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Critical Tasks Facing Western Europe and the United States in a Period of Change and Transition

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I am distinctly honored to have the opportunity to address this distinguished Assembly of European parliamentarians on the critical tasks that face us as we stand on the threshold of the eighth decade of this 20th century.

All of us here represent forms of government which, while differing perhaps in some institutional ways, are constituted basically to reflect the will of their people. This shared belief that governments derive their just powers from the consent of the governed springs, of course, from the noble and idealistic concepts that we inherited from European and American political philosophers and lies at the very heart of our common aspirations.

In that regard this chamber recalls to me vividly a time nearly 20 years ago when I bore a diplomatic responsibility which lives in my memory as one most agreeable. Posted in Paris in the first years of the 1950's, I journeyed from time to time to Strasbourg to observe the proceedings of the ad hoc assembly called to draft a constitution for a European political community. Although that particular venture failed, it impressed on me the existence of powerful currents of European idealism—which in one form or another have since continued to flow through European life. This Assembly is one embodiment of that idealism and vision of a brighter future.

The 20 years which have passed since first I came to Strasbourg witnessed the United States and Western Europe striving together to rebuild shattered societies and rebuff Soviet expansionist pressures. Those efforts paid substantial dividends. Economic strength has been restored. A system of collective defense has provided a formidable shield against potential external aggression. An impressive movement toward European unity has been set in train.

These moves, taken together, have allowed proud and ancient nations to be blessed with a period of peaceful development and concord probably unmatched in the long march of this continent's history.

Such powerful strides of accomplishment have been of vital moment to the United States. For if we Americans are to be concerned with the building of a structure of world peace based on the concert of many nations, our bonds with a strong and peaceful Western Europe must be of paramount importance.

It is, then, with all this in mind that we face the seventies. Undoubtedly, it will be a period of marked change and transition both internally and in our relations with one another: in the United States, a searching assessment of domestic and foreign priorities; in Europe, an unfolding sense of identity and independence.

The broad direction of my country's course was charted by President Nixon in his report to the Congress last year on "U.S. Foreign Policy for the 1970's."

Emphasizing that we have no intention of

[1] Made before the Consultative Assembly of the Council of Europe at Strasbourg, France, on May 13.

withdrawing from the world, the President saw as the basic issue how we can be most effective in meeting our responsibilities, protecting our interests, and thereby building peace. To this end he considered that a more responsible participation by our foreign friends in their own defense and progress would insure a more effective common effort toward the goals we all seek.

Looking at the European scene, the President foresaw our relations resting on a firm tripod of considerations:[2]

> In Europe our policies embody precisely the three principles of a durable peace: partnership, continued strength to defend our common interests when challenged, and willingness to negotiate differences with adversaries.

American positions regarding the partnership, shared strengths, and efforts toward détente will be grounded on these principles of policy in the era of transition and change that lies ahead.

The Partnership for Security

It is axiomatic that the security of Europe continues to be vital to the security of the United States, and the reverse is equally true. But it has become increasingly evident in recent years that there are new factors that must be introduced into that equation. One has been the burgeoning prosperity of Western Europe and the resultant economic capability to shoulder a larger share of the burden of security; another has been the widening concern in the United States over mounting domestic challenges and a heightened sense on the part of many that for too long we have borne a disproportionate share of the cost of free-world security.

These factors were set against a backdrop of the broader question of a realistic evaluation of the current military threat to Western Europe and to the alliance. It was of prime import that a sensible stance of defense be devised that our peoples in good conscience could be asked to support.

Therefore, it was imperative that we analyze for the long term Europe's needs in realistic deterrence and defense.

The results of the studies carried out in this connection in Washington and in NATO last year were of signal significance. The North Atlantic Council ministerial meeting in December 1970, which completed the alliance study, was, in fact, as Secretary of State Rogers termed it, "one of the most important in the history of the alliance."[3] It was concluded that the United States and its NATO allies do not believe that war in Europe is imminent but believe that we must still face the possibility that under certain conditions it could occur. The military prowess of the Soviet Union and its allies has grown over the past 10 years and continues to wax. Crisis has been no stranger to Europe since the end of the Second World War, and it would be foolhardy to believe that it will soon relieve us of its shadow. As the annex to the communique noted:[4]

> In addition to a capability to deter and counter major deliberate aggression, Allied forces should be so structured and organized as to be capable of dealing also with aggressions and incursions with more limited objectives associated with intimidation or the creation of faits accomplis, or with those aggressions which might be the result of accident or miscalculation.

These findings led the United States and its allies to reaffirm their consensus that it is necessary to have forces capable of deterrence and defense below the threshold of general nuclear war in order to provide a wide flexibility in response to the threat or outbreak of hostilities.

In view of this conclusion and despite considerable pressure at home to draw down our forces in Europe for budgetary reasons, the President decided that given a similar approach by our allies, the United States would maintain and improve its forces in Europe and not reduce

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[2] The complete text of President Nixon's foreign policy report to the Congress on Feb. 18, 1970, appears in the BULLETIN of Mar. 9, 1970.

[3] For an excerpt from Secretary Rogers' remarks at New York, N.Y., on Dec. 10, 1970, see BULLETIN of Jan. 4, 1971, p. 6.

[4] For text of a final communique and annex issued at Brussels on Dec. 4, 1970, see *ibid.*, p. 2.

them without reciprocal action by our adversaries. That intent remains firm.

Taking up the question of an equitable sharing of alliance costs, the central intent of the Nixon doctrine is that our allies' primary responsibility is to shoulder their own. As President Nixon reported to the Congress this year:[5]

> The emphasis is no longer on their sharing the cost of America's military commitment to Europe—although financial arrangements may play a part—but on their providing the national forces needed in conjunction with ours in support of an effective common strategy.

Our European allies pledged last December to strengthen their national defense establishments and to initiate a new joint program to update the common infrastructure of NATO. Specifically, our colleagues in arms have committed themselves to a wide-ranging program totaling some $1 billion to be expended over the next 5 years.

My country believed that by maintaining and improving our forces in Europe we would be adopting those measures required to give heart to our European partners to assume more of the collective responsibility.

This development of a stronger and more pervasive European voice in the alliance will enhance the sense of participation and purpose on the part of Western European countries and will lead to a sounder and more equitable balance of contributions to our mutual defense.

Economic Opportunities and Problems

The United States views with satisfaction the possibility of a widening membership in the European Community.

We understand fully the political as well as the economic significance of the prospect that the Community may soon include most of the interested powers of Western Europe who intend to embark on a course directed toward closer economic and monetary union.

These developments are only one facet of the emergence of a well-defined European identity, an identity which will serve well the future needs of a seasoned and sound transatlantic partnership.

It is obvious that there are differences of mature judgment in Europe on the significance of the initial measures taken to establish a political consultative mechanism among Community countries and applicants to that establishment. But surely that is their own concern.

In the economic realm we welcome also a larger and more robust Community because it is our considered conviction that the close-knit integration of such a wider geographic sweep can, with profit for all, lock into the larger economy of the free world as a whole. It is our belief that the dynamism of European economic integration will benefit our international trade and investment pattern as well as that of other third countries, and while it may be truistic to voice, there is also the expectation that greater economic responsibility will flow naturally from greater economic power.

If that indeed were to be the case, none of us would view with equanimity a development by which, through a needless proliferation of special preferential tariff arrangements, the world trading system would be carved up into a set of discriminatory blocs.

For our common interest requires the prosperity of both Western Europe and the United States. This means freer and expanded trade and restraint in protecting special interests. We must work together toward a more equitable international trading system; we must envisage our self-interest in the broadest sense and fix our glass on basic rather than short-term goals. This does not mean that in the natural course of events differences among us will not arise. They have and will. Varying views over preferential arrangements and over the effects on our trade of some of these arrangements, as well as policies in the field of agriculture, already have caused problems. But our vigorous pursuit of national interests should not be taken to connote a diminished support for European unity. In reality it reflects the emerging outlines of a true partnership based on a more balanced relationship in which we would anticipate that the immediate domestic problems of Europe and

[5] The complete text of President Nixon's foreign policy report to the Congress on Feb. 25 appears in the BULLETIN of Mar. 22, 1971.

its close neighbors need not necessarily be solved invariably at the expense of those outside its pale.

It would seem clear that as the European Community expands its membership and begins to focus more precisely on the prospects of economic and monetary union, heightened opportunities will exist but so, too, will complicated and thorny new problems in the areas of international trade, investment, and monetary relationships. Europe is striking out on new economic paths at the same time that Japan's growing industrial plant and competitive position in world markets is demanding equal and nondiscriminatory treatment in both Europe and North America. The time seems ripe for a detailed and deliberate study of the economic challenges and chances of the seventies among the three major trading areas of the free world as well as their responsibilities and relations to the developing countries. I know that similar ideas are shared by prominent men of affairs in the world's major trading areas. To be most useful, such a study should be launched with dispatch so that an action program for the decade ahead predicated on increased liberalization in all economic fields could be readied for use at such time as the Common Market might be expanded.

It could well be that the OECD [Organization for Economic Cooperation and Development] is the most appropriate forum in which to conduct such a survey. After all, that Organization contains all the countries of North America, Western Europe, and Japan. Australia will soon become a member. And it is plain to see that the OECD, in its first 10 years in being, has become the principal organ for consultation and coordination among the industrialized countries of the free world.

Recent events in the international monetary field have focused attention once again on our mutual responsibilities in that regard. The United States has taken a number of steps to deal with the balance-of-payments problem, including renewal of our control on capital investments. Most importantly, my country has acted vigorously to squeeze inflationary pressures out of its economy. According to the most recent OECD studies, we have succeeded in holding inflation rates below those of our major European partners. This progress, unhappily, has resulted in considerably higher unemployment than in most European industrial countries. I am sure that our European friends recognize the social cost of these rates of unemployment—a cost which they themselves would probably find unacceptably high at home in most cases. They will, I am sure, recognize that this cost should not be prolonged and that growth without the resumption of inflationary pressures is the proper objective of U.S. policy.

We all have a stake in a healthy and growing American economy. In such an economy productivity will increase, and avoidance of inflation should strengthen our competitive position.

The best environment to improve our balance of payments exists when our economy is neither overheated nor underemployed.

The United States has indicated that it will continue to review with foreign authorities their investment needs arising out of recent dollar inflows.

In the meantime, the international monetary system is being upset by volatile flows of short-term capital. Already we have taken action to take up some of these funds through borrowings on the Euro-dollar market.

This includes the issuance of specific instruments to raise additional funds to "sop up" excess liquidity abroad and to assist with appropriate investment outlets for foreign central banks.

We continue to believe that the ultimate solution to balance-of-payments problems remains in the strengthening of the mechanisms of international adjustment. Measures to improve our cooperative efforts to control flows of short-term capital should be given a high priority.

Cooperative Attack on Ecological Problems

On another front are those problems peculiar to what is now labeled the postindustrial age which have descended upon you, as they have upon us. The triumphs of technology have had an impact upon the physical and social environment of modern societies, arousing justified alarm. Environmental problems are susceptible to control only on an international basis. The United States and its European partners are

in the van in cooperatively attacking these global problems.

In our instance we have found suitable for organizing this common effort those Atlantic institutions which were devised originally for other purposes but have proved themselves adaptable to the changing emphases of a dynamic Atlantic relationship. The most recent and striking example was the creation within NATO of the Committee on the Challenges of Modern Society, which already has a series of pilot projects and associated conferences well underway.

However, these ecological problems are enormous and occupy every organization—from the United Nations, which is preparing an international conference for 1972 in Stockholm, to the activities of the Council of Europe and the European Community.

Initiatives Toward Détente

The 25 years since the end of World War II have been marked by a phenomenal recovery in the West followed by a virtually unparalleled burst of creative endeavor across the spectrum of man's activities throughout most of the Western World. Yet through all this, the tragic division of Europe has remained an overshadowing fact of life.

President Nixon has committed the United States to inaugurate, if we are able, an era of negotiation with the Soviet Union and its allies, which have so long confronted us as adversaries.

This commitment to negotiation is central to my Government's approach to the entire matter of our bilateral relations with Eastern European countries and the Soviet Union, the foreign policy positions which we adopt jointly with our Western European partners, and our views toward initiatives which they may take with lands which lie to their east.

Our hope for the decade ahead is that some progress, however slight, can be achieved.

It would be naive to be too sanguine in that hope. From the Soviet vantage point it may well be that the risks of opening Eastern Europe to a freer reciprocal relationship with the obviously more dynamic countries of the West for now may appear too great—particularly in the light of continuing evidence that most of those countries are finding it difficult in the extreme to develop growth economies and institutions capable of satisfying the basic human and psychological wants of their people. This should be viewed against the rising demand of all Europeans, both East and West, for better conditions of life more consonant with the needs and dignity of all men.

If that demand be recognized, it would bear out those indications that the ruling cadres in Eastern Europe are beginning to give added weight in their decisionmaking processes to the pragmatic, nonpolitical needs of their populations. Observers note an ebbing in the high tide of ideological passion on the part of the leaders in the East, a shift from problem solving grounded on Communist dogma to approaches based on practical considerations of what will work. It is not surprising to find that such unorthodox thoughts have stimulated liberalizing pressures in the Soviet world. These forces clearly trouble the conservative establishment. The events in Czechoslovakia bear somber witness to that concern.

But nevertheless one can discern that the broad character of relations between East and West is changing to a degree. Countries on both sides are searching for adjustments based on mutual advantage.

For all this, steady patience is essential, for the experience of the past has taught that any marked change in the relationship between Eastern and Western Europe will not be easily brought about.

We have recorded some successes. A treaty to bar the use of ocean seabeds for strategic offensive purposes has been signed. A treaty to bar the acquisition and use of biological weapons is in an advanced stage of negotiation.

Talks are going forward on the critical issue of limitation of strategic arms. If these talks are successful the world will be immeasurably safer from the threat of nuclear holocaust.

In NATO itself we are continuing studies for the consideration of governments of a possible mutual and balanced reduction of the military forces which confront each other in Central Europe. We would hope at an appropriate time to engage the Soviet Union and its Warsaw

Pact associates in a negotiation which, successfully concluded, would lessen the military weight on European shoulders and our own while maintaining the current adequate level of Western security. In that connection we have noted Mr. Brezhnev's [Leonid I. Brezhnev, General Secretary of the Soviet Communist Party] recent statement that the Soviet Union stands for a reduction of armed forces and armaments in areas where the military confrontation is specially dangerous, above all in Central Europe, and would study with interest a more detailed elaboration.

The United States, with France and the United Kingdom, is conducting negotiations with the Soviet Union aimed at improving conditions in and around Berlin. The negotiations, a useful touchstone of Soviet readiness to accept equitable solutions of real problems, have yet to make significant advance. Additionally, their reasonable resolution was linked by the Federal Republic of Germany to the first fruit of its imaginative policy of reconciliation and accommodation with the countries of Eastern Europe: West German ratification of its treaty with the Soviet Union.

Eastern European governments in diverse ways have also taken initiatives toward détente. Most, as might be expected, have centered on intensified technical and commercial exchange. It would appear that at least in that regard the West has developed some of the answers to the problems of today's industrial societies.

The Warsaw Pact countries in the political realm have proposed a conference on European security, although the proposed agenda would seem to touch not at all on the issue of security. It would be made up essentially of two points: steps to improve economic and cultural relations and the conclusion of an agreement to renounce the use of force in resolving issues between European nations. Since all countries who are members of the United Nations have already sworn such renunciation and West Germany—not a member—has taken such action unilaterally, it is difficult to envisage how such a limited conference might make a significant contribution to the current fragile texture of security in Europe. We are deeply interested in détente and in a genuine relaxation of tensions and will labor to gain them in any meaningful forum. We will negotiate on substance, but there must be solidity there and not just atmosphere.

No matter how long it might take or how arduous the task, we are determined to carry on the search for peaceful settlement of the disputes which divide us. Solutions need not be complete or final. A beginning will be sufficient reward.

Too often perfection is sought in international affairs based on some faulty concept of infallibility on the part of those who conduct them. This can never be. These tasks are always carried forward by mere men always liable to error and misjudgment.

What is asked of us is that we keep up the effort—fully cognizant of our own limitations, and thus more tolerant of our failures and disappointments and equally of those with whom we deal.

If diplomacy is the art of the possible, we must be willing to settle for just that. We will probably never obtain the optimum. Often we may have to accept the least undesirable.

This is no argument for pessimism, but for a certain humility of spirit as we grapple with problems of concern to men the world over.

If this be our goal and we go forward with good heart and firm resolve, I am confident we will leave things at least a little better for those who come behind.