DITCHLEY FOUNDATION

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"ISSUES FOR DÉTENTE IN THE SHORT TERM"

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"ISSUES FOR DETENTE IN THE SHORT TERM"
Ditchley Foundation, Enstone (GB), 5-8/VII/1974

(1) Ditchley Foundation: "Issues for Detente in the short term"
(2) Ditchley Foundation: "Report of Study Group C"
(3) Hartman, Arthur: "Detente is 'process' not 'alliance'"

DITCHLEY FOUNDATION RECORD

Study on the Meaning and Effect of Détente

Report of First Conference

July 5-8 1974

THE DITCHLEY FOUNDATIONS

STUDY ON THE MEANING AND EFFECT OF DÉTENTE

FIRST CONFERENCE: JULY 5-8, 1974

ISSUES FOR DÉTENTE IN THE SHORT TERM

STUDY ON THE MEANING AND EFFECT OF DÉTENTE

July 1974 to June 1975

TERMS OF REFERENCE

The meaning and effect of "détente" negotiations (e.g. SALT II, MBFR, CSCE, Trade and Monetary) between the Soviet Union and other Warsaw Pact countries on the one hand and the United States, Western European countries and Japan on the other, both as regards the countries directly involved in these negotiations and also as regards other countries with a major influence on world affairs which may affect or be affected by them, will be examined at Ditchley in a series of four conferences between July 1974 and June 1975. The main emphasis of this examination will be upon the Western European Powers and their future relations with the United States, and how these may affect the balance of security between the Western and Communist Powers.

A book based on the study will be written.

The terms of reference for the first conference are given below.

Conference I: July 5-8 1974

Issues for "détente" in the short term (to the end of 1976)

To consider, in relation to

a) the Soviet Union

b) the United States

c) other major countries directly affected by or involved in negotiations (particularly the EEC countries; non-Soviet Warsaw Pact countries; Japan)

1. factors influencing participating Governments in their pursuit of "détente", including the impact of popular notions and pressures;

2. the immediate consequences for participating countries of progress (or the reverse) in military negotiations;

3. the immediate consequences for participating countries of progress (or the reverse) in trade and monetary negotiations;

4. the effect on Government policies of matters not currently being negotiated (e.g. naval strength, East-West social exchanges etc.);

5. the short-term effect of "détente" negotiations on international relations between the countries concerned.

PROGRAMME AND AGENDA

Friday July 5, 1974

SESSION I: The historical background to "détente".

SESSION II: The present state of progress in "détente" negotiations (e.g. SALT II, MBFR, CSCE, Trade and Monetary) and prospects for the next twelve months.

Saturday July 6, 1974

SESSION III: The likely or possible consequences arising from these negotiations for the Governments and people of the United States, Western European countries and Japan as regards their attitudes to defence and their relations with each other and with the Soviet Union and other Warsaw Pact countries until the end of 1976.

GROUP MEETINGS with the following terms of reference:

To consider further the likely or possible consequences until the end of 1976 arising from the present and prospective early future state of progress in "détente" negotiations as regards

Group A — Attitudes to defence

Group B — Political, economic and social relations with each other

Group C — Political, economic and social relations with the Soviet Union and other Warsaw Pact countries

of the Governments and people of the United States, Western European countries and Japan.

Sunday July 7, 1974

SESSION IV: Oral presentation and discussion of Group A's report.

SESSION V: Oral presentation and discussion of Group B's report.

SESSION VI: Oral presentation and discussion of Group C's report.

SESSION I: The Historical Background to "Détente".

The opening speaker recalled that during the Second World War the Russians, as allies of America and Britain, had been forgiven many transgressions. After 1945, however, Soviet hostility had been indicated by their rejection of the Baruch Plan, the continued maintenance of large armed forces, and their pressure on Greece, Turkey and elsewhere. The revisionist historians of the Cold War, though ingenious, were wrong: the Cold War had been caused by Soviet pressure, to which the Truman Doctrine and the Marshall Plan had been merely a response - picking up the pieces from America's catastrophic demobilisation in 1945. Soviet hostility had persisted in the 1950's, with the Russians' reluctance to evacuate Austria, their lack of co-operation over the Antarctica Treaty, and so on. During the Kennedy period, the continuation of this hostility had been shown by Soviet attitudes in Vietnam and Berlin, and their build-up of missile and naval forces. Presidents Kennedy and Johnson had realised that it was 'too late in history and too damn dangerous' for the nuclear-armed super-powers to continue this high degree of enmity. Hence the negotiation of the test ban treaty, the consular agreement, the NPT, the space treaties, the East-West trade bill, and the increase in tourist exchanges. The Nixon Administration had continued this policy with the Berlin agreement, SALT, etc. It should be noted that all arms control agreements reached hitherto were verifiable: if the Russians cheated on weapons agreements, aerial photography could check, and if the Russians did not pay their bills, their credit would drop. The limitations of détente were demonstrated by the absence so far of any non-verifiable agreements, i.e. agreements based on trust.

The speaker argued that the central question now was whether the policy of détente could survive the current degree of Western disunity, without worsening it. The West European allies had taken the initiative both on East-West trade and on the recognition of Communist China, with the United States following after some delay (and on the East-West trade issue, after a period of isolation in COCOM): such differences in timing clearly illustrated the disunity of the West.

Current signs of change, it was argued, included internal liberalisation both in economics and the arts in the USSR, but at the same time the Soviet armed forces were still being increased. This situation faced the Western democracies with a challenge to proceed in a sophisticated manner, probing the possibilities with their wits about them and with no illusions.

The West was engaging in unilateral disarmament: one half of the American military budget was now absorbed by man-power costs, indicating an essentially defensive policy. The unilateral repeal of the Cold War by the West alone was not enough: what was needed was real change on both sides.

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Western governments must go forward with détente, but take great care and in particular keep their peoples informed of the continuing dangers, in order not to arouse false expectations.

The question was raised by a member of the conference as to whether the reports of a big difference between the State Department and the Defense Department on East-West relations were correct, or whether there was an agreed United States line. In reply, the conference was warned to beware of exaggerating rumours of conflicts, since the American position was now essentially an agreed one. For instance, although the development of MIRV might have been prevented if the issue had been resolved in 1968, it appeared extremely difficult to arrest the development now, and this was only one indication of a consensus on the basic issues in Washington. A dissenting view was, however, expressed that on SALT in general and MIRV specifically, a division existed between those wanting a comprehensive agreement and those prepared to settle for something less: the latter speaker argued that MIRV (being 'time-urgent') should be separated from other SALT issues, while the former argued that the overall problem of equivalence was so important as to make a comprehensive approach vital. (It was also suggested that certain differences between the executive and legislative branches in Washington were unprecedentedly wide, going much beyond the well-publicised divergences of view between Senator Jackson and Secretary Kissinger.)

The discussion turned to Soviet objectives, and it was argued that the Russians still tended to lean on points of weakness in the West and to try to fill power vacuums. Their policy in the Yom Kippur War had been a calculated test of American will: a breach of the United States-Soviet agreement on the prevention of war even before the ink was dry. After SALT I, Dr. Kissinger had told Congress that the United States had five years to develop a comprehensive SALT agreement: the Russians had immediately proceeded to ruin the basis for this SALT II by testing MIRVs - for motives similar to those which had inspired Soviet threats in the Middle East in 1967 and in 1973.

It was also suggested that the evolution of economic relations between the two blocs formed a central ingredient of détente. Only after 1960 had the Russians become keen on obtaining trade and technology from the West. From 1966 onwards, when most-favoured-nation treatment for Russia had been discussed in the United States, the Russians had been prepared to run up a debt in their trade with the United States. This period had ended in 1973, with the Russian policy of charging a high price for oil exports - the Netherlands, for instance, having been charged three times the previous price. The Russians, it was argued, could now pay cash for imports, including technology, and therefore had no need of trade credits from EXIM or elsewhere. Soviet gold reserves and their value had also risen, further transforming the balance of the relationship between East and West.

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One participant, recalling that Eisenhower's détente attempts in the 1950s had been abortive partly because the Germans were not yet ready to accept the division of their country, and that the same attitude had been revealed by German suspicions of the Rusk-Gromyko talks in 1962 and 1963, asked for elucidation of the significance of these talks. He was told in reply that one of their main themes had been peace in Laos: on this the Kennedy Administration had made substantial concessions, accepting a head of government nominated by the Communists and also the country's neutralisation. The talks had also covered disarmament, as had parallel talks between Britain and the USSR. The period from Autumn 1961 to Spring 1962 had in fact been more critical in 'talking some of the fever out of the Berlin situation': the successful resolution of the Cuban missile crisis by the United States had also helped to prevent the Berlin issue from becoming hotter in 1962/3, and had instead cooled it down.

Looking towards the future, it was remarked that détente had been described as a twenty-year process, but that we faced this period with great divergences between Western views. Some regarded détente as a process which was irreversible because it was due to powerful objective factors, such as the size of the major units in the international system and their degree of interdependence, while an alternative assessment was that the process should be seen as a less automatic one: on this view, it was merely the search for a modus vivendi between two rival powers whose basic hostility would continue (like that between Britain and France in the 18th and 19th centuries), so that détente amounted to no more than the establishemnt of a degree of control over some aspects of their competition. In arms control so far, only verifiable agreements had been concluded, which suggested that the second and more modest view of détente was correct. It was argued that the fact that nuclear powers could not afford to push their hostility to extremes meant they had a minimum common interest in preventing war: did they, however, have other common interests - e.g. do they want to co-operate positively in controlling crises? (Soviet behaviour in the 1973 Middle East crisis, it was suggested, indicated a very limited willingness to go so far.) In contrast to this pessimistic view of the limitations of détente, it was argued that the super-powers had common interests in limiting the arms race, in diverting resources to civilian purposes, and in developing trade in such a way that it was genuinely mutual, and not one-sided. Both sides had a further common interest in cultural co-operation, e.g. the loan of paintings from the Hermitage to the United States.

The question was raised whether the Soviet bureaucracy was monolithic in its approach to détente, or whether an issue like the SALT negotiations aroused divergences within the system. The response was advanced that the degree of divergence inside the USSR was not clear, and that the West should try to exploit it because the Soviets would always come together in the last resort. For instance, in 1968

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President Johnson had been invited to Russia at the moment when the invasion of Czechoslovakia was being prepared and the untimate line was a hard one. It was also pointed out, however, that there were clear instances of divided views in Soviet policy: for instance, the fact that Gromyko and Gretchko, by about 1970, were talking in a different language to Nasser, after years of unanimity. This probably signified the rising influence of the Soviet army after its successful invasion of Czechoslovakia.

As well as divisions within Russia, the conference was reminded of the profound differences between East and West. The West wanted to preserve the status quo, but the Russians wanted dynamic change, including probably an extension of their domination over China and Western Europe. Sometimes the Russians would accept stability, but only for tactical purposes; the current economic difficulties in the West greatly increased our interest in stability of a genuine and lasting kind.

On the specific matter of arms control, it was argued, the Western position had evolved since the 1950s. In the 1950s and 1960s, the West insisted that only verifiable agreements were acceptable: for example, NPT, the Seabed Treaty, and the Moscow agreement of June 1974. Should the West, however, still insist on signing only verifiable agreements as the 1970s went on? It was asserted in reply that we should so insist to the maximum: an unverifiable agreement on MIRV would be insecure, and agreements on underground testing would also be uncertain, because of their unverifiable nature in the case of the testing of smaller bombs. In any event, the American Senate in its current mood would refuse to give a two-thirds majority vote to an unverified agreement.

More generally, the view was advanced that the Western democracies, being humanistic, tended to assume that détente meant co-operation and was thus morally and practically positive. Western governments were also subject - unlike Eastern ones - to the pressure of public opinion insisting that they should 'be reasonable' - i.e. make concessions. The Soviet definition of convergence appeared to be that the West should move unilaterally towards the East.

The argument was propounded by a European participant (although queried by an American) that United States officials tended to paint the international picture blacker than it really was, in order to ensure Congressional support for military spending: this problem, he argued, was not so acute in Europe, since European nations had long been accustomed to living on terms of armed hostility with each other.

It was argued that even though the picture of a global common interest of East and West in trade might be illusory, there were a series of specific common interests between the United States and Western Europe, between the USSR and Eastern Europe, and perhaps between Eastern and Western

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Europe. It was thus important to see détente not only as a series of bilateral relationships, whether between the United States and the USSR, France and the USSR, or more generally, but also as a multilateral process involving diplomatic occasions such as the CSCE and organisations such as the UN Economic Commission for Europe.

SESSION II: The present state of progress in détente negotiations and prospects for the next twelve months.

In the opening speaker's view, the underlying reasons for the pursuit of détente were that the West was ready psychologically, that the military balance had reached a specific stage where new decisions were needed, and that the West, although under no illusions, was convinced of the need for controlling the arms race. SALT I had checked the arms race to some degree: the MBFR talks, though making slow progress, were no slower than many people had expected, and were likely to produce a second-stage agreement (bilateral US-Soviet to start with, then multilateral); and CSCE, though again proceeding slowly, would do no harm if the West did not expect too much. On the economic side, the American credit of $1.4 billion to the the USSR had contributed to a doubling of United States trade with the Soviet Union between 1971 and 1973. Considerable problems, however, still remained:

- China was still an uncertain factor;
- United States-Soviet trade, though the recent summit foresaw its expansion, could run into difficulties because of Congressional objections to most-favoured-nation treatment without a Soviet quid pro quo on emigration;
- The SALT talks might go ahead - the summit reaffirmed the need for qualitative as well as quantitative limitations - but a serious obstacle to a MIRV agreement was that Soviet 'throw-weight' superiority obliged the United States to be ready to MIRV a larger number of missiles, to which the Soviet Union was unlikely to agree;
- The MBFR talks appeared deadlocked because the Eastern side demanded cuts by all parties in the first stage (especially by West Germany, thus hamstringing collective West European defence efforts), while the West wanted the first stage limited to bilateral cuts of stationed forces only; talks on how to overcome the current East-West asymmetries would probably produce only small reductions, and might generate additional conflicts in the process;

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- The CSCE was in an uncertain state, and even though the Moscow summit hinted at a high-level conclusion for the Conference, this was only desirable if the USSR yielded on the issue of free movement.

The optimists, according to the speaker, justified détente policies by stressing the incremental value of agreements reached on specific functional points, for example joint industrial ventures. They argued that Brezhnev had a vested interest in détente and that in any case the West had no choice but to go forward. The sceptics, he said, would respond that the Russians behaved as if peaceful coexistence was identical with the old Cold War, build up their armed forces, and supply weapons to the Arabs, rejecting the American proposal of a ban on arms deliveries to the Middle East. The sceptics would also argue that to multiply the bonds between nations does not remove conflicts; the internal nature of the Soviet Union made it incapable of sincerely pursuing détente, and détente in turn would not change this internal nature. These doubts were reflected in the reluctance with which the United States agreed to go into the CSCE, since this operation appeared unlikely to have much effect, in view of Soviet recalcitrance on the question of East-West contacts.

The next speaker observed that all East-West negotiations had slowed down during 1974. CSCE and MBFR revealed that the two sides had quite different interests and objectives. In SALT, there had been the common aim of restricting ABM systems (now limited to one each side); the limitation of offensive systems so far achieved, however, could not be effective beyond 1985. SALT I had permitted a numerical advantage for the Soviet Union in exchange for the qualitative advantage of the United States, but now the Russian MIRV development (qualitative) was proceeding with unexpected speed, so that the West needed to catch up in numerical terms, which the Russians rejected. The Russians also insisted on including forward-based systems, including the British and French deterrents. There was little prospect of agreement on MIRV until Soviet tests were further advanced, but if both sides developed large numbers of MIRVs in the next three years, would the search for agreement be worthwhile?

On MBFR, the West concentrated on the regional balance, the Russians on the global one, arguing that the West had five million men, and Russia only 4.5 million. The Western view was that the subject under negotiation was ground forces in Europe, since these represented the effective threat (as experienced by Czechoslovakia). The Western view was that reductions should start with Soviet and American forces. The Russians responded that the forces of all countries should be reduced (especially that of West Germany), and that nuclear systems should be included (this was related to their FBS argument in SALT). It might be possible to reach an agreement

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to start Stage I (super-power) reductions, agreeing simultaneously when Stage II would start. The Soviet line in CSCE, in the view of this participant, was very hard; Soviet ideas on 'confidence-building measures' were derisory compared with Western requirements, and Soviet proposals on Basket 3 were useless. How should the West react? When the United States Assistant Secretary of State for European Affairs said the United States wished only to influence the external behaviour of the Soviet Union, did this indicate a soft line on CSCE as a whole? Would the oil crisis, creating massive inflation in the West and the unbalanced accumulation of money in Arab hands, distort the basis of East-West détente? Competitive deflation by Western countries was no answer: the Chancellor of the Exchequer, fortunately, had indicated that this policy was not desired by HMG (it would create considerable unemployment). As a link between economic and politico-military problems, this participant regarded it as possible that the Russians would probe Western points of weakness, perhaps inciting the Arabs to use the oil weapon and also using their own gold surpluses. The next twelve months in East-West relations threatened to be rough.

The view was then advanced that the prospects for SALT itself looked depressing, if the super-powers were still obsessed by the 'numbers game' of trading throw-weight for numbers of missiles. There was a risk of the arms race taking on a new dimension, since SALT I, far from limiting it, had encouraged it. (For instance, although the ABM agreement had in fact simply shown that ABMs were of doubtful utility, this lesson had apparently not been learnt.) The MIRVing of ICBMs had already begun, and both ABM systems and MARVs would certainly come too. The Russians would not agree if the Western position was limited to an obsessive preoccupation with MIRVs. Was this American view, a British participant asked, linked with the United States shift back towards a counterforce strategy? Why otherwise would the United States want the immense number of MIRVs they were likely to accumulate by about 1980? The indications were that the two super-powers were trying to preserve their pre-eminence, and were unconcerned with the problem of proliferation.

An American participant responded that the concept of 'essential equivalence' was indeed ambiguous: how could one measure the respective advantages of the two sides, for example what weight should be assigned to United States bomber strength? The psychological aspect of arms-control revolved around the question of how power was perceived, as the Secretary of Defense was fond of observing, and the Russians had always had a good sense of the psychological advantages of power. As for the military aspects, while no one in Washington was saying 'MIRVs are good for you', the question had to be asked whether a MIRV-filled world would in fact be unstable. Would a counter-city capacity (mutual) be the best deterrent, or would it not be better to add the options of a counter-force capacity too?

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In terms of the East-West balance generally, the view was put forward that the Russians were now in a better position than they might have expected. They had got a de facto peace treaty without the disadvantages of a formal one, thanks to Ostpolitik and the West's détente policy in general. Their concern at the politico-military potential of the enlarged European Community (in which Britain's membership had come as a surprise to them) had no doubt been dispelled by the Community's recent troubles. The Russians still wanted to absorb Western Europe into a pan-European enterprise of their own, and the balance of political forces in the Kremlin, since the entry into the Politburo in 1973 of the head of the KGB and of Marshal Gretchko, favoured this expansionist policy. The Soviet military, dragged reluctantly to the fountain of arms control by their political masters, might or might not accept real limits on their strategic capacity. The Russians had long lived with an untrammelled American first strike capacity which the United States had not used and would not use, so they might remain calm even if the United States increased that lead. On the other hand, if the Russians chose to increase their own military capacity, a full-scale arms-race would be resumed.

In the economic and trade fields, it was argued, Russian acceptance of the capitalist techniques needed for higher growth (Basket 2 of the CSCE) could be more de-stabilising to the Soviet system than the contents of Basket 3. The Russians, faced with great economic difficulties, might by now regret having encouraged the Arabs to use the oil weapon.

As far as MBFR was concerned, it was still hard to say whether the Russians wanted to talk seriously. Did they really want to get the Americans out of Europe, or to find a serious basis for removing East-West asymmetries? The United States, it was argued, had joined in CSCE as the price for getting MBFR, but the present negotiating time-table did not oblige the Russians to concede anything at all. As for the general proposition that détente would tie the Soviet Union to the West in a web of interdependent vested interests, this might work at the super-power level, but had nothing to offer to the Soviet Union's smaller partners, since their relationships were unequal. Even at the super-power level, interdependence was asymmetrical: the Russians got technological know-how and industrial plant here and now, leaving the United States only with an interest in getting paid for them, which might induce a softening in American foreign policy.

A more optimistic judgement was expressed by a participant who asserted that SALT II, despite all its problems, was certainly capable of producing further agreements (including one on MIRVs), of a verifiable and reliable kind. SALT I had been designed to gain time for a better agreement to supplement it, and the qualitative superiority of the United States would survive even a considerable Russian MIRV

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development. Optional targeting, universally desired by American defence planners, was possible even with the forces now available.

The issue of perception was again raised by a question whether the Russians really saw American forces as being designed for the strictly defensive aims for which they were declared to exist: the question was not answered.

The importance of détente in American domestic politics - Congress and the MBFR - was emphasised, but attention was also drawn to the serious dangers of new developments in defence technology. If MIRVs proliferated, defence planners on both sides would transfer their nuclear forces out to sea, so that a period like the first post-Sputnik phase would follow, with each side ignorant of the other's capabilities and thus planning for the worst. The conviction by one side that it possessed a disarming first strike capacity, it was argued, could be highly de-stabilising. To this it was replied that a first strike capacity, as the Secretary of Defense had stated on January 10, was not necessarily related to counter-force strategy. A credible deterrent, it was argued, required both counter-force and counter-city elements.

The session concluded with a reminder that the critical issue remained that of Russian objectives, which the Soviet government still appeared to define as aggressively as ever.

SESSION III: The Likely or possible consequences arising from negotiations until the end of 1976.

The first speaker observed that the fundamental feature in détente was the strategy of the two super-powers. Kissinger wanted a more stable international system, with a reduced risk of nuclear war, and concentrated his diplomacy (economic as well as political) on the Soviet Union. The Soviet side, becoming stronger all the time through the consolidation of its territorial influence and its increased recent access to Western technology, was developing its ambition to be the first military power in the world. In this situation, there was a common interest in détente, but the risk of confrontation remained: Western Europe and Japan should watch carefully for the consequences. The 'condominium thesis', shorn of its theological aspects, would argue that the American search for security led to a 'special relationship' between the United States and the Soviet Union, which would reduce the autonomy of Western Europe and Japan. These allies were bound into a series of bilateral United States/Soviet agreements (SALT, etc.) on which they were not consulted. The CSCE also became an object of bargaining in the super-power relationship, as also did MBFR, where the American readiness to drop the 'B' appeared to confirm that Western Europe was right to worry. According to this view of détente, the United States would want the Europeans

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to contribute to stability by doing what they were told: in sum, the Americans would want NATO to be more like the Warsaw Pact.

In fact, the speaker argued, the 'condominium thesis' was too bipolar, and it over-emphasised the East-West confrontation at the expense of the North-South, which in fact had become more serious in the last year. Kissinger's own pentapolar model of the world was also too simple in leaving out the raw-material producers. The United States-Soviet relationship was not everything, and to argue that it was would result in the 'Finlandisation' of Western Europe. If Western Europe accepted the need to talk more regularly with the United States about European contact with the East, it could get the United States to take more account of European interests in the United States-Soviet dialogue, instead of leaving Western Europe as a passive object of policy.

It was then asked whether the West had any alternative policy to détente. If the pessimists were right and nothing could be done with the Russians, then we could return to the comfort of Cold War attitudes. It was right to say that the Russians wanted to become the world power, and they were still totalitarian and stubborn: but the West was inflexible too, or seemed so to the Russians. Why were Western naval experts so surprised that the Russians wanted 'all that navy', when the Russians must ask why the United States wanted 10,000 MIRVs?

There were, it was suggested, certain new pressures at work: the German question had been 'solved', and some workable agreements had been achieved. (Shulman's Foreign Affairs article of Autumn 1973 summarised the prospects very well.) The conference was urged to keep exploring East-West possibilities as well as North-South problems, and to take note of a younger generation which saw the Cold War either as historically incomprehensible or as synonymous with Vietnam, and in any case as evidence that the 'foreign policy machine' in the United States was evil.

The next generation in America would have to learn again that dealing with the Russians was difficult: they would not take it on trust, and the learning process would be slow. America's allies also argued for attempting to negotiate with the Russians, and therefore expected the United States to try too. We had to be clear that détente would not mean a warm entente, and make sure the American people were aware that limitations of détente were clearly visible, for example in the Soviet cancellation of television programmes. Senator Jackson, it was affirmed, was doing a good and necessary job.

An American participant commented that the 'condominium thesis' corresponded to reality in some ways - in strategy, the world was indeed bipolar - but that the condominium was

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apparent rather than real. Again, although the United States and the Soviet Union had certain common interests, it should not be forgotten that there were important differences between the various states of Western Europe. MBFR was in a sense a political operation, in which West Germany's position was crucial. The Soviet Union, having obtained West Germany's acceptance of the Eastern frontiers through the Ostpolitik, was now seeking to limit her military strength too through MBFR. The West had accepted that Western force levels should be discussed in the East-West context of MBFR, instead of a West-West forum such as NATO but, despite all the dangers, the West had maintained its cohesion, and could get results. If CSCE went sour and SALT reached deadlock, the Russians might use MBFR to keep the East-West balloon floating (since it gave them less trouble than SALT, as the decisions were smaller), so the West should be prepared to exploit the operation for its own purposes.

A European participant agreed that détente should be something not only for the super-powers but also for Western Europe, whereas at the moment Europe was participating less in the process than at the time of Brandt's Ostpolitik and the first contacts between the Soviet Union and EEC. In the whole process of East-West bargaining, concerning the relations between SALT and MBFR, American influence had risen and European influence had fallen. Unless Western Europe ceased to abdicate its responsibilities, it would never be strong enough to talk independently to the Russians, and would thus be obliged to do so through the United States.

The danger that Western governments would be carried away by euphoria was discounted by a participant who maintained that although public opinion might expect quick results, governments know better. During the protracted process of détente, Western security must be defended by a combination of nuclear and conventional weapons and economic stability - which might require a cut in military spending in order to allow an effective defence against Russian use of economic instruments. The failure to run an effective Western monetary system, and the disruptive flows of money to the OPEC countries, were seen as opening the way for considerable Soviet pressure on the West. Fortunately, it was argued, the new American Congressional budgeting system, by forcing Congressmen to assign priorities clearly, was a step towards a more effective Western response.

Emphasis was then placed on the internal structure of the Soviet Union, and the factors militating against real détente: the conference was reminded that the Soviet Union, with a population of 200,000,000 people, was in effect run by the Communist party with a membership of a mere 10,000,000 to 15,000,000 and that the continuity of the ruling elite was shown by Gromyko's 25-year tenure of the post of Foreign Minister. Again, the Soviet government enjoyed considerable freedom of manoeuvre by not trying, as the United States did,

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to lead an alliance based on partnership. Furthermore, the ideological factor in Soviet foreign policy was still a powerful one: the Russians still believed in helping the world historical process along by promoting wars of national liberation and other conflicts. The moral of this, and of the entire history of East-West relations for the last twenty years, was not that the West should not negotiate, but that it should do so from a position of strength.

A European participant drew attention to the changed socio-economic pattern of the world, and insisted that world politics should not be viewed only as a military confrontation. As far as Western Europe was concerned, too much emphasis should not be placed on the European Community as such, since a 'Community of Europe', consisting of the growing habit of intimate co-operation between the states of Western Europe, might be a more important phenomenon than the integrated EEC as such. One of the weaknesses in the Western position was that détente policy was pursued in a defensive spirit, partly because the West's main organisation, NATO, was designed for defensive purposes. Why could the West not proceed more actively in demonstrating to the Russians that we really believed in the superiority of our system? Why could we not move dynamically in, for instance, extending the area of currency convertibility, drawing the Socialist countries into the Western commercial system, and generally exploring the possibilities of détente (as at the CSCE) in an active spirit? (In response to this, another participant queried the effective existence of any Western commercial system.) A further illustration of the defensive spirit of Western governments was their obsession with problems of European-American relations: the emphasis should rather be on European and American governments getting together to deal jointly with world problems. Although it was sometimes argued by proponents of détente that the integration of Western Europe could have the dangerous effect of inciting the Russians to consolidate their own bloc more tightly, this speaker argued that the danger was not serious, and that the attempt at West European integration should be pursued. He underlined, however, that Western organisations - whether NATO or EEC - should not be given a monopoly of our attention: there was a strong case for some organisations of a pan-European nature, reflecting a more subtle approach to the structure of international relations, both political and economic, in Europe and the World.

An American participant argued that if Western Europe failed to get itself organised to speak effectively at the table of international dialogue, the United States would not get there either: a great effort was needed to keep American opinion interested in world affairs, and it was necessary for Europe to set an example.

The discussion then turned to the role of Japan in détente diplomacy, and the argument was expressed that Japan's main concern was with the American tactical deployment in the Asian theatre. One of the aspects of détente which might be of concern to Japan was that the United States, strengthened by its success in achieving détente with the Soviet Union, might be less co-operative in dealing with world energy problems. Japanese public opinion was deeply inclined towards civilian concerns, so that if it was true that the United States was following Europe in becoming more civilian-minded, it might be argued that Europe in turn was following Japan. The economic aspects of détente diplomacy - the part played by oil and other mineral reserves - were more important than the military dimensions.

One participant questioned the proposition that the West had been overcome by a 'euphoria' about détente. He saw little evidence of this mood either in Europe or the United States, particularly as American-Soviet détente had so far only occurred as a conceptual break-through, not a reality. The Russians appeared to want détente, the West needed it, and the important task was for the two sides to discuss how they could collectively manage the necessary changes in the world, rather than to maintain the privileges they enjoyed as super-powers. The West could no longer expect to maintain its privileged position vis-à-vis the Arabs, for instance, and one lesson of recent Middle East events was that genuine co-operation between the super-powers in crisis-management and the management of change was essential.

The concluding part of the session reverted to the question of whether détente at the super-power level had necessarily to carry with it the condominium of the super-powers over Europe. The opening speaker emphasised that condominium should not be seen as a deterministic consequence of détente, but merely as a possible one.

SESSION IV: Presentation and discussion of Group A's report (copy attached)

The Chairman of Group A began by observing that the group had limited its discussions to changes which were actually likely to occur before the end of 1976: e.g., since the effects of a new SALT agreement were likely to be felt only after that date, the group had not considered them. CSCE had been excluded from their discussions for a different reason, namely that it was not essentially concerned with security.

The rapporteur of Group A then presented the report, drawing attention to the following points:

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I. The concept of 'Pirandellian power' described the way in which 'what you see depends on where you are looking from', so that, for instance, the psychological effects on State A of State B's development of nuclear warheads would also be influenced by what State B was simultaneously doing about submarines.

II. In discussing SALT II, the consensus of the group had been that a MIRV agreement might be possible: the United States, having already developed its MIRV capacity, might now agree on limiting the deployment of MARVs, as part of an agreement which was essentially asymmetrical. New developments in submarine technology, and also in super-accurate weapons and MARVs, would in any case be likely to go ahead. The significance of the FBS issue was essentially symbolic, since the removal of a few thousand American missiles in itself would not critically affect the strategic balance. The answer to the question of what would happen if SALT II failed would depend on the context: if the general context were bad, arms budgets would be increased, but if the general East-West context were good, then the other components of the détente 'dance' could still go on. There was a case for continuing SALT even if no concrete agreement came in sight, so as to avoid the contamination of other areas of détente. The interim agreement would in any case expire in two years, and the penetrating capacity of offensive weapons would increase: this increase in itself, however, might have the bad effect of reducing the taboos on the use of these weapons.

III. The local effects of proliferation could be de-stabilising, because new national nuclear capacities would be 'soft' and invite pre-emptive attacks. A slow-down in proliferation was therefore desirable, and it was to be hoped that SALT would have made enough progress by 1975 to have a good influence on the outcome of the NPT review conference. The explosion of an Indian bomb has shown the inadequacy of NPT as a deterrent to proliferation - Iran and others might follow - so it was now incumbent on the super-powers to find means of making the cost of further development by India unacceptably high.

IV. On MBFR, the group's view was that it cost little to the Soviet Union to continue the talks, since few internal interests were affected. MBFR could usefully take up the 'slack' in détente diplomacy if the other negotiations failed. The central Soviet motives in MBFR were clearly to inhibit West German and West European defence efforts, as well as to redeploy some Soviet forces towards China. It was surprising that the Russians had not leapt on the MBFR bandwagon with more alacrity, but the reasons for this might include their reluctance to get American forces out of Europe, since this might lead to the establishment of an autonomous

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West European force to replace them. As for the acceptable outcomes from MBFR, it was clear that some degree of progress would be desirable vis à vis Congress.

V. In considering the reform of NATO, the group had considered one possible way of getting defence on the cheap: this was the form of redeployment proposed by Stephen Canby, which already appeared to have been implemented by some European armies, and could also be applied by the United States. Kenneth Hunt's ideas on the redeployment of forces in Germany were also relevant. European defence co-operation, more generally, appeared unlikely, and the probability of the Mansfield Amendment passing, if there were no MBFR agreement, was about 50-50. Even if the amendment were adopted, there was a chance of persuading Senator Mansfield to limit the numbers of troops withdrawn. If there were an economic recession, it would affect the whole of the Western alliance, and render European replacement of withdrawn American forces unlikely. As far as American forces in Asia were concerned, a withdrawal of naval forces would have a more damaging effect than the withdrawal of land forces.

VI. The question of who is preponderant was a hard one to answer: a true bipolarity had now replaced the former American preponderance, and the question was what would come after the United States had accepted the transition from superiority to 'sufficiency'. If the West became gravely inferior, détente might become a euphimism for an adjustment to Soviet predominance. The psychological effect of equivalence in ICBMs could be judged as either not affecting the Western position (since Western submarines gave an assured destruction capability), or on the other hand as indeed affecting Western bargaining strength, because of the psychological implications. Western willpower indeed depended to some extent on consciousness of an approximate parity. The importance of the Soviet navy, as a factor for the West to consider, was much greater now than in the 1960s, especially in Asia, and the West might have to accept that it was perfectly natural for the Soviet Union to be a real naval power (as before 1904) as well as a land power.

VII. The issue of alliance maintenance during détente negotiations was affected by the spillover from Watergate, which was likely to include a weakening of the American stance, e.g. on arms control. Since the prospects for West European co-operation were limited, a de facto United States-German relationship might evolve, although even this relationship might be damaged by an economic recession.

The rapporteur concluded by underlining that alliance maintenance and détente diplomacy should go hand-in-hand.

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The first comment on the report was that whereas the Russians probably did want to use MBFR to get the United States out of Europe, it was more likely that the Chinese would like American troops to stay in Asia.

On the détente relationship more generally, the view was reaffirmed that the Russians merely used détente as a new means to the old goals. The United States should not, and in the last resort surely would not, allow the Soviets to gain strategic superiority: Senator Mansfield and others might condemn arms spending, but the Administration would resist, and the Russians should realise that they should accept genuine parity, as the attempt to achieve superiority would involve them in a ruinous diversion of economic resources.

Another speaker suggested that an American withdrawal from Europe would have such enormous political consequences that the military ones would be overshadowed: if American forces were withdrawn, European governments would wish to increase their arms budgets to a point that would dramatically polarise public opinion, notably perhaps in Denmark and the Netherlands.

There was some discussion of the links between a possible economic recession and the desirable size of national arms budgets. If recession threatened, asked one participant, why could not arms budgets be increased? Would we face a situation like that of the 1930s, or not? Not all the participants, however, accepted that the threat of recession was a serious one in any case.

The discussion reverted to the question of whether the Russians really wanted to keep American forces in Europe or not. The Russians might be tempted, it was argued, to calculate that large American withdrawals would totally demoralise West Germany, and lead her to turn, as in the past, to the East for security. A cut of 10 per cent in the force-levels of the super-powers might be acceptable, but Western Europe should resist the temptation to jump on this bandwagon. If an economic recession, combined with public allergy to arms spending, led to serious conventional cuts, we would be taking the retrograde step of reverting to the trip-wire concept.

A European participant observed that the effects of an American withdrawal on Western Europe would depend on the context: if withdrawals occurred in a general context of continued détente, Europeans would probably copy the American example and reduce their own forces. If, however, the context was a less secure one, Europeans would try to replace United States forces whether they could readily afford it or not. Another European participant remarked that the size of the American withdrawals would clearly be important too: whereas any withdrawals would be unsettling, and there would certainly be some reductions, small ones would be much less disturbing than large ones. A great deal depended also

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on the degree of tact with which the alliance managed the withdrawals: even large reductions, if well-managed, might be acceptable, whereas ill-managed small ones could be very bad. The same speaker argued strongly against the inclusion of FBSs in SALT, since this inclusion, together with MBFR, could start a landslide of Europe's defence capacity as a whole.

The likelihood of a West German turn towards the East, even as a response to large American withdrawals, was queried by some participants, but the opinion was reaffirmed that if the United States substantially withdrew from Europe, the Germans would find Britain and France inadequate as partners, and might well turn East. One speaker argued that the Russians were unlikely to try to tempt West Germany over to their side, since this would gravely imperil the GDR (and hence their own security), but it was pointed out that the Russians might make a more limited move, consisting of small unilateral cuts in their own forces in the GDR, which would be sufficient to stimulate 'Mansfieldism', and thus contribute to the disintegration of Western Europe.

A British speaker painted a sombre picture of American withdrawal stimulating the creation of an Anglo-French nuclear force, which would demoralise Germany, especially if it occurred in the generally unstable environment provoked by the development of MIRVs and MARVs. The recent MIRV development appeared to symbolise a return to a counter-force strategy, which ould be very dangerous, especially if the ABM agreement remained intact and a further breakthrough in anti-submarine warfare occurred. It was all the more depressing, he argued, that the development of MARVs appeared inevitable, and that the United States might be in a position not only to complete the MIRVing of all its Minutemen and Poseidons, but also to insist that any Russian move to balance this would be met by MARVing on the American side. Could not the United States abstain from using the new technology now potentially available?

It was argued that these developments were not in fact inevitable, although it was difficult to hold Western scientists back from working, for example of MARVs, especially as Soviet scientists for their part were going ahead. A certain threshold, in the MIRVing of Minutemen and Poseidons, had already been passed. This somewhat optimistic view was counted by the argument that the bipolar confrontation itself might indeed have been somewhat stabilised, but the implications of the new technology from the point of view of proliferation were still very alarming.

The view was expressed that although MARVs would certainly be researched, they would not automatically be deployed (like MIRVs, they were indeed de-stabilising) but that the deployment of super-accurate weapons did appear to be inevitable. It was pointed out that any agreement on MARVs, unlike an agreement of MIRVs, was technologically impossible

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to verify, since each MARV was terminally guided; a political decision to stop MARVs, however, could still be taken, as the decision on MIRV had been.

The interaction between politics and strategy was underlined by a participant who observed that Western force reductions would render a forward defence strategy impossible, and this might be the kind of consideration which would impel West Germany towards neutralism, thus precipitating an unravelling of the whole alliance.

The chairman of Group A concluded the session by referring to a number of points not covered in the discussion: the spectre of proliferation which would haunt us in the late 1970s; developments in areas of the world outside the central balance; and some of the implications of the increase in missile accuracy which we must certainly expect. It was hard to agree with the argument that economic or other transactions between the United States and the Soviet Union would displace arms control issues as the central subject-matter of détente diplomacy, although certain broader issues - for instance the Law of the Sea conference or the management of regional disputes - might become important subjects for joint United States-Soviet action. Meanwhile, unilateral reductions in defensive capacity by one or another member of the Western alliance might, if others emulated them, lead to a serious danger of the alliance falling apart: one of the sources of danger was that the apparently endless refinement of weapons-technology completely alienated all citizens under the age of 30 from the whole concept of deterrence.

SESSION V: Oral presentation and discussion of Group B's report (copy attached)

The chairman of Group B reported that the group's discussions had dealt both with the implications of the changing East-West relationship and with those of specific East-West negotiations. Both had proved to be relevant to the state of relations between the allies, since not all of the latter were involved in all of the negotiations, but might nonetheless be affected by their progrees.

The rapporteur of the group further explained that most of the group's discussions had centred on the impact of East-West developments on the relations between Western Europe and the United States. He summarised the group's main conclusions as follows:

I. One of the central difficulties in European-American relations was that too few people on both sides understood the other's policy positions or even the governmental systems which produced them. The group also considered that not every European American problem required formal intergovernmental consultation, and that

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greater contact between private citizens on both sides could do a good deal.

II. On political affairs, it had been suggested that the United States should improve its inter-allied consultation, and should not persist in pressing its own national concerns under the general heading of 'détente'. More fundamentally, however, the easing of East-West tensions appeared to have brought some old West-West divergences back to light, and underlined the need for a re-examination of common Western interests.

III. It was clear that many of the economic troubles of the Western world were in no way due to détente, but if the development of East-West relations caused strains in the alliance, this naturally had the effect of making the arguments on economic issues more acrimonious. Trade policy towards the East, it was clear, required a more co-ordinated Western approach, e.g. agreement on a code of conduct for economic relations with the East. The same might be true of monetary policies, where there were apparent prospects for East-West co-operation. As for investment, it appreaed likely that United States-Canadian and United States-West European relations could be improved by a relaxation of the restrictions imposed by American companies on investments by their subsidiaries in Eastern Europe. Western economic co-operation more generally, for instance the promotion of West European integration, appeared to be an essential basis for better East-West relations. Energy policy, in particular, could be a promising field for intra-Western and then for East-West co-operation (perhaps in the fields of reaearch and development and the voluntary restriction of consumption, along the lines which should have worked in 1973).

IV. In the field of social affairs - defined as 'everything else' - there was certainly scope for improved co-operation between East and West, and the potentially large impact of détente was confirmed by the example of events in Egypt. A consolidation of relations between Western countries, in conclusion, was thought to have a greater potential effect on the process of East-West détente than the likely effect of the latter on the former.

A recurring theme in the discussion was that Western governments had to take account of the pressure of a younger generation totally uninterested in international power squabbles, which should force governments to behave more sensibly.

An American participant reverted to the issue of allied consultation, observing that one impediment to full and frank consultation in NATO was that everything said in that forum appeared to reach the adversary. If NATO had been used as a consultative forum in the Cuban crisis of 1962, for instance,

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the information reaching Khrushchev through that source might have tempted him to make an enormous mistake. A further difficulty in allied consultation was that all governments kept producing words and formulae which were sometimes too hard and sometimes too soft to appeal to one's allies: such phrases as 'agonising reappraisal' or 'Year of Europe' were regrettable. The main need was to identify the real issues - trade, money, investment, energy - and get on with finding solutions.

A British participant commented that a number of hard issues had arisen during 1973 of a nature which inevitably caused friction between the United States and Western Europe during that year: on the one hand the Europeans had been clumsy, on the other hand, certain difficulties had arisen in the field of political objectives. Rather surprisingly, economics had not been a source of major United States-European friction: in the Gatt talks, for instance, the general European posture, as evolved by the EEC Commission, had been very good, and had formed an excellent basis for European-United States co-operation. It was on the political side that consultation had failed: for instance, Dr. Kissinger had not effectively consulted the allies at the time of his April speech proclaiming the 'Year of Europe'. One antidote to the disruptive slogans uttered by politicians was to delegate the work of political consultation to senior officials, both on the American and European side, along the lines adopted in the 'Davignon' meetings of political directors. Such consultation on the Middle East, for instance, might have helped to mitigate the Atlantic crisis of Autumn 1973.

Another participant observed that the European allies had in fact tried to consult the United States on the Middle East situation in the course of 1973, but had been rebuffed. It then appeared that Dr. Kissinger had become extremely cross with the European allies during the October 1973 crisis because NATO could not be ordered around like the Warsaw Pact. Many of the problems of the Western world were self-inflicted, and by no means all of them were due to Soviet machinations. In general, the United States and Western Europe appeared to be on better terms in 1974 than in 1973: the Americans had rebuffed a number of Soviet attempts to establish a Soviet-American condominium (e.g. through CSCE, MBFR, and some economic transactions), and the Europeans for their part now saw that a 'European identity' must not necessarily be anti-American.

In criticising the 'all or nothing' approach to détente, another speaker underlined the possibilities of a fruitful division of labour between the United States and the European allies: not all members of the Western alliance had to have identical objectives or to carry out the same tasks in détente diplomacy. On the other hand, the United States should not be tempted to think that the European interest in Basket 3 of the CSCE, particularly the issue of free movement, was irrelevant or unrealistic: free movement, unlike MIRVs and MARVs, might not

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be quantifiable, but success on this issue would make a vital contribution to changing Soviet attitudes. The United States and the Europeans should be more relaxed about each other's policies on détente.

Another speaker warned the conference against being too sure that the problems of the past had been overcome: far too often, destructive old attitudes could surface again and create new conflicts. Another striking factor in West-West relations was that the allies tended over a period of time to change sides on certain issues in a 'diabolical square-dance': for instance, whereas in the late 1940s the United States was pressing Western Europe to get integrated, the British were rejecting the idea and the French approving it, by the 1960s Britain was keen, France negative, and the United States was being asked to keep quiet on the issue.

There was some discussion of the significance of 'inter-dependence' as an aspect of détente: if one side had more options than the other on a given issue, then what occurred was not interdependence but a one-sided dependence. For instance, if an East European country found itself able to play off one Western country against another, the East would win, and this raised the question of whether Western countries could work out effective anti-competition rules between themselves.

It was then suggested that the prospects for economic co-operation with the Soviet bloc were in any case strictly limited. The West could get little but energy resources out of the East, and the Soviet Union, although wanting to buy industrial plant, was very resistant to the importation of Western management and manpower: if a Western firm wanted to put in a plant managed by Westerners, the Russian response was totally negative. The experience of IBM in Yugoslavia had been similar: the maintenance men responsible for computers in Yugoslavia had to work from Vienna. Despite these limitations on the economic prospects - the conference was reminded that the Soviet Union got only 2 per cent of its machinery from abroad - it would still be desirable for the West European countries to work out common lines of policy governing, for instance, the grant of credits to Eastern customers. It was argued that a common commercial practice for West European countries could also include, for instance, joint assessments of the credit-worthiness of potential partners.

The discussion reverted to the difficulties of alliance consultation in general, and it was pointed out that one difficulty lay in the varying degrees of commitment of the respective allies to different areas of the world. In the Middle East, for instance, Europe and the United States had different interests, and in other parts of the world too, American interests were very limited. The Munro Doctrine had been in effect repealed a couple of years ago, and in Africa, American relationships were limited to five or six states only. The problem in the Middle East - a special case -

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was that the United States needed to use European bases for a policy different from that of the Europeans. There was also, it was suggested, a practical difficulty in organising consultation with the United States, since it was hard to identify who the 'political director' in the State Department actually was. This suggested that the West European allies of the United States might have an interest in reforming the procedures by which American foreign policy was made.

It was argued that officials within national bureaucracies could work profitably with one another provided there was mutual confidence between their political leaders. The Anglo-American 'special relationship', it was stated, had been based on intimate consultation between officials at every level, and even the joint elaboration of documents as these worked their way up to the top level. There was in any case a close agreement on the facts of the situation, so that one source of misunderstandings was removed. Why could the European Community as a whole not pick up the habit of consultation with the United States, as the British had practised it?

The discussion reverted to the Middle East, and it was suggested that it might have been better for the United States to deal unilaterally with the Middle East crisis of 1973 and subsequent events, without trying to involve NATO at all. It was suggested that one important difference between European and American interests in the Middle East was that for the United States, the Middle East formed part of the global confrontation with the Soviet Union, whereas Western Europe had a more myopic view. This was in striking contrast, for instance, with the identity of views between Western allies on the Berlin issue in the early 1960s, which had led to consultation of the closest kind both in Washington and in Bonn.

The session concluded with a reminder that the young people of the Western world expected and assumed détente, and that one pre-condition for its effective pursuit was that United States-European relations should be marked by less mutual belittling and less bedevilling.

SESSION VI: Oral discussion and presentation of Group C's report (copy attached)

The session began with a clarification of one point in the report. In the final paragraph on p.2, the sentence beginning 'One consequence ...' should read: 'One consequence was that the Russians could now sell their gold at prices which would enable them to cover all their recent annual imports of machinery from the West. Although a third of their imports of machinery came from the West, imports represented only 2 per cent of their total machinery requirements.'

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The rapporteur, noting that the group had tried to foresee and to portray 'the spirit of December 1976', reported the group's view that East-West negotiations would by then have brought to light a great variety of different but overlapping interests on the part of the states concerned. The prospects for trade with the Soviet Union, for instance, were not very good, since the Russians had no great need of trade and were reluctant to expose their society to Western contacts, whereas in Eastern Europe, although the commercial prospects were better, the process was likely to be interrupted by an occasional crackdown by the authorities. The group had also considered the effects of détente on Japan, and concluded that the prospect was one of a greater freedom of manoeuvre for Japanese policy.

Each one of the three current series of East-West nogotiations, in the group's view, showed a certain degree of overlap in the interests of East and West: for instance, in MBFR, both the West Germans and the Russians wanted West German forces reduced - albeit for quite different reasons. More generally, both East and West had strong political reasons for making détente irreversible. One of the practical problems, however, was that the timing of strategic and political negotiations was a difficult matter to get right, so that commercial and financial dealings promised in effect to be the most active areas. Fortunately, the group had concluded, both East and West thought time was on their side: if either side got into a hurry, we might be in serious trouble.

The rapporteur alluded to two large issues which the group had not fully discussed, either of which might disrupt the détente process: firstly, the problem of managing crises arising outside the European theatre; and secondly the issue of human rights.

One member of the conference expressed the view that 'the spirit of December 1976' might resemble that of December 1956, when the first year of a five-year plan had created internal strains in the Soviet Union which had affected its relations with the West. In the first year of any five-year plan, the demand for capital equipment was at a maximum, and this might increase Russian interest in economic dealings with the West - even though her own economic position was greatly strengthened by the fact that she could charge her Eastern European customers unprecedentedly high prices for oil, whereas they in turn could not put up the prices of their exports of machinery to her. (As an indication of the improvement of Russia's terms of trade, her exports of oil to the Netherlands in 1972 had been at the price of ƒ17 per tonne, but this had risen by 1974 to ƒ47.)

A further factor which enhanced the power of the Soviet Union vis-à-vis her East European partners was the demographic one: the Soviet Union would experience no shortage of military recruits until 1980, whereas the demographic position of the East European states was much less favourable.

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The discussion then turned to the impact of détente on Japan. The view was expressed that the Japanese really wanted to be consulted by their American allies only in cases where action was expected from them: in the Middle East war, or in SALT, for instance, they did not want to be consulted - although they would like to be briefed. Japanese in positions of responsibility, it was argued, had difficulty in adjusting to the rapid changes in the style of decision-making in Washington: what would happen, for instance, when the highly personal style of Dr. Kissinger was replaced by that of a possible successor? The interest even of highly-placed Japanese in questions of foreign relations, it was argued, was essentially limited to trade. The public was not interested in strategic matters, and generally regarded the American nuclear umbrella as unreliable - particularly in view of the current efforts of the two super-powers to ensure that nuclear weapons are not used. The Japanese, it was postulated, had also been struck by the fashion in which the United States now appeared to be pushing the West Europeans around, and this evidence of America's concern with her own interests helped to impel the Japanese towards neutralism and apathy. This situation - in which the United States-Japanese treaty might come to resemble a family bible in a non-church-going family, was further aggravated by American insensitivity on the issue of natural resources: the Japanese felt cut out and discriminated against by current efforts to regulate the exploitation of natural resources - including, for instance, whales. The attempt to improve Japan's trade relations with China was no answer, because of the strong Chinese insistence on self-sufficiency and the administrative difficulties for Japan of dealing with the state trading system of China (or, for that matter, of Russia). Trade with the Third World, again, was no solution because Third World countries could not afford advanced Japanese products, and both the United States and Europe were now resistant to buying them too. Japan was thus concentrating on the search for markets in Africa and Latin America: there was some symbolism in the fact that Kanaka was flying over the United States on his next foreign trip, his destinations being Latin America and Canada (with Australia to follow).

The discussion reverted to the degree of commercial interest which the United States might have in developing Soviet energy resources, and it was strongly argued that the best policy for the United States was to concentrate on self-sufficiency in energy, in order to leave adequate resources for others. The difficulty of dealing with the Soviet bureaucracy on large-scale projects was again stressed: several large undertakings, including one in the Bering Sea, were unlikely to be decided for the next two years or so. The Japanese, who were keenly interested in energy from this source, had been forced to put up with considerable changes in the projected nature and size of the undertaking from the Soviet side.

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It was then suggested that the impending shortages of a wide variety of raw materials were likely to exacerbate international tensions and conflicts, but a more optimistic view was propounded, that East-West détente should give the major states less incentive to compete for raw materials and to keep them out of the hands of the 'other side'.

A European participant contended that the United States, although it condemned bilateral deals concluded by European and Middle Eastern states, had in fact carried out an enormous deal of its own with Saudi Arabia. Even though the Americans claimed to be acting here for the West as a whole, it was clear that they wanted to keep Saudi Arabia within their own preserve, and it was hard to see that the Franco-Iranian deal was any worse. Traditionally all trading deals had been bilateral, and it was only realistic to expect them to be this way in future. All international trade, again, was henceforth likely to include an element of barter because of the shortage of money: this system could work well, but it was important that Western countries refrained from attacking and criticising each other. It was stressed that all Western countries were operating in a seller's market for oil: for instance, when the French government had signed an agreement with Saudi Arabia in July 1973 for a 20-year supply of oil at 93 per cent of the posted price, this price had been $2, but by November the price had risen to $11. It was, however, argued that not all members of OPEC would automatically drive such hard bargains, and that the example set by producers of oil would not automatically be followed by sellers of other raw materials.

It was also argued that the construction of a new world monetary system was an essential task for the Western countries, which should not be forgotten, despite the pressing importance of such new tasks as modifying the Western way of life so as to restrict our consumption of oil, paper (especially printed) and other limited resources.

The question was then asked whether we could not expect considerable potitical changes in Eastern Europe over the next few years, and whether Russian motives in demanding a new SALT agreement by 1977 might be related to their expectations of change in the Soviet bloc. Attention was drawn to the increasing repressiveness of East European governments, now allowing less freedom than a few years ago. Not only the Russians, but even the Yugoslavs appeared to have gone several years back in reaction against liberalisation. In Hungary, for instance, a whole school of sociologists had recently been disbanded, and the reformers in the political leadership had been demoted. These were probably preventive strikes against Basket 3, which underlined that although Western governments had a strong interest in contacts, the Eastern response to this, and to CSCE in general, might be a repressive one. It might appear from Washington - in the view of a European participant - that détente was a static policy for the West, and a

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dynamic one only for the East; for Western Europe, however, détente not only was but must continue to be an active policy. The CSCE might be an effective means of promoting desirable changes in Eastern Europe, despite all the difficulties.

The session - and the conference - concluded with the observation that whatever might be said against détente, it was at least more desirable than some of the alternatives.

THE DITCHLEY FOUNDATIONS

STUDY ON THE MEANING AND EFFECT

OF DETENTE

FIRST CONFERENCE: July 5-8 1974

ISSUES FOR DETENTE IN THE SHORT TERM

REPORT OF GROUP A

Attitudes to Defense 1974-76

I. Military Reality and Pirandellian Power
   - A. The political importance of psychological effects.
   - B. Ambiguities of perceptions.

II. SALT II
   - A. Is a MIRV agreement possible?
   - B. How important is a MIRV agreement?
   - C. Problems of Forward Based Systems.
   - D. Cold Dinner: What if SALT II fails?
   - E. U.S. Strategic Policy if SALT fails.
     1. What is failure?
     2. Expiration of the interim agreement.
     3. MARV and super-accurate weapons.

III. Nuclear Proliferation.
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THE DITCHLEY FOUNDATIONS

STUDY ON THE MEANING AND EFFECT OF DÉTENTE

FIRST CONFERENCE: July 5-8 1974

ISSUES FOR DÉTENTE IN THE SHORT TERM

REPORT OF GROUP B

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III. ECONOMIC AFFAIRS
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   2. Trade policies
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THE DITCHLEY FOUNDATIONS

STUDY ON THE MEANING AND EFFECT

OF DETENTE

FIRST CONFERENCE: July 5 - 8 1974

REPORT OF GROUP C

We achieved a high degree of consensus. Our first consensus was that the subject was too complicated to deal with systematically and we therefore concentrated on the points which most interested us. Thus we did not consider the threats to Detente which could arise both within Eastern Europe and from situations in the Third World. Nor did we consider the other side of the coin; the common interests between East and West in dealing with various situations in the Third World. We had no Japanese representative and we dealt rather sketchily with the effects on Japan.

Our second consensus was that we would consider not only the effects of Detente on East/West relations up to the end of 1976, but also we would try to identify areas of common interest and points of particular opposition.

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We believed that SALT would have a rather small effect on East/West relations. It was likely that MIRVs would escape from the stable, which would increase risks, but on the other hand continuance of the negotiations would be helpful to general East/West relations. We thought there was likely to be a fairly significant new agreement towards the end of 1976. We reached this conclusion because we thought there was a significant overlapping of interests in addition to the dominant consideration on either side of reducing risks of nuclear confrontation. The interests on the Western side were to try to put some control on MIRVs, and President Nixon's need to achieve a new success in this field for domestic considerations. On the Soviet side there would be a strong interest in achieving a new agreement before the existing interim agreement expired in May 1977. Moreover, the end of 1976 was likely to be a crucial period for Soviet decision making. It was the end of the first year of a new five-year plan and the experience of 1956 & 1971 suggested that it would lead to considerable tension in the Soviet leadership and the need to demonstrate success.

MBFR

Again we saw little practical effect on East/West relations. We thought that a non-spectacular first stage agreement would probably be reached in 1975 together with a firm commitment to achieve a second stage agreement which might concievably achieve some result in 1976. We thought these agreements would not alter East/West relationships and that even if they did lead to a little euphoria in the West, this would not be serious. We did not think there

were any important economic considerations involved in MBFR, and we noted it as a weak area of common interest. Again the ... interests were quite different on the Western and on the Eastern side but they did produce some area of overlap. On the Western side MBFR would continue to be needed to combat Mansfieldism. There was a need in Germany and other European countries for troop reductions. On the Eastern side, the Eastern Europeans also wanted troop reduction and the Russians wanted some means of leverage over the size of the Bundeswehr and against the development of a European defence organisation. The Russians would also acquiesce in some movement in MBFR in order to keep Detente going and show that it produced results.

CSCE

We expected there would be an agreement at a summit meeting. This might lead here and there to euphoria, but again it would not be serious. We did not think Basket 2 was important because it largely covered things that were happening already. We thought Basket 3 would lead to some agreed language but no real change in the USSR. Indeed we saw no real social effects coming out of CSCE. Nevertheless we thought agreement on Basket 3 was important because it would establish this subject on the international agenda: the Russians would be under examination on it during the next 2 years: the younger generation were particularly interested in it and the Russian lack of performance would open their eyes to the reality of the Soviet system. There might be a marginal effect in the West as a result of Western tourists in Eastern Europe feeling that things were not so bad there. On the other hand, the CSCE agreements would provide 'hooks' which the Eastern Europeans might later latch on to and exploit in order slightly to enlarge their freedom. We saw a small area of convergence of interest in that both East and West would want to avoid annoying the neutrals.

TRADE AND MONETARY MATTERS

We concluded that develcpments in this field were more likely to produce results affecting the character of East/West relations and developments in Eastern Europe than any of the so-called Detente negotiations. We thought the process had already begun and that it resulted from the general climate which made Detente possible.

We considered first the effects on the Soviet Union. We considered the position against the background of the new politico-economic situation which had arisen since the oil crisis. We concluded that this did not necessarily threaten Detente, but we thought it would involve significant rethinking in the East as well as in the West. One consequence was that Russia could now sell their commodities of gold and oil at prices which would enable them to cover all their imports of machinery from the West, and we noted that a third of their imports of machinery came from the West. The Russians had enjoyed an improvement in the terms of trade of 23% over the past year. Nevertheless we thought that the Russians would wish to made significant expansions in their

economy for a variety of reasons including earning foreign exchange and doing something to satisfy consumer demand. If they were to do this they would, despite their much strengthened international economic position, have to secure Western credits. When considering how to raise new money, the Russians might well refuse to co-operate in new international monetary arrangements and instead set up a new Eastern monetary system. If this were expanded into the Third World and attracted major Arab deposits of convertible currency, it would pose serious difficulties for the West.

Nevertheless, we thought that the Russians would proceed cautiously. On the one hand the situation they faced was complicated and required re-calculating. On the other, some of the leadership would fear that the increasing links with the outside world would tend to undermine Party control.

They would be right in considering that the new social-economic climate held dangers for them. Yet at the same time the new economic possibilities coincide with Brezhnev's interest in underpinning Detente. This would be forwarded by the need for the US to recover payments over a long period of years and by the Russians need not to break off their contacts with Western technology.

When we moved from the Soviet Union to Eastern Europe we felt we were moving into the area where Detente might make the biggest impact in our time frame even though we considered that the effects would not be large by the end of 1976.

We immediately ran into a paradox which was adopted by concencus. We judged that the impact of movement in the economic, financial and social spheres provided the biggest point of difference between the USSR and Eastern Europe. At the same time we concluded that the East Europeans would get little or nothing tangible out of detente by the end of 1976. Yet we considered that in various non-tangible ways they would acquire a marginally greater freedom of manoeuvre. In particular, the processes of detente would be likely to keep alive hope for the future.

We considered the prospects under two headings without presuming to say precisely what the timing might be. First we considered the economic effects.

Here we thought that the Fast Europeans would be obliged to depend increasingly on imports of equipment and technology from the West and of oil from the Middle East. The scale of their requirements would be big relative to the East but small in Western terms. We considered that in the short term there would be considerable capital infusion into Eastern Europe. We believed that already there had been possibly a quantum jump in the

interest of East European countries in developing trade relations with the West. They needed this greatly increased level of exchange for economic reasons and many people in Eastern Europe liked it for the by-product of extra freedom. We were more dubious about Western interest in these exchanges. We thought some Western industrialists would be chary because they could not in some Eastern countries have equity participation. But this was not a basic difficulty. In the immediate future Western businessmen would try to skim the cream off the Eastern European market. Thereafter they might be more cautious.

We contrasted this situation with Western trade wtih the USSR. We saw little development here. Because of the economic difficulties in the West the Soviet market for large scale projects presented considerable problems. It was doubtful whether US and to some extent European businessmen would find adequate profits there. This in turn suggested that the Soviet Union would be hard put to get all the Western technology and assistance they wanted.

Next we considered the social effects. Again we saw some distinction between these in Eastern Europe and the Soviet Union. In the latter case we thought that in so far as they got Western assistance it would have an appreciable but limited effect on their attitudes. We drew attention to the problems which would arise from accepting Western methods of management, from heeding market forces and from making the provisions necessary for Western and especially American technicians and managers to operate in the USSR.

But on the whole we thought that Western behaviour would have a still bigger impact in Eastern Europe. They would be drawn into a series of undertakings stretching beyond the Comecon framework. We thought this would be the least provocative and the most rewarding way of keeping open channels of communication between Eastern and Western Europe. We saw particular evidence for this in two directions. First, we noted the tentative approaches by Comecon to the EEC. The Russians had been obliged to accept the existence of the latter and provided the West avoided giving them opportunities to consolidate their dominance of Comecon, this could help the East European peoples. Secondly, we noted that although the East European regimes cracked down on some East/West business and cultural connections, they were nevertheless probably unaware of the full extent of these relationships with the West and unable to control them all, e.g. increased listening to English language broadcasts,

We turned briefly to the position of Japan in the detente process and concluded that while the so-called detente negotiations had little specific effect, the Japanese position was nevertheless affected by the general climate of detente. It gave Japan a licence to follow a more

national policy but the opportunities were severely constricted by their need to extract from the Soviet Union a Peace Treaty and the return of the Islands and also by Soviet-Chinese hostility. The latter in practice left Japan rather little room for manoeuvre.

When we had reached this point in our discussion, we came to two conclusions. The first was that although detente was not irreversible, it was deeply rooted. It would have a gradual, slow effect in expanding relationships between East and West. While this would begin to produce changes in the East, it would have no effect except tactically at the policy making level up to 1977.

Our second conclusion was that our Rapporteur would not be able to convey the full flavour and extent of our interesting and detailed discussion.

THE DITCHLEY FOUNDATIONS

STUDY ON THE MEANING AND EFFECT OF DÉTENTE

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Mr. John A. Thomson, CMG.	- Assistant Under-Secretary of State, Foreign and Commonwealth Office; Minister and Deputy Permanent Representative to North Atlantic Council (1972-73).

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Herr Andreas Kohlschutter	- Senior Staff Member, "Die Zeit", Hamburg.
Dr. Cesare Merlini	- Il Direttore, Istituto Affari Internazionali, Rome.

JAPAN

Professor Makoto Momoi	- Director, International Security Studies, The National Defense College, Tokyo.

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The Hon. Seymour Weiss	- Director, Bureau of Politico-Military Affairs, Department of State; United States Ambassador-designate to The Bahamas.

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Friday July 5

Mr. J.E.H. Collins, MBE, DSC.	- Chairman, Morgan Grenfell & Co. Ltd.

Sunday July 7

The Rt. Hon. Sir Alec Douglas-Home, KT., PC., MP.	- Opposition spokesman on Foreign and Commonwealth Affairs; Former Prime Minister (1963-64) and Secretary of State for Foreign and Commonwealth Affairs (1960-63 and 1970-74).
Mr. Douglas Fairbanks, Jr., KBE., DSC.	- Company Director, Producer and Actor; a Governor of The Ditchley Foundation.
Mr. H.D.H. Wills, CBE, TD., DL.	- Founder and Chairman of Council, The Ditchley Foundation.

THE DITCHLEY FOUNDATION

Captain R.P.S. Grant, DSC., RN.	- Chief Administrative Officer and Secretary.
Captain D.C. Woolf, RN.	- Bursar.
Mr. C.F.O. Clarke	- Programme Development Officer.
Mrs. Barbara Bowen	- Editor, The Ditchley Journal.

THE DITCHLEY FOUNDATIONS

STUDY ON THE MEANING AND EFFECT

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OFFICIAL TEXT

(3)

UNITED STATES EMBASSY, 55/56 UPPER BROOK STREET, LONDON W1A 2LH

Thursday,
May 16th, 1974

HARTMAN: DETENTE IS "PROCESS" NOT "ALLIANCE"

Following are excerpts from a prepared statement by Arthur Hartman, Assistant Secretary of State for European Affairs, made during hearings on detente to the House of Representatives Foreign Affairs Subcommittee on Europe:

(Begin excerpts)

Before I begin discussing detente, let me attempt briefly to define it. Literally, detente means a relaxation of tensions. But it is frequently used as shorthand for a complex process of adjustment. It is not a static condition or a simple standard of conduct. It does not imply "entente".

I would like to devote my opening statement to the Administration's concept of detente, turning first to the global setting of U.S.-Soviet relations, then to the Administration's approach to improving these relations, and finally to specific accomplishments that have been achieved and problems that remain.

Since World War II, the crucial issue of U.S.-Soviet relations has been that of war and peace -- crucial in these times because of the obvious fact that a nuclear war could mean vast destruction for mankind.

Thus, a central strand in U.S. foreign policy for over twenty years has been the search for agreements to reduce the risk of war. In summit meetings and through patient diplomatic negotiations, successive Administrations have sought to control the arms race and to relieve sources of tension.

At times significant breakthroughs were achieved. For example, the signing of the Limited Test Ban Treaty in 1963 -- the first major arms control agreement of the nuclear age -- ushered in a period of improved East-West relations. But as with the short-lived spirits of Geneva, Camp David and Glassboro, progress in isolated areas did not produce lasting changes in East-West relations.

To construct a viable foundation for a new relationship with the Soviet Union, a step-by-step approach was adopted:

-- First, through concrete progress in relieving specific sources of tension, to clear the way for productive meetings at the highest level;

-- Then, by utilizing the impetus provided by summit preparations, to accelerate negotiations on a broad range of bilateral matters engaging the interests of both sides;

Finally, as our political relations improved, to address the economic aspect of our relationship and to seek the removal of long-standing barriers to expanded trade.

Negotiations on the problem of Berlin -- the source of recurrent crises in Europe -- began in 1969. So did SALT -- the Strategic Arms Limitation Talks. Only in 1971, after substantial progress had been achieved in both these negotiations, did the Administration consider it possible to look toward a summit meeting between American and Soviet leaders.

Even a cursory review of what has been achieved in the last few years, shows, I believe, that there has been a substantial and perhaps fundamental alteration in relations between the United States and the Soviet Union.

-- In Berlin, the rights of the Western powers have been recognized and affirmed, and the city is not now a point of recurrent tensions and East-West confrontation.

-- In the Strategic Arms Limitation Talks, we have, for the first time, placed limitations on the most central armament and are now continuing the process of moving the negotiations toward a permanent and even more far-reaching limitation on nuclear armament.

-- We have agreed on specific measures to prevent incidents at sea between our two navies in the first agreement since World War II between the military services of our two countries. Provocative actions at sea have diminished as a result, and technical experts meet periodically to review our experience with the agreement.

-- We have concluded agreements providing for joint co-operative endeavours in a number of important fields. Building on the experience of previous cultural, scientific and technical exchanges, these agreements now cover such diverse fields as space, peaceful uses of atomic energy, science and technology, environment, health and medicine, transportation, agriculture and oceanography.

-- The leaders of our two countries have pledged, in an agreement signed at the 1972 summit, to govern their conduct in foreign affairs by agreed basic principles. Under this agreement, they undertook an obligation to exercise restraint in their mutual relations, to do their utmost to prevent situations that could lead to military confrontation and to refrain from efforts to obtain unilateral advantages at the expense of the other. Under a separate agreement, signed at the 1973 Summit, we agreed to develop our relations with each other, and with other countries, so as to exclude the outbreak of nuclear war.

The development and expansion of economic ties between the two countries form an integral part of this framework of co-operation. The political momentum developed at the 1972 summit resulted in a formula to settle the stubborn problem of our lend-lease account which led, in turn, to the extension of Export-Import Bank credits and guarantees needed for sustained trade expansion with the USSR. We have concluded a maritime agreement under which forty ports in each country have been opened to prompt access by merchant and research vessels of the other. We have signed a carefully balanced trade agreement designed to take into account the structural asymmetries of trade between a market and a state trading economy. In 1973 we concluded a tax treaty and signed protocols opening commercial offices in our respective countries and establishing a joint trade and economic council to foster the development of U.S.-Soviet trade.

A few concrete indicators demonstrate, I think, the progress that has been achieved over the last few years in diversifying our relations with the Soviet Union and in expanding contacts and communication between us.

Of the some 105 treaties and other international agreements that have been concluded between the United States and the Soviet Union since diplomatic relations were first established in 1933, fifty-eight have been concluded since the end of January 1969. Forty-one of these agreements were signed in the last two years alone.

Collectively the bilateral co-operative agreements, although not of crucial significance in themselves, have resulted in a substantial two-way flow of ideas, information and individuals between our two countries. Under the eight specialized agreements and the general agreement on exchanges, nearly 60 joint working groups, some with numerous sub-projects, have been established to pursue the range of activities foreseen in the agreements. In 1973 the total number of persons travelling back and forth under these agreements rose to over 4,000, an increase of nearly 2,500 over 1971, the last year before the Moscow summit.

Let me review briefly some of the joint programmes that are now underway in such fields as the peaceful uses of atomic energy, protection of the environment, and science and technology -- fields that are relevant to all Americans, not simply to the technicians and specialists from both sides who actually plan and implement these projects.

In the field of atomic energy, the resources that the United States and the Soviet Union can commit to nuclear research hold out the promise that bilateral co-operative programmes can bring greater results, and bring them sooner, than would be the case were each country to proceed on its own. This week, for example, a U.S. delegation is meeting with counterparts in Moscow to map out the search for a feasible thermonuclear technology that we hope will engage the leading nuclear scientists of both countries for much of the remainder of this century. In another programme, a Soviet scientific team is mid-way through an experiment in high energy physics at the National Accelerator Laboratory at Batavia, Illinois, employing that unique facility in conjunction with an apparatus developed in the Soviet Union and shipped to the United States for the purpose of the experiment.

The Agreement on Environmental Protection signed at the 1972 summit is now in its second full year of implementation. Exchanges of information and experience are developing into genuinely co-operative joint projects in 36 areas, ranging from protection of the urban environment to Arctic and sub-Arctic ecosystems. Since both countries have large land, lake, and inland sea areas, a variety of climates, and large urban-industrial concentrations, co-operative programmes greatly extend the data base and theoretical framework for environmental research in each country. Techniques acquired through exchanges can often be directly applied to on-going theoretical studies. For example, in work now underway at the Lamont-Daherty Geological Observatory of Columbia University, an earthquake prediction technique is being employed which was developed in the Soviet Union.

Under the Agreement on Science and Technology, signed at the 1972 summit, we are seeking to move beyond the exchanges of delegations that have taken place during the past 15 years to the development of co-operative projects. Consultations on standards and on patent and licensing procedures and regulations, for example, are of direct interest to many U.S. corporations seeking to do business in the Soviet Union.

In this area, government and private commercial interests are closely interwoven. Many of the participants on our side are representatives of U.S. firms and non-governmental organizations such as the Industrial Research.

Clearly a great deal has been accomplished in modifying our relationship with the Soviet Union. But the basic question remains: what are the dimensions of detente as perceived by both sides?

We have consistently sought to make clear that our pursuit of a relaxation of tensions in U.S.-Soviet relations is not based on any newly-discovered compatibility in our domestic systems. It is based on the premise that the two nuclear superpowers must do everything in their power to spare mankind the dangers of a nuclear holocaust. In the world as it is today -- not as it has been, and not as we might wish it to be -- the United States and the Soviet Union share a responsibility to minimize the danger of accident, miscalculation or misunderstanding; to work out rules of mutual conduct; to recognize the interconnection of our interests; and to enhance communication between us.

At the same time, Secretary Kissinger has emphasized other aspects of our conception of detente. We will oppose the attempt by any nation to achieve a position of predominance, globally or regionally; we will resist any attempt to exploit a policy of detente to weaken our alliances; and we will react if a relaxation of tensions is used as a cover to exaggerate conflicts in international trouble spots. I think that the events in the Middle East last October demonstrated that the last of these principles cannot be disregarded without endangering the entire U.S.-Soviet relationship.

The Soviet Union, too, has made clear its perception of the limits to co-existence. Coexistence for the Soviets does not imply the right of others to seek to weaken what it calls the unity of the socialist camp. It must not be used to erode the ideological base of socialism or to otherwise interfere in its internal affairs. Nor does co-existence suggest to the Soviets any incompatibility between co-operation with the West, on the one hand, and what the Soviets see as the evolution of the class struggle between socialism and capitalism, on the other -- particularly in the ideological sphere.

However the dimensions of detente are perceived, both sides, it seems, agree that detente is necessary because of the danger posed by the accumulation of nuclear weapons; that detente is necessary not because we do not have opposing interests in many parts of the world or that our systems are not totally different -- but precisely because these conditions do prevail; and that while occasional conflicts of interest will occur, detente makes possible a more rapid settlement and insures a certain restraint. And finally, both sides seem to agree that detente is necessary because there simply is no other rational alternative.

Any appraisal of detente must frankly acknowledge from the outset that fundamental differences exist between us and that we and the Soviets remain adversaries in many ways and in many places. But, at the same time, the present improvement in relations appears to be judged by each side to serve its own national interests, thus providing an incentive for both countries to try to minimize and restrain the consequences of their differences, to persevere in the difficult process of negotiation and to avoid any deliberate return to hostility and confrontation.

Our objective in the years ahead is to make the process of improving U.S.-Soviet relations irreversible. But habits formed on both sides during twenty years of confrontation are not easily set aside.

We recognize, moreover, that there is not a uniform perception in this country, or in any country for that matter, of the meaning of detente. Some argue that co-operation with a country whose domestic system is incompatible in many respects with American traditions and values can only be pursued at the expense of our ideals and moral principles. Others contend that we should take advantage of the Soviet interest in trade and technology to attach political conditions requiring basic changes in Soviet domestic practices.

The Administration, as I have indicated, does not agree. We sympathize with the natural tendency of Americans to want others to share the rights and freedoms we value so highly. But if the United States attempts to make increased freedom within the Soviet Union a rigid precondition for improved relations, we will risk obtaining neither -- neither improved relations nor an increased regard in the Soviet Union for human rights. We will, of course, not abandon our ideals in pursuing improved relations with the Soviet Union. But we are convinced that our foreign policy must be aimed principally at influencing the foreign policies of other governments and not their domestic structures...

Secretary Kissinger addressed this issue in his testimony before the Senate Finance Committee on March 7 when he said:

"Since detente is rooted in a recognition of differences -- and based on the prevention of disaster -- there are sharp limits to what we can insist upon as part of this relationship. We have a right to demand responsible international behaviour from the USSR; we did not hesitate to make this clear during the Middle East crisis. We also have a right to demand that agreements we sign are observed in good faith.

"But with respect to basic changes in the Soviet system, the issue is not whether we condone what the USSR does internally; it is whether and to what extent we can risk other objectives -- and especially the building of a structure of peace -- for these domestic changes..."

Trade is also an important component of our overall policy of detente with the Soviet Union. We have assumed that trade and commercial relations with the Soviet Union could not flourish if our political relations remained hostile. Thus, only after we had made progress in reducing sources of political tension with the USSR did we undertake explorations in the economic sphere. At the same time, we have preserved controls to prohibit export of items that could directly enhance Soviet military capabilities. But for us to continue to insist on conducting our commercial relations with the USSR on the same basis as during the worst years of the cold war would, in our opinion, deprive the Soviets of an important incentive for improving relations with the United States.

Nor does detente bear any relationship to appeasement. We are not dealing with the Soviet Union from a position of weakness. On the contrary, the preservation of our military strength is prerequisite for detente, and military strength inferior to none is the only national defence posture which can ever be acceptable to the United States.

We cannot expect Soviet leaders to exercise restraint in their relations with us out of good will but only because they respect our strength which is the underpinning of our diplomacy.

We are fully conscious of our responsibility to preserve an environment which enhances stability and encourages further efforts to limit nuclear arms. Our objective in the SALT negotiations is to obtain what we refer to as essential equivalence. In pursuit of this goal, we are prepared to reduce, stay level or if need be increase our level of strategic arms. That level will be influenced by the policies and decisions of the Soviet Union. We are not prepared to bargain away or compromise in any fashion the long-term strategic requirements of our security in seeking detente with the Soviet Union.

Nor can detente be pursued in isolation from our allies. To preserve an international military equilibrium, it is essential to maintain the strength, integrity and steadfastness of our free world alliances. Nowhere is this more important than in Europe. The Berlin agreement, which we negotiated in concert with our British and French allies, not only constituted an important stepping stone in our own relations with the USSR, it also contributed to a general improvement of the climate in Europe where we and our allies are now engaged in important multilateral East-West negotiations in the Conference on Security and Co-operation in Europe and on Mutual and Balanced Force Reductions.

As you know, the Conference on Security and Co-operation in Europe, or CSCE as it is called, began in July, meeting in the summer or early fall. Your subcommittee, Mr. Chairman, held extensive hearings on CSCE in April and again in September 1972, when it heard the testimony of my predecessors, Assistant Secretaries Hillenbrand and Stoessel. It remains our belief that nothing will emerge from the conference that could replace the security arrangements embodied in NATO. Rather, the conference should be seen as one element in a much broader and ongoing pattern of East-West negotiations that can reduce the risks of confrontation and open the way to more stable relationships in Europe. We hope, in particular, that CSCE can reach an understanding that will lower some of the barriers to the movement of people and information between East and West.

Five years after the allies proposed mutual and balanced East-West force reductions in central Europe, formal negotiations began in October and are continuing. Both sides are proceeding from the premise that the talks should result in undiminished security for all parties. Specifically, the allies have proposed numerically larger Eastern than Western reductions in order to reach a common ceiling for overall ground force manpower in which the Warsaw Pact currently enjoys a 150,000-man advantage. The approach put forward by the Eastern side, in contrast, seeks to preserve the existing ratio between the force components of East and West.

At issue in MBFR is each side's perception of the crucial military balance in central Europe. Thus difficult negotiations lie ahead. The cohesion of the Western allies has been excellent. Both sides, moreover, are negotiating seriously, and the talks so far have clarified the basic issues at stake. We hope for further progress during the weeks ahead, leading ultimately to a more stable balance at lower force levels along the central front -- an area vital to European and international peace.

Both of these important negotiations are concrete examples of our efforts to move from confrontation to negotiation. Both demonstrate that for detente to be meaningful, it must not lead to diminished security for either side.

In the long run, the stability of our relationship with Moscow will depend on the extent to which we both come to perceive the benefits of normalization as real and not illusory. This process is by no means an automatic one, given the deep differences in our ideological and political outlooks.

These differences will limit the depth and quality of our mutual communication and will obviously not lead to the intimacy we would expect in relations with close friends and allies. But the changes that have occurred in U.S.-Soviet relations in recent years have encouraged us to believe that we will be able to continue to move away from the rigid hostilities of the past into a new relationship characterized by mutual restraint and a greater degree of stability which is, after all, the goal of detente. (End excerpts)

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