmes in order to demonstrate its technological solidarity.

The five papers that have preceded this are an essential preliminary to my own work, and it is no substitute for them. But the reader may care to study them in a different sequence from that in which the ISS was able to publish them. Christopher Harlow's *The European Armaments Base* (Number Two), Parts 1 and 2, is the most comprehensive assessment of defence as an economic activity in Europe, and of the structure of the defence-related industries there, that has been attempted, apart from official documents, for many years. Allied to this is Kenneth Hunt's *The Requirements of Military Technology in the 1970s* (Number Five), which surveys the weapons systems that are being developed in different countries, and suggests those that are likely to have to be developed within the next ten years in the light of cautious but reasonable political and scientific assumptions. These two studies taken together are intended to form the basis for a judgment as to how large a part, and what part, of the spectrum of military development and production the European powers themselves could shoulder in the foreseeable future, and the kinds of division of labour or co-operation with the United States that will be desirable or inescapable. Arnold Kramish's *Atlantic Technological Imbalance* (Number Four) stands by itself, a distinguished American scientist's appraisal of the limitations as well as the potentialities of European technological achievement. John Calmann's *European Co-operation in Defence Technology: The Political Aspect* (Number One) and Robert Rhodes James's *Standardization and Common Production of Weapons in NATO* (Number Three) examine the success and failure—and the basic problems—of the attempts of the past decade or so to rationalize European defence procurement and suggest certain avenues by which they might be improved.[1]

This paper, written like One and Three from a background of political studies rather than economic, technological or military expertise, is intended to summarize and relate the conclusions of the earlier studies, to examine various forms of European or Atlantic co-operation to which the tendencies we have observed in recent years might logically give rise, and above all to consider the political and strategic implications of various alternatives. I would like to take this opportunity of expressing my gratitude to my collaborators in this modest contribution to public comprehension and discussion of a question which, if argued emotionally or merely in generalities, could undermine many of the hard-won gains in Western confidence of the past twenty years.

Finally, I must emphasize again that although these studies have with one exception been written by British students of the problem, they derive from two to three years of independent research and discussion covering the whole of Western Europe. They do not present merely a British viewpoint: Britain is probably the most criticized country in their pages, and many of the policy recommendations which they contain would be more difficult for Britain to confront than almost any European country.

[1]For convenience, I will refer to these studies henceforth only by the author's surname and their series number.

I. THE EUROPEAN PROBLEM

The disquiet that has developed in the relations between the European powers and the United States, and which if unchecked might contribute to a serious weakening of the Atlantic system—the complex of multilateral military, political and economic arrangements which interconnect the two halves of the Atlantic—has many causes and many aspects. It is related to the war in Vietnam, to the changing climate of East-West relations in Europe, to German and Italian uneasiness about the implications of Soviet and American co-operation on negotiations for a Non-Proliferation Treaty, to American irritation at the small proportion of the general Atlantic burden of defence which is borne by the European powers, as well as to the so-called ' technological gap '.

This situation is in part the product of *détente*, a

declining sense of dependence on the strategic protection which a defence expenditure, now nearly four times as great on the part of the United States as on the part of all twelve countries of NATO Europe, affords.[1] In part it is due to a recognition among the European powers of the economic price involved in being allied with a super-power whose strategic requirements have led to a rapid growth in its technological industries, whose strategic guarantee can be given credibility only by stationing American forces in Europe, and who in recent years has sought to offset the cost of maintaining these forces by seeking to capture about 20 per cent of the European arms market, mostly in the advanced sectors where the unit value of sales is high. And in part it is due to a belated recognition by the European powers of their own shortcomings, individually and collectively, in developing their own technological industries and minimizing disparities of scale between Europe and the United States, in size of industry, in research and development resources, and in government expenditure on both research and production.

Certainly, the contrast between them can be cast in stark terms. On research and development of all kinds the United States was employing in 1962 a total of 435,000 qualified scientists and engineers, while Britain, France, Germany and Benelux had 147,000, a ratio of 3 : 1. Given the greater output of the American educational system, it is unlikely to have narrowed since then.[2] The total of scientists and engineers engaged in aerospace research and development in the United States exceeds the figure for total employment in the French aircraft industry. In 1966 the United States aerospace industry was spending about nine and a half times as much on research and development as the British and French industries combined.[3] The average expenditure of Britain, France and Germany on military R&D was about one-tenth that of the United States over the ten years 1955–65.[4] In addition, it appears that every major European country has a marked deficit in its 'technological balance of payments' with the United States, though Britain, unlike France and Germany, earns more than she spends world-wide on technological royalty transactions.

The same disparity has led, of course, to an equivalent one in the size of technological industries. The total employment in the aerospace industries of the seven European countries considered in these studies was about 440,000 in 1966 as against 1,400,000 in the United States.[5] It affects industry size: there are four American aerospace companies with a larger turnover than the whole British aerospace industry. And it also affects inventories, both civil and military. It has been calculated, for instance, that there are a total of 52,000 military aircraft in the American armed forces, all of which, with the exception of a few experimental planes, are American, as against 25,000 in the hands of the European NATO powers, of which not more than 60 per cent are of European origin, and many of these are trainers and helicopters, not combat aircraft.[6]

These and most other indices one can offer are, of course, merely a reflection of a general Atlantic relationship that has become entirely familiar to Europeans and Americans over the past twenty years. A mixture of strategic necessity, economic opportunity and the advantage of embracing a continental economic system within a single state has created in the United States a technological base, a range of skills and a speed of innovation which Western Europe—and very probably the Soviet Union as well —may never be able to match, even if it also were to become a single economic system. As Kramish points out, 'the United States will never be content with anything less than a position of world technological leadership'. The European partners of the United States have become more or less reconciled to the fact that the United States owns and controls 95 per cent of the strategic strength in the West—and those who are not reconciled see no prospect of altering the ratio. Why should they be unduly disturbed if this disparity is also reflected in such things as space technology, advanced aircraft or computers?

This ascendancy is not the result of American malice towards Europe, though tough salesmanship has played its part. Indeed, the increase during the 1960s in American investment in Europe, much of it in the technological industries, is a new form of American commitment to Europe. The fact that European technological strength does not match its overall economic potential is largely due to the circumstance that, in the general post-war hunger for traditional products, Western Europe was slow to rebuild its technological industries, while military necessity, including the protection of Western Europe, forced the United States to satisfy both requirements, developing educational and managerial strategies to enable her to do so. The situation has been aggravated by the fact that the forms of general economic co-operation that have arisen in Europe have not facilitated technological co-operation to the same degree as in trade or in the basic industries.

But such reflections do not dispose of the question nor solve the European dilemma. On the one hand, the products of its science and technology have become, for better or worse, the source of a nation's pride, as pig-iron production statistics were in the late nineteenth century or figures of dreadnought launchings in the early twentieth. The two super-powers have between them been responsible for setting this standard. Moreover, the science-based industries tend to be those in which the prestige of governments is most involved, since either they are subsidized or their

[1] $73,000m, as compared with $20,365m planned for 1967–68. *The Military Balance*, 1967–68 (London: ISS, 1967).
[2] C. Freeman and A. Young, *The Research and Development Effort in Western Europe, North America and the Soviet Union* (Paris: OECD, 1965).
[3] F. J. L. Diepen, 'The Economic Importance of a European Aerospace Industry', AICMA symposium, London, 13–14 September 1967.
[4] Kramish (V), p. 6.
[5] Diepen, *op. cit.*
[6] *Ibid.*, from a study by Aviation Industries Ltd.

fortunes are closely related to programmes for which governments are directly responsible, such as basic research or scientific education. The European powers have not by and large had the advantages of Japan, the ability to concentrate almost entirely on civil technology in a highly protected strategic and political environment and to get large government resources for non-military R&D. Consequently, and without prejudging the question of how much 'spin-off' there may really be from various forms of defence technology, it has been—with the exception of nuclear technology in the Euratom countries other than France—largely through defence orders or research that governments have supported the growth of the post-war technological industries in Europe.

But the United States, by reason of her size and the global tasks for which her defence establishment is designed, has, at any one time, a complete range of weapons systems under development, except possibly in the field of surface shipbuilding projects, which parallel those being undertaken by a European government: and they may have a shorter development time by reason of the high quality of American management. Because the end product is likely to have a much larger market, for the American services alone, than a European government can command even with the most effective sales campaign, its finished cost may well be lower than its European counterpart. Thus the dilemma that haunts any European government which commits R&D funds to a defence project is that it may get a certain distance, find a broadly equivalent American project being developed at a greater speed, and discover that its European neighbours who have not committed R&D funds would rather buy the cheaper American product, so that the eventual market for its own will be small and will thus have an eventual high unit cost. It will then be faced with the alternative of producing it with a waste of resources which its own parliamentary and public opinion will readily be able to identify (as was the case with the French *Mirage IV* or the British troop carrier FV-432).[7] Or it must cancel the project and break up the research and development teams with a high risk of some of the best members of them being attracted to the United States with her enormous R&D resources (as was the case with the British TSR-2). When to this sequence is added the active American policy of obtaining a fifth or more of European defence orders with reasonable terms, and with American aircraft such as the current F-5, and the possible 'international fighter' now being designed to meet the requirements of the foreign rather than the domestic consumer, the temptation for a European government to withhold R&D funds, to avoid getting deeply committed to a domestic or European project which may collapse under the weight of American competition, is considerable.

In point of fact, all the advanced European countries were by the mid-1960s producing a higher proportion of their own defence requirements than in the mid-1950s (with the exception of Britain, which then had a virtually autarchic procurement policy).[8] But this was largely due to the existence of American military aid programmes in the early 1950s to supplement European industries that were still getting back on to their feet. The trend towards European development, as contrasted with production, could be reversed with the consequence that that part of European technological growth which depends on government finance via the defence industries would be slowed down. Moreover, the European members of NATO would have a smaller rather than a greater influence on planning of European defence and deterrence in the 1970s, since, whatever the manuals may say, the determination of strategic policy at any one time is largely governed by the characteristics of the weapons systems which governments have in fact decided to procure or produce under licence.

But, and here a second European dilemma emerges, in a Europe where a political climate of *détente* prevails, whose governments are committed to a much broader range of governmental expenditure in the social sector than the United States, and whose projections of economic growth in the 1970s are no longer as rosy as they were in the earlier 1960s, there is a determination to keep the level of defence budgets under control. With a steady rise in the cost of military manpower and an exponential growth in the cost of successive generations of weapons systems, wherever they are procured, European governments must procure them as cheaply as they can. Defence and science policy, pride and economics, may thus pull in different directions.

For a third European dilemma is the consequence of Europe's geographical and political position. It faces a highly sophisticated military adversary in the Soviet Union, and as long as confrontation in Europe lasts, and perhaps even after it has given way to some form of European security system, the pace of military innovation, the speed with which weapons must be improved or replaced, is governed by Soviet developments, which in turn are a reflection of the qualitative competition between both super-powers. No European power is in the position of, say, India or Australia, which can stretch the life of aircraft or a tank until an ideal replacement is developed somewhere in the world. Even a project such as the French solid-fuel IRBM programme, which is advanced by European standards, may be obsolescent, in terms of deterring the Soviet Union or for any serious strategic purpose, by the time it becomes operational owing to Soviet development and deployment of ABMs.

The fourth element in the European dilemma is that few if any Europeans wish to weaken their strategic and political nexus with the United States, and this goes probably for the majority of influential Frenchmen. There are enough difficulties in the Atlantic relationship at present on broad issues of policy—Vietnam, NATO force levels, the implications of ABM deployment and so on—without adding to them, or

[7] See Harlow (II), Part 1, p. 25.

[8] *Ibid.*

convincing the ordinary American politician that the United States is *persona non grata* in Europe. Therefore, any question of developing some method of protecting the European technological and defence industries by, say, a quota or a European cartel system would command little support in Europe.[9] To many of the smaller technological powers in Europe, American weapons are an assurance of American commitment. It is well recognized, moreover, that technologically it would be suicidal at this stage to weaken ties with the United States; that although the European R&D base may be too small, it would not be possible to expand it rapidly; that it might not in any case be the most efficient use of the scientific and technological manpower that is becoming available; and that the growth of the European technological industries depends crucially upon a free exchange of licences and information and skills, which could be jeopardized if the European-American technological relation turned to one of open warfare.

But whether or not there is a prospect of developing a balanced trade in the products of some of the technological industries on both sides of the Atlantic, there is none at all in defence equipment and weapons systems. It has been the national policy of the United States for two generations to maintain a complete weapons base (as it was British policy until very recently). Given the commanding American lead in defence technology, coupled with the ability of Congress to exert pressure on the Executive on behalf of special interests, there seems no prospect of altering this. European inventions by the score have been incorporated into American weapons systems, and in an occasional emergency the right to produce a complete system has been purchased (as when the Korean war caught the United States without a developed medium bomber, and designs of the British *Canberra* were bought to become the B-57). Occasionally also there are local purchases for American forces overseas, such as French anti-tank missiles. But talk of an 'Atlantic Common Market' in defence products inevitably implies a one-way traffic, and, as was shown by the events of September 1967, even the attempts of the United States Executive to help a European country finance the purchase of an American weapons system by sales of marginal items of defence equipment can be jeopardized by prosecution of special interests in Congress.[10] Moreover, any prospect of a Kennedy Round-type negotiation on increasing reciprocity in the products of defence technology, say within OECD, involving the European powers and Japan on the one hand and the United States on the other, would, quite apart from the imbalance in related strength, be doomed to failure because the United States Government would most probably be unable to persuade Congress to honour any undertakings it might give. Hence the temptation to pursue autarchic policies in Europe—as France has done—since experience has shown that a policy of reciprocity in the defence field can break down so easily that it cannot be evolved into a system or consistent practice.

Finally, the European dilemma is compounded by the organization of Europe itself, especially as far as the estimated $7,000 million it now spends annually on defence procurement is concerned. In the first place, as Calmann points out, European governments have been slow to appreciate the link between general economic interdependence and interdependence in defence technology and procurement. 'In spite of the success of OECD, ECSC, EEC, EFTA, etc.—organizations designed to promote the understanding and acceptance of economic interdependence in Europe (and in the North Atlantic area)—there is little practical recognition that interdependence in defence procurement also forms an essential part of economic policy. Because there has been some recognition of common or joint strategic needs, this problem has sometimes been masked; but both the efficiency of the defence system and the growth of national economies suffer because defence procurement is still considered in largely national terms'.[11] And, as Harlow's study of procurement in the seven major European powers clearly brings out, Britain, emerging into the technological age with a long-standing policy of autonomy in defence, aimed until quite recently at possessing almost the same range of weapons systems as the two super-powers, and still produces 80–90 per cent by value of her own requirements. France and Sweden have moved towards a position of self-reliance that is now comparable with Britain's. Thus the tradition of regarding decisions on defence as the prerogative of the nation-state—a tradition deep in its history—dies hard in Europe. And where it has been replaced by a concept of interdependence—either in countries like Holland, Belgium or the Scandinavian members of NATO, which have never been able to afford to produce more than a tithe of their own defence requirements, or in the defeated Axis powers, which did but which for twenty years have had a different set of national political and economic priorities—it has been largely a concept of interdependence with the United States.

Furthermore, the present political and economic organization of Europe does not offer any prospect of fostering a system of European interdependence in defence technology and procurement. Since the project for a European Defence Community collapsed in 1954, the development of other forms of European

[9] See p. 13 below.

[10] As part of the arrangements to offset Britain's commitment to purchase 50 F-111 bombers, Britain was invited to tender for minesweepers and other naval craft. An order for seven wooden minesweepers worth $60m was deleted from the Administration's $70,000m appropriations for 1967–68 at the insistence of a Wisconsin Congressman whose district includes a small shipyard.

The same protectionist spirit applies also in the intellectual field. In 1963 the ISS was commissioned, as an international institute, to undertake a small contract study concerning disarmament in Europe by the US Arms Control and Disarmament Agency. This fact was referred to in the Agency's annual report to Congress. The following year a rider was included in that Agency's appropriations bill, at the insistence of a Senate committee, forbidding it again to contract studies to non-American research institutes.

[11] I, p. 7.

co-operation has not been accompanied by any progress in this field. Western European Union has made virtually no impact on this problem, since it contains no element of supranational authority. Within the European Economic Community, which does possess the power to reconcile national decisions, the attitude of France has frustrated any progress towards the co-ordination of political decisions, to which decisions in the defence field appear so closely allied. It is also still unclear whether the Community will be enlarged to accept Britain, the country with the largest research and development base in Europe, and which accounts for about 35 per cent of European defence procurement. One of the strongest European powers in defence technology, Sweden, is politically neutral, and it is hard to conceive any European defence planning system leading to common procurement decisions in which she would be willing to join. Unless there is a modification in French policy after President de Gaulle —which there may well be—any move towards interdependent arrangements in European defence technology and procurement would have to be reconciled with the sanctity of national decision-making. And France has, of course, withdrawn from the integrated machinery of NATO, which, with all the shortcomings that Rhodes James has examined in the third study, has at least enabled some co-operative European ventures to be initiated.

All that Europe has succeeded in accumulating so far is negative evidence. It is apparent from experience in space development, that is of ELDO, that mere intergovernmental machinery is inadequate to take the very difficult decisions involved in a complex technological project in the time-frame set by the pace of innovation in the two super-powers. It is clear that national European projects or even bilateral ones will not lead to a Europe-wide market, unless the end product is highly competitive in performance and price with its American counterpart (as, for instance, French helicopters have been or the British 120mm tank gun is), and unless the European customers have shared in the formulation of its specifications. It seems that institutions concerned with the development of intra-European trade have had little influence so far upon spreading R&D costs, creating common scientific standards, common patent and company legislation, or increasing the size of industrial units, to facilitate the realization of ambitious projects either in general or in specifically defence technology.

Finally there are the problems of the disparate size of European countries and their technological resources on the one hand, and their differing *modus operandi* in the defence research and production field on the other. In the first place, the British and French aerospace industries together account for about 77 per cent of all European aerospace activity (inside and outside NATO), whether measured in employment or output. British, French and German defence procurement accounts for about the same proportion, between 75 and 80 per cent of all European defence procurement in NATO, and the proportion of European R&D resources contributed by these three countries in the defence field is even higher. Why should a small country exchange a multilateral Atlantic system in which it has a reasonable degree of choice, even if it is dependent for most technological products on others, for a European system which will be dominated by the big three of Western Europe (or in aerospace by Britain and France), to whose technological industries or defence procurement its own will bear perhaps the same unequal relationship as Europe does to the United States? Certainly no other European country is going to be enthusiastic for the development of any European technological community or defence procurement system whose principal object appears to be merely the salvation of the aircraft industries of Britain and France—two countries whose attitudes to other forms of European co-operation have been inconsistent, to say the least.

One can return several answers to this question. One can point to the growing sense of identity of interest among at least the European NATO powers, as the true size of the technological disparity between the United States and Europe becomes more fully appreciated, or as the United States becomes politically involved in a range of responsibilities in which the European countries are not involved; to the increasing familiarity of scientific and technological communication within Europe; to the interpenetration of knowledge through patent transactions within Europe;[12] to the experience gained in common production techniques within NATO such as the F-104 or *Hawk* programmes; and to the evolution of similar techniques of systems analysis. But the fact remains that to elicit the enthusiasm of all the relevant interests either in European NATO countries or in the EEC and EFTA countries combined, any European system would have to be flexible and not offer the smaller European powers the bleak prospect of trading one hegemony, backed by great strategic power, for another.

Moreover, even if this obstacle can be surmounted by good will and good leadership, there remains the fact that the construction of any European defence procurement system must take account of the different methods and industrial structures in each country. In Britain and France, for instance, and to a lesser extent Italy, a great deal of defence research and production takes place in government-owned establishments; in Germany, Sweden, Holland and Belgium it is mostly undertaken by private enterprise. Though in all countries government and defence-related industries are, to quote Harlow, ' largely in each other's hands ', the form in which this mutual dependence occurs varies from country to country.[13] Again, these discrepancies could no doubt be overcome with determination: they are noted here in order to set the European dilemma in its proper dimension.

[12]Germany, for instance, spent 207·2 DM on purchasing US patents in 1963 as against receipts from the US of 41·7 DM, but she spent 323·4 DM for similar purposes in other European countries as against receipts of 93·2 DM.

[13]The position is clearly set out in Harlow (II), Part 1, pp. 14–16.

II. THE AMERICAN INTEREST

Many of the speeches and papers delivered by European officials and businessmen at conferences on Atlantic technical collaboration, or on ' the technological gap ', contain an implicit assumption that the dominance of the United States over Europe in advanced technology, combined with the increasing level of American investment in Europe, is part of a deliberate policy designed to substitute one form of leadership in the Atlantic world, political and strategic through the years of the Cold War, for another. But, in reality, circumstance has played a larger part than design in bringing this new situation about.

It was the Soviet Union, not Europe, which created modern American defence technology and a large American defence establishment, and therefore often made it possible for the United States to produce more cost-effective weapons than Europe, even though European production costs are in general lower. It was the nature of the nuclear age which forced the United States to station large forces overseas in order to demonstrate the credibility of her commitment to her allies in Asia and Europe, thus adding to a balance of payments deficit created in part by the world's hunger for investment capital. In default of any concerted offer from the European NATO powers to find a formula for helping share the cost of maintaining American troops in Europe, troops which Europe regarded as essential to its own security, it is not unnatural that the United States should have decided in about 1963 to try and offset at least half the foreign exchange cost of her overseas troop deployment by arms sales, which have subsequently been set at a global target of $1,500 million a year, though the psychological consequences in the advanced European countries might have been foreseen. It was a policy calculated to delight some American industries and firms; but the decision was taken more to satisfy American political opinion that the United States was not bearing a disproportionate share of the general Western burden than as the result of industrial pressure. The increased outflow of American investment funds to Europe which began to gather momentum in the early 1960s was an embarrassment rather than a co-ordinated policy, since it tended to offset any savings in dollar expenditure created by the increased sale of armaments. Moreover, there is no means of knowing to what extent the United States would have come to dominate the field of major armaments in Europe whatever policy her government had pursued, simply by reason of the range of equipment available, the short development time of her programmes in relation to comparable European ones, the favourable unit cost of her products, and the tendency of many European governments until very recently to see American supply lines to their own forces as an essential symbol of American commitment to their security.

Clearly there is likely to be little change in these basic circumstances in the foreseeable future. American industry will maintain a commanding position in all fields of technology, the range of systems under development remaining much broader than those under development in the whole of Europe; the American balance of payments will ameliorate only slowly, even if no further commitments like Vietnam arise to strain it; and no American President is likely to impose the controls necessary to prevent the outflow of investment funds even if this were remotely desirable. But three developments might cause future Administrations to look with greater approval on the development of a more comprehensive system of procurement of European armaments for European use.

The first would be an appreciation of the political damage which the apparent desire to develop a hegemonial position in Europe's advanced technology, by a deliberate policy of dominating about one-fifth of the European arms market, is doing. This is an area where quantitative analysis is less useful than subjective impressions. All anyone who lives and travels in Europe can report is that the spectre of American technological domination, while performing a very useful job in making Europeans examine their own methods and their shortcomings, has perhaps done more to extend the influence of President de Gaulle —in Britain, in Germany, even in Italy—than any other single factor, except the Vietnam war. If a *troisième force* in Western Europe should emerge—which I still think is unlikely—this factor will have played an important part. But, even if it does not, the fear that Europe may become technologically an underdeveloped area, in relation to the United States, the Soviet Union or Japan, looms large in the thoughts of influential sections of the community in most West European countries.

This is not to suggest that the United States would actively encourage the formation of a European technological or defence procurement system, still less provide it with massive assistance as suggested by Signor Fanfani, the Italian Foreign Minister, in September 1966. It may suggest that the United States might have good political reasons for acquiescing in such a system if Europe were able to devise one, despite a certain material damage which it might do to American short-term interests. It would, after all, be consistent with the continuous American support over the past twenty years for an integrated and eventually unified Western Europe.

Second, there is increasing concern in the United States with the problem of the supply of armaments to the underdeveloped countries or areas outside Europe, and the lack of any intelligent co-ordination of policy on the subject even between the NATO powers. The United States refused, for instance, to supply arms to South Africa even before Britain embargoed her own supply at the beginning of 1965; she is very anxious to prevent a scramble for costly supersonic aircraft among the Latin American powers by keeping them out of the area altogether, and to keep the level of armaments in the India-Pakistan or Arab-Israel confrontations as low as possible. She is also anxious that obsolescent American weapons should

not find their way into the third world through the need of the European powers to recoup themselves for the cost of buying the latest generation of American weapons: the transfer of F-86 fighters from Germany via Iran to Pakistan is one notorious case, and the fear that the same thing may happen to obsolescent American tanks in Europe has recently been voiced.[1]

But the standard reply about sales of French or Italian equipment to South Africa, French aircraft to Israel or India, Swedish aircraft to Ethiopia, or British fighters to Chile is that if the European market for such equipment is dominated by the United States, the European countries have little alternative in responsibility to their taxpayers, shareholders or employees but to sell outside Europe. As far as the resale of American equipment is concerned, the evidence suggests that American control on re-exports is unlikely to be watertight, and that if an American aircraft shows up in a civil or other war in Asia or Africa, it is the United States which gets the blame not the intermediate European first user. Thus, the materials for a reconsideration of the benefits of a system whereby Europe would consume more of the products of its own defence technology are beginning to accumulate.

Third, there is the problem of NATO strategy itself. Just how the tug-of-war between the rising cost of weapons systems and equipment and the determination of the European members of the alliance to keep their defence expenditure within bounds is resolved will itself be partly determined by the outcome of the debate about defence procurement. But it is now becoming clear that there is likely to be a quantitative reduction in the level of ground and tactical air forces in the central area of Europe by the early 1970s whatever happens. If any flexibility is to be retained in the way in which NATO would handle a possible European crisis, a strategy based on a continuous forward line of strong, defensively deployed formations may have to give way to one employing greater strategic and tactical mobility. If one leaves aside for the moment the implications for American policy, this surely implies for the European countries involved in the security of central and northern Europe—Britain, Germany, the Benelux powers, Norway and Denmark, perhaps France one day in some capacity—the need for greater standardization of equipment. If the units of their separate national forces cannot readily interchange equipment or use each other's facilities, then it will be hard to have much confidence in the viability of an international defence system based on tactical mobility.

And if it is not possible to develop a NATO plan which relies on fewer forces in the centre, then the United States will not be able to exploit the improvements in strategic mobility conferred by such developments as the C-5A transport, to station an appreciable part of her forces committed to NATO in the eastern United States, without doing considerable damage to political confidence within the alliance. Unless the United States is prepared to face the stationing of something near her present force of six divisions in Europe over the indefinite future—and clearly Senator Mansfield and his supporters are not—it may become an American interest to promote as much intra-European military co-operation as is feasible.

Finally, there are the common interests of both Western Europe and the United States. One is to evolve a series of relationships in the technological field which create the minimum amount of political friction, while recognizing the considerable disparity between the resources of the United States and of Western Europe as a whole, let alone the individual countries. A second is to make better use of the technological resources of the European powers, not only in the defence field, but most particularly there. Otherwise there is a danger that the weapons systems of the 1970s will either force up the cost of national defence programmes or, more likely, lead to a steady attrition of force levels before the diplomatic climate, the relations between East and West, between NATO and the Warsaw Pact, permits a successful negotiation on a mutual reduction of forces.

A third desideratum is that neither side should acquire the motive to withhold its technology or the fruits of its research from the other. The ' technological balance of payments ', though adverse for the major European powers in relations with the United States, is only a small part of the overall balance of payments, and for Europe to cut itself off from American technology would be suicidal. By the same token, the fear that, through the activities of their European subsidiaries American industry is ' milking ' European R&D, can be partly guarded against, either by legislation (such as that existing in Japan), whereby an international takeover must be accompanied by an appropriate transfer of technology, or by a better division of labour within Europe, whereby R&D becomes less dispersed and concentrated on more challenging projects.[2]

The criterion of any development in the field of technological co-operation, certainly of defence technology and production, is, so it seems to me, political: an eventual arrangement that will sustain European pride and growth, maintain a reasonable degree of European influence within the multilateral alliance system and keep European security stabilized without rupturing the Atlantic alliance or seeking to make Europe a ' third force '. To some in Europe this is not the proper criterion: Europe should use its

[1] One of our concerns is that we have a coming surplus in Europe as a result both of our military assistance programmes during the build-up phase of NATO and of our sales programmes in recent years; we have a coming surplus in Europe —a number of tanks—which is really the source of great concern. We have provided under these various programmes, including sales, some 7,000 M-47 and M-48 tanks to Europe. Most of these tanks will become surplus in the period between now and 1971. We are very interested in devising ways of working with those governments to control this potential '. Mr Jeffrey C. Kitchen, Deputy Assistant-Secretary of State for Politico-Military Affairs, before a Subcommittee of the Senate Foreign Relations Committee, 22 June 1967.

[2] See Kramish (IV), p. 12.

resources to develop an independent political and strategic position, in which it can trade as freely with Soviet as with American technology or with neither; though this is not the criterion on which I find it useful to base a discussion of European co-operation in defence procurement, I will refer later to the technological and financial implications of such a course.

But if the criterion is political in the broadest sense, for politics includes security, the arrangements by which it is satisfied must make sense in economic and military terms. It must seek to assess the highest degree of co-operation in defence technology and production of which the European powers are capable, without artificially increasing the relative cost of European defence or without becoming artificially protectionist in relation to the United States.

III. RESOURCES, REQUIREMENTS AND EXPERIENCE

Harlow suggests that ' it is probable that over 95 per cent of all European expenditure on military hardware takes place in Britain, France, Germany, Italy, Sweden, Holland and Belgium '; the fact that it is the resources of these seven countries which we have chiefly to consider does not invalidate the importance of considering arrangements that would embrace Norway, Denmark and Switzerland or Spain as well. The fact that Sweden spends only some 6 per cent of European defence procurement resources and is outside NATO does not invalidate her importance to the rest of Europe by reason of the techniques she has pioneered in the skilful use of defence resources. But what is chiefly under consideration for the purposes of this paper are the resources of the members of Western European Union.

A detailed picture of the structure of the European defence industries can be gained only from a close reading of both parts of Harlow's study. Here I will only summarize them briefly (omitting many of his careful caveats) for the purpose of comparison with Hunt's analysis of what systems are being developed by different countries, and what the requirements of the next decade will be. This, combined with Rhodes James's judgment on the success and failure of different kinds of international collaboration, should provide the guidelines for a consideration of various ways in which the business of researching, developing and producing armaments within Europe, or on a co-operative European-American basis, might be better organized.

Both the WEU powers, except Italy and Belgium, and the United States allot between 30 and 40 per cent of their defence expenditure to procurement (excluding construction). But there any similarity between them ends. The United States spends about three times as much as the WEU powers on defence procurement; of this figure of about $20 billion, one-third goes to research and development, while Europe spends less than a quarter of its procurement bill of about $7 billion on R&D. Thus the dependence of European defence activity on American technology is manifest from the start. But it means that American defence production is only about twice the size of Europe's, which suggests its significance in the European economies, or in certain of them.

But the degree of self-reliance varies, of course, very widely, partly for historical reasons. Britain emerged from the Second World War with a defence production system almost as comprehensive as that of the United States, and for more than ten years thereafter was developing weapons across virtually the whole spectrum. It was not until the super-powers started to develop ICBMs and until Britain's IRBM *Blue-streak* was cancelled in 1960, followed by the Nassau agreement of 1962, the ordering of *Phantom* instead of the indigenous P-1154 in 1964 and cancellation of the TSR-2 in 1965 in favour of the American F-111, that she began to concentrate her resources. Her development of army weapons still covers virtually the whole spectrum except for long-range artillery. She has now decided against laying down a new generation of aircraft carriers, but otherwise is active in most other fields of naval development. In consequence, British procurement accounted for nearly 35 per cent of the total figure for the WEU powers and Sweden combined in 1964, and in 1967 the proportion was almost certainly higher still. There have, however, been signs of some uncertainty as to whether such an active development and production programme is really still necessary as the scope of her commitments in Asia and elsewhere contract, which is reflected not only in increasing interest in co-operative projects, but also in the reduction by about 10 per cent in her military R&D funds in the summer of 1967. Britain has become increasingly interested in European and American co-operation: with France in both civil and military aircraft and in missiles; and with Germany, France and the United States in aero-engines. Though Britain played an unconstructive role in attempts at co-operation within NATO in the 1950s and early 1960s, during the late 1960s and early 1970s she is likely to become more interested in the development of a European system of defence procurement.

France's development has moved in precisely the opposite direction. Her armed forces were rebuilt after the war with American aid, and it was only during the mid-1950s that she began to develop an indigenous range of weapons systems. But by 1967 she had a wider range of nationally built systems either in operation or under development than Britain, despite the fact that she spends only about 60 per cent as much as Britain on defence procurement. But about half of this is probably concentrated on her nuclear programme to the detriment of development and production in conventional weapons, even though her total

military R&D expenditure has recently been greater than Britain's. The management of her defence-related industries is widely admired. There has been only indirect and to a certain extent accidental American assistance with the French nuclear programme. As Table 13 in Part 1 of Harlow's study illustrates, she has been more interested lately in bilateral co-operation than in either NATO schemes (except the *Atlantique* maritime aircraft and the expensive Europe-wide NADGE project) or general European co-operation. The difficulty of offsetting the high R&D costs of new generations of equipment, especially in aerospace, by providing markets larger than either she or her natural aerospace partner, Britain, can offer, may well modify this policy.[1]

The position of Germany is, of course, entirely different, since she only started acquiring military equipment twelve years ago, has been debarred by treaty from certain kinds of development and construction, and for many years saw it in her interest to ensure an American presence in Europe by purchasing finished military equipment from the United States. This explains the fact that in 1964, whereas she was spending well over a quarter of the total spent on military procurement by the WEU powers, she accounted for less than a tenth of their expenditure on military R&D. It is on production rather than innovation that her defence-related industries have been concentrated, with the exception of shipbuilding, and since 1955 something between a third and a half of her defence requirements have been purchased abroad. Though she has a strong electronics industry, Harlow has intimated that only 5 per cent of its turnover is accounted for by defence business.[2] The same was probably true of vehicle engineering until it was decided to produce the *Leopard* tank in quantity.

Germany still has a political incentive to bind her neighbours and allies through being a major purchaser of weapons, rather than in diverting general economic and intellectual resources into autonomous production programmes. But as the offset negotiations with the United States and Britain have shown, she is no longer prepared to commit herself to a fixed contract to buy their equipment to a fixed value, and the relative decline in her strong balance of payments position justifies this caution. Germany has not, on the whole, had a very successful experience in co-operative projects with other countries, whether bilateral or multilateral, but faces the same problems of keeping defence expenditure under control and of markets for her defence products as they do. Her policy is, therefore, somewhat in flux at present.

The discrepancy between the European big three and the defence procurement resources and facilities of Italy, Belgium and the Netherlands is striking. They contribute between them only about 2 per cent of the military R&D resources of the WEU powers (though Italy's contribution in guns and aircraft design has been important), and account for less than 15 per cent of their total procurement. Holland and Belgium have never attempted to maintain comprehensive defence industries. Though Italy once did, she has in the past twenty years pursued a very similar policy to that of the Benelux powers. Having been re-equipped by American military aid in the post-war decade, all three have been more willing to vote funds for schemes of international procurement or for foreign purchase than to broaden their own defence industries. They have, however, procured fairly heavily from the defence-related industries they do possess: shipbuilding and electronics in the Netherlands; ordnance in Belgium; aircraft and some missiles in Italy.

The same disparity emerges from Hunt's review of systems under development: there is no tank development in the little three; nor anti-tank missiles (though the British-Belgian *Atlas* is a possibility); nor surface-to-air missiles apart from the Italian *Indigo*; nor major aircraft programmes apart from the possibility of a Canadian-Belgian-Dutch consortium to produce the American F-5, and Italian development of the G-91 light-strike fighter series. What is slowly changing is the readiness of the smaller countries to buy European equipment—Belgium the German *Leopard*, the Netherlands perhaps the British *Chieftain* —rather than American. But it would be a major change in relationships if their air forces ceased to be basically American-equipped.[3]

The next yardstick to consider is the competence of Europe—for this purpose the WEU powers, and primarily Britain, France and Germany—to develop and produce the kind of weapons systems that will be required in the 1970s and early 1980s, on the basis of conservative assumptions about the progress of *détente* between East and West and the continuation of NATO.[4] Hunt has examined this in some detail and his conclusions are summarized in Table 8 of his study. It will be seen from this and from the earlier tables in the same study, showing the probable life cycle of existing systems or ones now under development, that in the field of land and naval weapons the resources of European countries are likely to be competent to meet most of their requirements, either by national production and intra-European purchase, as in tanks, guns, missiles and small ships, or by joint R&D, or by an exchange of sub-systems. The only significant areas in which Europe is likely to be dependent on American co-operation are nuclear-powered submarines (for reasons connected with American legislation), except in the somewhat unlikely event that France makes her technology available to her European allies in the 1970s, and some aspects of submarine detection. Experience to date does not suggest that in most land and naval systems the United States would have a marked advantage in cost-effectiveness over Western Europe.

[1]See Hunt (V), p. 25.
[2]II, Part 2, p. 47.
[3]However, at a symposium in London on 13–14 September 1967 on Aviation and Technology in the European Economy, the managing director of Fokker, one of the most successful smaller aircraft firms in Europe, spoke forcefully of the need to create a European aerospace industry.
[4]See Hunt (V), pp. 2–3.

But the same is not necessarily true of aircraft or strategic systems. I think it is correct to assume that in the 1970s the American dominance in strategic weapons will be even more marked than in the 1960s. The almost certain decision on the part of the Soviet Union to deploy an ABM system covering its major population areas, now that the United States has taken the equivocal step of deciding to deploy an ABM defence against China, means that Britain and France will find it difficult to preserve the credibility of their missile forces through the 1970s, even supposing that they pooled their resources on the development of multiple re-entry warheads. 'It is difficult', as Hunt says, 'to see the value of the British and French missile fleets as other than marginal in the mid-1970s in relation to the Soviet Union'.[5] However, leaving aside the question of European co-operation on strategic weapons for examination later (pp. 13–14), it is less clear that the WEU powers can from their own resources develop the spectrum of air force tactical weapons systems that are likely to be required at a comparable unit cost to those developed in the United States without taking rapid and radical action to unify the European aerospace effort. The United States has learnt many lessons from the unsatisfactory characteristics of the early F-100 series, has developed an aircraft of great quality in the F-4 *Phantom*, and in the light-strike field has specifically adopted a relatively simple aircraft in the F-5. In the field of variable geometry, the F-111 now has no European competitor, though whether any European country other than Britain will find a military requirement for it remains doubtful; Anglo-French co-operation on a smaller successor has come unstuck. The United States has also profited technically from Vietnam in development of airborne electronics.

Yet it emerges from Harlow's study of the structure of the defence-related industries in Europe that it is precisely aerospace and electronics that are most suited to a system of joint procurement or research.[6] The development and production of tanks takes place in government-owned arsenals and workshops in Britain and France, which do not operate under fully commercial conditions, but in private companies in the other countries. 'If joint procurement led to large orders being placed for tanks or guns with any one contractor, then some substantial increases in capacity might have to take place, amounting to a reorganization of the industry structure, to allow the orders to be filled reasonably quickly. Alternatively, if international subcontracting were used to compensate for shortages of capacity, new working relationships would have to be built up between companies and government-owned factories which have had little reason for previous contact'.[7] The difficulty with other military vehicles is that their production represents a small fraction of the output of large national European car industries. The same is broadly true of naval shipbuilding: that is to say, it is a small part of a large industry, split in some cases between government and private yards. And dealing in an art that is constantly being modified and in which the requirements of different navies are bound to vary because of differences of environment, the economics of producing a large number of units, except in small craft, do not necessarily obtain. In aircraft production, however, it has been clearly proved that they do.[8] And the development and production of military electronic equipment, which is well suited to subcontracting, is also well suited to international co-operative ventures. Moreover, the scale of European procurement is closest to that of the American in electronics, being of the order of 75 per cent of the value of American in military electronics in 1967, as contrasted with 30 per cent in the value of military aircraft and missile procurement.

Rhodes James's study of standardization and common production in NATO is a reminder that there have been only six co-operative projects in Europe, apart from infrastructure, which were supervised by the machinery of NATO, that is by the central instrument of European-American co-operation. Three were aircraft: the G-91 light-strike fighter, built in Italy and Germany; the Breguet *Atlantique* maritime patrol aircraft, with an airframe produced in Holland, Germany and France and with British engines, but bought in the end only by France and Germany; the F-104, a large-scale programme involving production in four European countries. Three were missiles: *Hawk* (five European countries), *Bullpup* (four countries), and *Sidewinder* (eight countries). In all these the ability to disperse subcontracting through a large number of firms made a joint European production programme possible, both economically and politically, though, as Rhodes James points out, the wide geographical dispersal of subcontracting in the *Hawk* programme seriously affected its efficiency.[9]

While it is difficult to do justice to Rhodes James's careful study of common procurement, two salient points emerge for the purpose of this study. The first is the importance of a reasonably assured European market: uncertainty about this dogged the *Atlantique*, in every other way an admirably managed international project. The other, which affected the efficiency of four common production projects based on American designs, is the need to concentrate production in fairly large and contiguous units.[10]

It is true that co-operation within the framework of NATO by no means exhausts the list of joint projects that have been undertaken by the European powers, or are under negotiation at the present time. In aircraft, for instance, it includes Franco-German co-operation on the *Transall* transport, and Anglo-French co-operation on the *Jaguar* strike trainer, helicopters and, of course, the *Concord* supersonic transport. In aero-engines it embraces the Europe-wide licensing

[5] *Ibid.*, p. 31.
[6] II, Part I, pp. 7ff.
[7] *Ibid.*, p. 13.
[8] The dominance of aerospace in European co-operative projects to date is clearly brought out in *ibid.*, Table 13.
[9] III, p. 18.
[10] See *ibid.*, p. 19, for more general conclusions.

arrangements made by Rolls-Royce and what is now its component, Bristol Siddeley. And in smaller missiles there is Franco-British, Franco-German and possibly Anglo-Belgian co-operation. There is also NATO's own Air Defence Ground Environment programme (NADGE), in which France continues to participate.

But the list does not include many successful examples of European co-operation on naval systems (though there has been a certain amount of inter-European trade in these). One obvious field of European naval co-operation, on nuclear submarines, is dependent on a modification of American policy. Co-operation, other than the purchase of guns or engines, on the development of tanks in Europe has been bedevilled by an unresolved argument, between the British on the one hand and the French and Germans on the other, about the relative importance of armour and speed. But even a Franco-German attempt at a joint development has ended in an agreement to go separate ways, and it now appears that a German-American project on a main battle tank for the later 1970s is in jeopardy.

Finally there is an important consideration concerning the timing of any alteration in joint procurement or development arrangements within NATO, or within Europe, that emerges from Hunt's study. In some important weapons systems the major powers involved have recently committed themselves to national programmes whose products will not need replacement until the second half of the 1970s. For instance, France, Britain, Germany, Sweden and Switzerland are each producing their own main battle tank, which need not be obsolete before 1977 or so; in heavier anti-tank missiles, France and Germany, Britain and the United States have national weapons that will probably last as long.[11] Since it will take some eight years to develop their successors, the time for discussions of a common European programme of replacement is in the immediate future. In surface-to-air missiles the same may be true of those in the medium range; for it would only be economic for Britain to produce successors to *Thunderbird* and *Bloodhound* if there is a wider market for them, since the non-European market may not be dependable. Otherwise it might be easier for Europe to purchase or produce the American SAM-D. But on low-level ones the opportunity may have been lost for the time being, since Britain, France and Germany, the United States, Italy and Sweden each have their own under development, and the prospects of rationalization may therefore be dim for a number of years. The same may be true of ship-to-air missiles.[12]

The most important question concerns the next generation of tactical aircraft, on which the future and the size of the European aircraft industries largely depend, where costs are rising fast, and in which the narrowness of the European R&D resources base, compared with the American, is acknowledged. It is also a field in which decisions are made harder to take by unresolved arguments about NATO strategy (in which France, the second largest European aerospace power, no longer participates) or about the relative military value of light-strike aircraft, VTOL or armed helicopters. Already Western Europe appears to be dividing into two camps, the proponents of the Anglo-French *Jaguar* and the proponents of the American F-5 light-strike fighter. It also seems to a layman that as the time approaches for a decision to replace the F-104G as the basic European strike aircraft, the developing alternatives are either a co-operative European programme to develop a variable geometry aircraft, excluding France, which has now decided to develop a purely national one; or a decision to procure another generation of fixed-wing aircraft, for which no prototype exists in Britain or Germany, thus involving purchase or common European production of either the American *Phantom* or the Swedish *Viggen* under licence.

The mixture of strategic, political, technical and economic uncertainties about the next generation of light- or heavy-strike aircraft in Europe suggests that it will probably be impossible to organize a comprehensive system of aircraft procurement in Europe at one blow. In so dynamic a technology it can only be done piecemeal. The problem of timing in this, as indeed in every aspect of defence technology, emphasizes the need to look many years ahead.

[11] V, Tables 1 and 2.

[12] *Ibid.*, Table 3.

IV. THE RANGE OF ALTERNATIVES

The considerations that I listed in Sections I and II suggest that it is both a European and an American interest to develop a more organized, orderly and comprehensive system of European defence procurement. Those in the preceding section imply that it may not happen through any natural process of adjustment, quite apart from the political problems ably set out by Calmann in the first study.

There seem to be four approaches worth discussing: (1) The improvement of the present situation by pragmatic means, including the improvement in the machinery of NATO. (2) The creation of a European Technological Community, mooted in November 1966 by the British Prime Minister but never elaborated, to embrace all forms of advanced technology including their military applications.[1] (3) The creation of a

[1] In a speech at the Council of Europe on 26 September 1967, Lord Chalfont, Minister of State in the British Foreign Office, spoke of a 'European technological community', but more in the sense of a community of European interest than in the accepted European institutional sense.

European Defence Commission as a part of the EEC when Britain is a member of it, with powers of co-ordination over European defence policy as a whole, including defence procurement and logistics. And (4) the creation of a European Advanced Projects Agency, or some equivalent title, concerned only with the co-ordination of research, development and production of major systems and programmes, perhaps in the aerospace field alone. All, it will be found, involve one form or another of supranational decision-making or common funding.

But first it is important to mention certain proposals that are sometimes discussed as if they would have a significant bearing on the problem, but which on closer examination seem irrelevant to it.

The first is the suggestion put forward, for instance, by Mr Edward Heath and by Herr Franz Josef Strauss for an Anglo-French 'arrangement' on nuclear weapons as the basis of a European Defence Organization.[2] I will not elaborate here on the political difficulties of such a proposal, the problems of giving Germany and the other European powers a meaningful, integral association with Anglo-French nuclear planning without either engaging in nuclear proliferation and setting up new tensions with Eastern Europe, or setting up new tensions in Western Europe itself, let alone difficulties of command and control. The relevant point here is that it might well be counter-productive in terms of maintaining a healthy level of activity in European technology as a whole.

A European nuclear force that has any pretensions to be more than a minor form of national insurance, or to be any sort of substitute or alternative to the American nuclear guarantee, would have to be considerably larger and more sophisticated than the forces projected by Britain and France for the early 1970s, especially if the Soviet Union deploys a serious ABM defence. There is no doubt that France would benefit from collaboration with Britain on nuclear submarines, and that Britain would benefit from French work on solid-fuel missiles. But Britain would almost certainly have to relinquish her special arrangements with the United States for technological collaboration on nuclear weapons and guidance systems, since the United States could hardly permit her to become a vehicle for the transmission of highly secret technology to a country which has left the integrated NATO military organization. Moreover, France, which is at present spending over three times as much as Britain on nuclear weapons, would presumably demand a more equitable distribution of what would inevitably be a larger burden, financially and technologically, in the 1970s. But France's efforts on general defence technology already show clear signs of strain as the result of her present nuclear programmes. Britain under an Anglo-French 'nuclear arrangement' would be similarly forced to divert research and other resources from general defence technology. The upshot would be a weakening of the general technology resources of the strongest European powers in fields such as aerospace, electronics and computers, and the increasing dominance of American technology in the rest of Europe.

The belief that the co-ordination and expansion of European nuclear weapons programmes would strengthen the technology and defences of Europe springs from a mistaken assumption that since they involve complex and pioneering research, they somehow act as the forcing house of technology in general. There may well be some useful by-products of French work in solid-fuel missiles or space research from which Europe as a whole can benefit—though whether the same techniques could not be licensed more cheaply from the United States is open to question—but the general experience of the nuclear powers has been that research in the development of nuclear weapons is valuable in teaching you how to build nuclear weapons, but may not markedly add to proficiency in the development of aircraft or tanks. The benefits to the civil economy of space research, through the exacting demands on electronic systems, or of aviation, through its contribution to the development of, say, lightweight construction materials, may be considerably more important.

A second range of ideas that seems to me unprofitable are those advanced by General André Beaufre and Mr Duncan Sandys, in conjunction with otherwise sound suggestions for introducing a stronger European element into the NATO framework, namely a system of European arms cartels.[3] Apart from the undesirability of artificially protecting a range of European industries whose dynamism depends very largely on European and trans-Atlantic competition, such proposals neglect the extent to which European defence technology is interpenetrated with American, through ownership, the operation of subsidiaries and licensing arrangements. I agree with Rhodes James's comment: 'Such an event would be grievously detrimental to United States' interests and that of the Atlantic Alliance as a whole. In my view, it could even be detrimental to Europe's long-term industrial and commercial prospects'.[4] A European research and development organization, though useful in view of the often wasteful use of Europe's slender resources,

[2]For Mr Heath's views, see *Western and Eastern Europe: The Changing Relationship*, Adelphi Paper No. 33 (London: ISS, 1967). For Herr Strauss's view, see 'An Alliance of Continents', *International Affairs*, April 1965.

[3]In *NATO and Europe* (New York, 1966) General Beaufre writes: 'It would be highly desirable to get under way a European armaments trust, based on the safeguard of present quotas in the European armaments industries. It would also be extremely advantageous to establish a European organization for research and development, maintained by European financial contributions and working towards spatial, nuclear and conventional achievements that would be jointly utilizable in some future European phase'.

In November 1965 Mr Duncan Sandys, as the Rapporteur of the Defence Committee of the WEU Assembly, proposed the creation of a European Armaments Board operating with a series of European consortia, a suggestion that is basically similar to General Beaufre's proposal.

The weaknesses of the protectionist approach are examined more carefully in Calmann (I), pp. 19–20.

[4]III, p. 23.

would not of itself meet the problem of the European-American imbalance, since the survivability of Europe's technological industries depends on production orders: they do not suffer from any lack of good designs or prototypes.

Third, I have heard it suggested that Western Europe might create the framework of technological unification by undertaking a very advanced defence project, which would be of equal benefit to all its countries, for instance a European ABM system. But quite apart from questions of whether the technological resources of Europe are adequate to such a project, what its effect on American and Soviet policy would be, or whether it would be as cost-effective a way of enhancing European security as keeping American offensive power committed to the defence of the area, it would seem to me likely to have a ruinous effect on European technology. As has been mentioned earlier, part of Western Europe's problem is that its only potential adversary is a sophisticated super-power, not China, and only a dense ABM system would have a significant effect upon its survival in the event of nuclear war. The cost of developing such a system would hardly be less than for the United States, suggesting figures of the order of $20–40 billion, which, even spread over a longish period of, say, ten years, suggests either a 10–20 per cent increase in European defence expenditure or a diversion of between 30 and 60 per cent of European military procurement funds to one particular project. The effect on development of other European weapons systems in the latter and more likely case would be disastrous, quite apart from diminishing such military and political flexibility as the maintenance of a broad spectrum of conventional weapons and forces now provides.

Improving the NATO System

In international relations it is always more likely that any situation will be modified pragmatically and by piecemeal reform rather than by radical innovation. The first question to be asked, therefore, is whether the elaborate machinery which exists in NATO for the standardization and common production of weapons could not be reinvigorated. Rhodes James has explained in the third study how it is intended to operate, and where and why it has succeeded or—more often—failed. NATO as an organization is not as moribund as many politicians and writers on both sides of the Atlantic assume. On matters of high policy the successful launching of the Nuclear Planning Group, the rolling five-year defence planning review, the issue of new political guidance to the Military Committee and the work of the Harmel Committee (the special study on the future tasks of the alliance) show that the organization is still capable of adaptation and growth. In some fields the departure of France has diminished friction and increased flexibility. Similarly, reforms have been introduced into the NATO procurement system, and one of the central reasons which Rhodes James attributes to the failure of the procedure for implementing NATO Basic Military Requirements (NBMRs), why only seven out of 49 had been met at the beginning of 1967, namely ' a fundamental lack of accord on strategic doctrine ', is no longer as significant as it was in the earlier 1960s. Moreover, Britain, which was in many ways the most unco-operative of the major European powers, has learnt a bitter lesson about the folly of embarking unilaterally on projects with such a high R&D content that they can only be produced at a competitive cost if the assured market is considerably larger than the requirements of her own services. She is, therefore, readier than four years ago to make a multilateral system work.

Rhodes James points to several ways in which the disastrous attrition of the market for the Breguet *Atlantique* might now be prevented: the development of an R&D consortium whose distribution of work reflects the financial contribution of the various countries; the establishment of production orders in principle at an agreed point in the development programme, followed by confirmation at the end of the development stage; ways by which countries not in at the start could buy their way in later; and a sensible system of penalties for those who go back on their word.[5] This is sound business practice with which all firms operating in the international field are becoming increasingly familiar. In addition, he suggests certain reforms within NATO itself: the provision of central funds for design and feasibility studies, perhaps $150 million a year, 2 per cent of European or 0·05 per cent of NATO procurement expenditure; the appointment of a senior Director of Standardization in the international Secretariat; the possibility of agreement on differentiation and specialization in different countries so that a group of allies produces a ' family ' of equipment between them; and clear official standards for the placing of contracts, but thereafter leaving industrial consortia to make their own arrangements.

If the NATO system could be made to work effectively, this would have many advantages. The definition of military requirements, or an important part of it, would remain a trans-Atlantic responsibility, as the responsibility for the security of the West still is. The industrial consortia which would be encouraged to bid on projects would naturally include American as well as European firms, but at the same time the practice of doing so would encourage the development of genuinely Europe-wide companies. It would not necessarily upset all those co-operative projects that have been launched between groups of two or three countries, but it might obviate the current European trend of competition in similar weapons systems between different groups of countries.

But there are legitimate doubts whether the NATO system can in fact be revitalized sufficiently to cover a significant part of the European military procurement spectrum. In the first place, the NATO military authorities, notably SACEUR, do not command the same influence over national governments as they did when the military threat to Western Europe seemed a real one in the 1950s and early 1960s: it was General

[5] *Ibid.*, p. 13.

Norstad who got the G-91 under way as a NATO programme; it was NATO's concern about European air defence in the late 1950s that influenced the German and other European governments to succumb to the salesmanship of the Lockheed Corporation, backed by the United States Government, on the F-104. The direction of NATO policy is now more in civilian hands than in Norstad's day, which means to a certain extent in the hands of the participating governments rather than in those of the international staffs. Unless a new office of Director of Standardization (or Procurement) were created, and considerable authority concentrated in his hands, and unless it were filled by men of great powers of leadership and persuasion, I am not convinced that the inevitably difficult decisions which the progression of a project through its various stages involves could be taken with sufficient speed and certainty to prevent groups of European allies or the United States taking matters into their own hands. I fear this fundamental problem would remain even if NATO had the central funds to pioneer feasibility or design studies on its own authority.

Second, primary reliance on an international mechanism of which the United States is an integral part would require great restraint on her part. At the least it would mean tacit renunciation of the policy of aiming to sell $1·3 billion's worth of armaments to Europe annually. The difficulty of working with American officials in an international organization, especially on military or technical questions, is their tendency to overwhelm their colleagues with floods of computerized statistics, some valid, some not, and to overpower the process of intra-European argument and bargaining. If to this difficulty is added a direct official and commercial incentive to ensure that the decision goes a particular way, then the kinds of frustration that characterize the European-American relationship today are likely to be perpetuated. But a policy of deliberate self-restraint may not be as easy for the United States to operate as one which implies European competition.

Third, there is the problem of France's withdrawal from the integrated command system including the Military Committee. One can argue that to reorganize the NATO system and increase its significance will give France an added incentive to return to it when President de Gaulle has gone. NATO is not going to disappear in 1969. And the trend of all serious discussion on ways in which the European confrontation between NATO and the Warsaw Pact can be gradually modified and perhaps converted into a co-ordinated system of European security, implies the need for two alliance systems through which the two super-powers can exercise some control over European developments in order to maintain credible guarantees against war. At some point France must recognize the futility of trying to construct a purely European balance of power.

But this process may be a long one and it may be easier to accomplish if there is a European organization in the field. To depend primarily on the NATO system for achieving standardization and common procurement in Europe risks denying Western Europe the resources of its second most powerful state in terms of military technology for a number of years. This would have a particularly limiting effect in the aerospace field.

More than that it means that if the defence technology of France is not co-ordinated with that of her European neighbours, France will search—in order to offset the R&D costs of her products, the *Mirage G*, for instance—for new markets in the Middle East, Asia or Latin America, very possibly with a destabilizing effect on local balances of power. Thus, without prejudging the ability of the other allies to use the NATO machinery more effectively, it would be unwise to depend on it alone.

The Flaws in Bilateral Co-operation

Before we go on to consider various types of European organization which might lead to a more satisfactory European-American relationship in defence technology and within Europe itself, it is worth pausing a moment to ask what it is in the present organization of international co-operation—neither truly multilateral using NATO nor truly European—which is considered unsatisfactory and transitional. After all, as both the Harlow and the Hunt studies elicit, there is a great deal of international co-operation in the field of aerospace and its related systems, including hopefully the European air bus. And there is more that has not so far been mentioned, especially in communications: the new NATO relay satellite, or the revolutionary new field communications system, which has emerged from Anglo-American-Canadian collaboration, for instance.

The answer is, I think, threefold. In the first place, new developments in the field of, say, communications do not present a serious problem in international collaboration because, like airfields or pipelines or NADGE, their facilities are used in common, and therefore can be financed under the highly successful NATO infrastructure formula. But the number of projects of which this can be said is limited, as can be deduced from the fact that the infrastructure programme currently runs at about $200 million a year or 0·07 per cent of the defence procurement expenditure of the NATO powers.

Second, the weakness of purely *ad hoc* groupings of countries—what Calmann calls a 'mercantilist' approach—to work on a particular project, which has become the pattern of the past few years, is constant uncertainty about its costs and economic viability (except in the case of the United States because of her large domestic military market). It has recently been estimated by a European expert with considerable experience that a collaborative aerospace project raises the cost of research and development by as much as 20 per cent, and by as much as 50 per cent if the countries involved want different versions of the same product, but that, assuming that two collaborators are involved, 'the investment rate may amount to

between 55 and 75 per cent of that which would have had to be borne by a country working on its own '.[6]

But with increasingly effective weapons and with European defence budgets under severe scrutiny, the requirement for long production runs (except in such things as tanks or low-level missiles) is bound to decrease so that the collaboration of only two countries may be insufficient to offset rising R&D costs. If most of the NATO powers buy the F-5, then the *Jaguar* will be an expensive aeroplane to produce. If the five low-level surface missiles under development in Europe go into production, they will each be expensive and will fritter scarce European R&D resources.[7] The same will happen if the five European powers now producing tanks try to produce national successors in the 1970s. (In tanks the main cost has hitherto been production, but the R&D percentage of the total cost is steadily increasing.)

Third, there is the question of both the cost and the efficiency of military forces in Europe using many different types of equipment. The original motive for standardization in NATO, most particularly what has been called ' standardization from the bottom ' (in such things as rifles and ammunition), was military, and it will be reinforced if, as I suggested earlier, a strategy of tactical mobility in Europe is developed in NATO. But the economic aspect is becoming equally important. One of the costly aspects of European defence is the existence of national logistics chains. If there is to be any attempt to stabilize European defence expenditure without losing all ability to cope with a European crisis, there must be some rationalization of logistics. But the task of operating, say, a common logistics chain for a force that consists of German and Belgian *Leopard* tanks, British and Dutch *Chieftains*, perhaps some AMXs and a miscellany of anti-tank or low-level missiles would be formidable. The operational benefits that come from integration of command and joint training are not reflected in the costly organization that supports a field force.

This flaw extends to the highest level of national policy. If, for instance, Britain and France are drawn into closer bilateral collaboration on aircraft and missiles, while Germany, Italy and the Benelux countries are drawn into closer collaboration with the United States, then in the end the economic necessity to agree the requirements of weapons systems among technological collaborators will produce two different philosophies of European defence, except in the somewhat unlikely circumstance that they happen to coincide, converging from two processes of discussion that will have become increasingly unco-ordinated.

[6]M. Henri Ziegler, formerly Managing Director of Breguet Aviation. AICMA symposium, London, September 1967.
[7]See Hunt (V), pp. 9–10.

V. A EUROPEAN SYSTEM?

If the argumentation in the previous section is sound, namely that reliance primarily on the present NATO system for technological co-operation or common production meets only part of the problem, and that the growth of *ad hoc* arrangements carries a risk of technological, military and ultimately political fragmentation, then it is desirable to ask what kind of European institutions would ameliorate the situation. For one can now be confident that, in a field in which governments are so deeply involved, the growth of European industrial and commercial co-operation alone will not solve the problem.

There are two ways in which the problem can be viewed, though they do not lead to mutually exclusive solutions. Either one can isolate the European technological industries—aerospace, electronics, computers, precision engineering, optics and so on—for special consideration, whether their products be civil or military, because of the special problems they present (the continental coal and steel industries were separated from other basic industries in this fashion a decade and a half ago, and one technological industry—nuclear energy—a decade ago). Or one can isolate defence for special treatment because it is a governmental activity and because of its political and economic implications. If one adopts the latter approach, again there are two ways of viewing the problem: in terms of a comprehensive system for co-ordinating European defence policy as a whole, or in terms of co-ordinating only that element which involves advanced technology.

A European Technological Community

The case for adopting the first of these two approaches has been set out by Calmann in the concluding section of his paper.[1] The argument for starting with an institution with powers to co-ordinate and stimulate technology in general is that it might be less difficult to get agreement on its basic requirements and objectives than would be the case with an institution dealing with defence technology, which implies close political agreement among the participating governments. But it would still require a ' Community ' in the Brussels sense of the word: that is to say, one whose executive institutions had a fairly long-term budget and programme (Calmann suggests a five- to six-year one, to avoid the difficulties that beset both ELDO and Euratom) and gradually extended powers of intervention in European industry. He also suggests that ' it must be linked to the general economic planning institutions of the area—of

[1]I, pp. 18–23.

which only one is effective at present, the Common Market Commission. The question of British membership of EEC is therefore very important in this context '.[2]

One advantage I see in this approach—namely initial emphasis on an institution concerned with Europe's science and scientific education policy, its basic research, space, computer and other programmes—is that if its rules on contract bidding were rigorous and if it encouraged American participation in consortia, it need carry no aura of protectionism *vis-à-vis* the United States. Also, it should be possible to associate the technologically advanced but politically neutral powers, Sweden and Switzerland, with its activities. If such a Community were subordinate to the EEC Council of Ministers and subject to the scrutiny of the European Assembly, a reasonable degree of parliamentary control over its use of funds would be established, which is not the case with ELDO or many of the other *ad hoc* arrangements which are developing in Europe. The problem of security is much less of a barrier in civil than in military technology. Such a Community would accelerate the process of producing a common European patent and company law in order to foster the kind of European company of which Unilever or Shell are the precursors. And it would educate the European capital markets into supporting technological projects more liberally.

There seem to me to be two main difficulties in this approach. First, there is the obvious one that if the launching of such a Community involves prior British membership of the EEC, then it may not be possible to make progress for the next two or three years. In other words, it is dependent on French policy, towards British membership and towards the extension of the Community principle to new areas of national activity. Second, could such a Community or its Executive Institution develop sufficient authority and independence to co-ordinate the activities of highly competitive firms within some European technological industries, or reverse the trend towards national governmentally financed technological industries with tendencies towards a monopoly structure?

No clear answer can be given to these questions, but two evident advantages to the civil approach are discernible if answers can be found. First, at a time when Western Europe—and particularly Germany—is becoming increasingly preoccupied with its relations with Eastern Europe, the creation of a European Technological Community would not arouse East European susceptibilities as a measure of European co-ordination in the defence field might. Indeed it would increase the attractive power that association with Western Europe clearly has for the East European countries by reason of its general economic vitality.

Second, it need involve no structural alteration in NATO, though providing a nucleus of co-ordinated European views on technological questions within its counsels. It is also conceivable, though not certain, that, if European civil technology began to make more rapid strides and to become more competitive with American, the European countries would feel more reconciled to American domination of some advanced sectors of their armaments markets.

A European Defence Commission

The complementary approach naturally proceeds on other assumptions. First, it can be argued that American industry has displayed no marked superiority in the design or production of tanks, ships or strike aircraft, or in general defence technology other than strategic systems, though it has displayed a marked superiority in management and development. Might it not be sounder to start to organize European co-operation around a series of technologies where European and American progress is more equal, in a narrower field and where governments define the end product and command the market? Second, the apparent disarray of European defence technology springs from the fact that no attempt has been made to hammer out a common requirement for new generations of weapons: as Calmann puts it, ' having discovered an operational requirement, they [West European powers] seek a partner with a similar one '.[3] But now that Britain is relinquishing extra-European military commitments (as France has already done), which have led to quite different operational requirements from her neighbours, now that American systems are being designed with global rather than European requirements in mind, the process of finding common ground in Europe on future operational requirements may be considerably easier. But it still requires a framework in which common tactical doctrines can be evolved.

Finally, it can be, and often is, argued that while there may be no case today for a European strategic force or a European ABM system, given the uncertainties in the whole structure of the balance of power which a rapid pace of technological innovation inevitably creates, Western Europe may have to assert its strategic independence, if not in the 1970s then perhaps in the 1980s or 1990s. This implies a Europe that is not only politically unified but militarily integrated, something that would take many years to accomplish. There is therefore a case for making a start now.

These assumptions lead one to re-examine the earlier proposals for a European Defence Community which collapsed in 1954. These, it will be recalled, would have involved the integration of forces above the divisional level under the authority of an Organization headed by a Council of Ministers (one from each participating state), whose executive arm was to be a Board of nine Commissioners. The Board was to be responsible for the preparation of a common budget and procurement programme, the organization and supervision of the Community's forces and the appointment of officers to basic units, and to higher commands, with the approval of the Council of Ministers after liaison with the NATO Council. It was clearly implied in the discussions on the Treaty

[2] *Ibid.*, p. 21.

[3] *Ibid.*, p. 20.

that the Commission should have wide powers over procurement.

Much water has flowed under the bridge since 1954. For one thing, this type of international organization, which seemed revolutionary at the time, is now quite familiar in Europe, and its pitfalls have been thoroughly explored in the ECSC, in Euratom and in the EEC itself. For another, the skeleton of such a community exists in WEU, including methods of parliamentary scrutiny, though France and Britain have never given it much flesh.[4] But then France and Britain now have an incentive to make such a system work which they did not have until recently. On the other hand, the European forces have been equipped with two generations of weapons systems on a national basis since 1954, and the process of evolving a common procurement system or common tactical doctrines could by no means be started from scratch.

The steps by which a European Defence Commission might be established in the late 1960s and early 1970s are therefore different from those considered in the early 1950s. For one thing, its scope would have to be limited to exclude the British and French national nuclear programmes, regarding these as forms of purely national insurance with an uncertain future, if the kind of problems to which I adverted earlier were not to sink the project at the start. In theory the first step would be the entry of Britain and the Scandinavian NATO members into the EEC, for this is now accepted as the basis of permanent integration in Europe. If this is feasible in the near future, the second step would then be the establishment of a European Defence Commission as an instrument of the EEC Council of Ministers, with its own budget. What this would really involve is the creation of a European general staff. For years soldiers, airmen and systems analysts have argued about requirements with their American counterparts. The EDC would create the forum to argue with each other. This would need an integrated planning staff, in which to hammer out a common European doctrine on the practical requirements of European defence in the 1970s and 1980s. It would involve the Europeanization of staff colleges, a central policy evaluation group, the co-ordination of national systems analysis staffs and many other measures besides. Above all it would need a strong Commission.

The third step, which need not wait for definitive progress in the second, would be the evolution of common requirements for major weapons systems. This would be done by stages as opportunity presented itself: for instance, as I have suggested earlier, the next few years may be the right time to engage in common design and feasibility studies on a successor to the current *Chieftain*, *Leopard* and AMX-30 tanks, on a European anti-tank or medium surface-to-air missile. The time for co-operative work on new ship-to-air or low-level surface-to-air missiles might be later. The need to agree upon a European strike fighter might be an immediate preoccupation if the Commission were operating by 1968: by 1970 the opportunity might have been missed for six or seven years. There might be no virtue in trying to develop, say, a European frigate, but there might be considerable scope for a European fire control or navigation system. The method could be pragmatic. Once this had made progress—and it might take several years—the fourth step would be to embark on the creation of a common European logistics system, certainly for armies, so as to reduce the waste that is involved in operating a number of national ones.

The final objective would be the creation of something like a Western European army, navy and air force, perhaps national at the level of the brigade or the squadron, but with a European command and logistics structure above that.[5]

The standard objection to so far-reaching a proposal is that it could not be realized, not only until after Britain is a member of the EEC, but until a political Community has been created to transcend the Economic Community and to create some mechanism for the co-ordination of foreign policies. The orthodox wisdom in Europe since 1954 has been that progress on defence must follow progress on political integration. I think this view now needs some qualification. One can question it on the grounds that the whole future of the EEC itself is now seen as much in terms of its political as of its economic value, and that when France accepts Britain's application to join the Economic Community it will be a sign that both sides understand the political implications and are ready to confront them.

But there are grounds for thinking that a practical European defence organization could make considerable headway before a Political Commission, let alone any form of political union, had been agreed upon. The Defence Commission would have no operational responsibilities, at any rate in the first instance, and, if strategic weapons are not included in its responsibility, the more metaphysical aspects of defence policy need not encumber its discussions. It would certainly face some tough problems: the reconciliation of the old cross-channel argument about speed and armour in tanks, about armed helicopters versus VTOL versus light-strike fighters; and in addition there would be very tough bargaining about the finance and power of

[4]Kramish is, I think, mistaken in suggesting as one reason why such a system would be inoperable that ' much of the detailed information which is made available directly to the public and through Congressional Hearings in the United States has no counterpart in Europe. Consequently, any public dialogue within an all-European defence system is likely to be uninformed; these restraints are felt even within the close confines of national councils and parliaments, or in international bodies like the Assembly of WEU ' (IV, p. 15). Many of the Annual Reports of the Defence Committee of the WEU Assembly and also of some European national parliaments are as well informed than much of the material that is given to or emerges from Congress.

A more fundamental difficulty is that France does not have confidence in WEU, and that it was designed for a different purpose, the containment of German rearmament.

[5]If it should prove both necessary and possible to develop and deploy a European ABM system at a later stage, it could only be done under the control of an authority of this kind.

the Commission in its relations with the various European defence industries. But the initiation of these professional arguments need not necessarily wait on more fundamental agreement in Western Europe about its role in the world or its ultimate relationship to the super-powers. And since the desirability of a high degree of practical interdependence in the defence field, especially in the procurement of advanced weapons and their logistic support has now been identified, the sooner these professional arguments begin the better.

Nevertheless, there would be serious hesitations in Europe about such an initiative. It would have an effect upon NATO in terms both of organization and of attitudes. In terms of organization its effect might be beneficial in leading to more effective European-American bargaining and compromise on arguments both about policy and about weapons systems. But most European powers would wish to be clear that such a proposal commanded wide American support, even though it might somewhat prejudice the sales of American arms in Europe: otherwise they would fear its misinterpretation by American opinion as a form of European isolationism, which might create its mirror image in the American attitude to Europe.[6] The position of France in relation to NATO would have to be redefined: although her relationship with West European defence is now less significant in military terms and although in military terms alone an EDC could be created without her, it could not be organized as part of the European Community, nor could it embrace such vital technologies as aerospace without her. Germany and other countries might fear that such a move would have a retrograde effect on pan-Europeanism and relations with the East, though a European Defence Commission would not cause as much difficulty as the European deterrent, and would have the added advantage for Germany of providing a continuing international framework for the Bundeswehr. The smaller countries, Benelux and Italy, would have to decide whether a European military system, involving close relations with three much stronger powers, suited their economic, political and technological interests as much as a looser Atlantic one. And there would be difficult problems of national and commercial security to be overcome if the work of the Commission was to be conducted with the intimacy and candour which would be essential for its vitality.

But it is one logical way of proceeding at a time when the costs of defence are bearing so hard on the resources which governments are prepared to make available that the days of balanced national defence forces in Europe are inevitably numbered. And when it has become clear that unless a number of governments (not just two) can reach full agreement on a military requirement, an adequate market to justify the investment in research and development may not be forthcoming.

[6]On 10 April 1962, Mr Edward Heath, then negotiating on Britain's first application to join the EEC, spoke of the importance of developing a European point of view on defence; at that time this was welcomed by the United States Government.

A European Advanced Projects Authority

If a European Defence Commission is too ambitious a project to consider at this stage, the alternative approach remains—of developing an international system dealing specifically with the field with which this series of studies has been principally concerned, namely complex and expensive military systems involving a high R&D element. It need not be wholly confined to defence equipment and could include space and oceanography, but it would be concerned with products of which the consumers are governments. It would require some supra-national authority, in the sense of an undertaking by governments to submit their national programmes in specific fields to co-ordination by the Authority, and it would require a central budget to give it power to stimulate research, though not perhaps development or production. But it would not require the broad powers of co-ordination over many aspects of defence, in addition to those which involve technological problems, that a European Defence Commission would have to have.

Its purpose would be functional, to assure a Europe-wide market for expensive defence products by getting prior agreement on requirements, by spreading the cost of research, and by organizing development and production wherever the most effective facilities exist. It would not be as ambitious an objective nor require as much delegation of national authority as a European Defence Commission, and it would not need quite as strong a political framework. It could, for instance, be created before the negotiations on British entry to the EEC are completed: it could in fact be started tomorrow and get to work immediately on the kind of problems I have described above as the third step in the creation of a European Defence Commission. It could follow the established European pattern of a board or commission composed of individuals working under the authority of a Council of Ministers, presumably Ministers of Defence or Technology from the Seven. It would require a highly expert permanent staff, but not necessarily a fully fledged general staff. Its procedure and function could in part be very similar to those of the Military Agency for Standardization in NATO but on a West European scale.

If such an authority could be created, I think it would become an interest of the larger WEU governments to use it. Though multilateral discussions on requirements may be more difficult than bilateral ones or those within one government, and while the organization of genuinely international bidding for a contract may be more complex than a quiet bilateral deal between two semi-monopolistic national industries, events of recent years in this field suggest that it is largely by making the customer part of the decision-making process that European projects can survive in the face of strong American competition.

If such an authority had sufficient resources to initiate its own feasibility and design studies in response to the agreed requirements of the member states, the subsequent stages could be handed over

largely to European industry, using the kind of sensible safeguards about national undertakings on production orders and finance outlined by Rhodes James in the light of NATO'S experience with the *Atlantique*.[7] The careful reader of this series may note a dichotomy between Calmann's view that consortium techniques will not necessarily produce a fair or efficient answer in Europe, with the consequence that an international authority must have strong powers of supervision, and Rhodes James's view that industrial arrangements are best left to industry.[8] I think that on questions of production Rhodes James is right. And there is less danger of such a European agency being accused of protectionism or depriving Europe of the benefits of American technology if production arrangements are left to industry, simply because a European consortium on an advanced project would be certain to include the participation or subcontracting of American firms or their European subsidiaries. But on problems of research and development, especially the latter, a European Advance Projects Authority would represent little advance on present arrangements unless the authority had power to encourage specialization and ' centres of excellence ' by the award of its contracts. Moreover, such an authority would need strong powers to adjudicate the multiple choices which technology presents, and to maintain the rigorous priorities in development which the relative narrowness of the European R&D base will make necessary for some time to come.

The guiding principle of such an authority would have to be efficient fulfilment of a requirement on which it has obtained agreement, not equity, still less the protection of national industries. Half the European defence projects have been grossly mismanaged both by industry and by governments, and it would be fatal to transfer these inefficiencies to an international body. If every participating country insists on having, say, a final assembly line (as was the case with the F-104G) or if production becomes too geographically dispersed in Europe (as happened with *Hawk*), then the speed with which a project can move from research to the final user will compare unfavourably with production of a similar system in the United States, and European co-operation would break down. Perhaps the residual power of the participating countries to opt out and ' buy American ' might be its surest guarantee of efficiency.

The projection of such an authority carries fewer difficult implications than an EDC, though it might lead to it. It would have little or no effect on relations with Eastern Europe. Its scope could be limited initially to the fields in which co-operation is easiest, aerospace and electronics. It need not be anti-American in its operation, and might indeed leave the United States a certain market, in weapons systems with which the authority was not concerned, to help finance her European commitments. It might make joint European-American projects easier to organize. But it would carry a clear implication for the participating European countries themselves: if the efficient satisfaction of a widened market is its criterion, then the countries taking part cannot expect full protection of their national technological industries, and must be prepared for the consequences—increased mobility of resources and risk-taking—of intensified intra-European competition. Here the analogy between Europe as a whole and the United States is relevant: for all the intense political pressures that local interests can generate in Congress, it has become accepted that when Boeing wins a contract, Lockheed or North American lose it, though their Senators may denounce the Pentagon at the top of their lungs. The WEU powers would have to accept that, in the technological field at least, the requirements of an expanded market imply the need to regard Western Europe as one country.

[7] III, p. 13.
[8] Cf. Calmann (I), p. 19, and Rhodes James (III), p. 19.

CONCLUSION

This series of studies contains many omissions and suspended judgments. If it achieves no other purpose, it has at least illustrated the complexity of the material and the difficulties—political, financial or industrial—which attend any alteration in the present system of defence procurement. Perhaps the barriers of European national interests are too high to surmount, especially for France; in that case let us hear no more talk of ' industrial helotry ', ' American hegemony ' or the ' technological gap '. But I have included a sketch of alternative kinds of organization in my own contribution, primarily in order to suggest different avenues for further exploration and research. Each of them presents its difficulties, and there is no ideal and easy solution either for Western Europe or for the West as a whole. But the fact that there are alternatives worth discussing suggests that this is a moment of good fortune, not of misfortune, for Western Europe. It is our hope that this series has made a modest contribution towards formulating the agenda of such discussion.

Two things, however, are certain: first, whichever of these methods is adopted—and there may be many permutations and combinations of the basic alternatives I have sketched—it will profoundly affect not only technological vitality but also political confidence and military planning within the Atlantic world. Second, the real gap that has developed between the United States and Europe is not in technology as such but in technological management. The surest way to minimize this European–American friction is to narrow this disparity in the management of human decisions and resources.