

EUROPE: NATO's Fourth Decade— Defense and Detente

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Following are remarks by Vice President Mondale and Zbigniew Brzezinski, Assistant to the President for National Security Affairs, before the 25th assembly of the Atlantic Treaty Association on October 10, 1979, in the Department of State.

VICE PRESIDENT MONDALE

I am delighted to have this opportunity and this honor to address this Association, whose function is so crucial and has been so effective since the creation of this Association those many years ago.

I wish to commend you for the superb role that the Atlantic Treaty Association plays in the support of North Atlantic Treaty Organization (NATO). Today I wish to review the strength and constancy of U.S. leadership within that treaty organization and emphasize how SALT II now pending before the U.S. Senate contributes to the safeguarding of the alliance.

As you know, when I speak on behalf of the American commitment to NATO, I speak not only on behalf of the President of the United States, Mr. Carter, but I think the history of our country has shown that consistently from the beginning and including today, the commitment to NATO by our nation is a bipartisan American

Migratory Animals (Cont'd)

period of negotiation that would have permitted taking home a negotiated and preliminary agreed text for study and consultation with interested domestic groups. It was clear, however, that the Federal Republic and the majority of the countries present were much in favor of concluding and signing a convention at this time. Though the U.S. delegation was able to have included in the convention a wide range of points, the several unresolved issues described above, plus the lack of opportunity to consult at home, led the U.S. delegation not to sign the convention. At the same time, the U.S. delegation recognized the benefits the convention should bring to areas of the world which have less well developed conservation programs than has North America. □

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commitment that is permanent and lasting and complete in terms of total public support.

In fact, the first mission of the new Administration involved my visit within hours of our inaugural—the first visit on my international journey—to the NATO headquarters in Brussels to underscore immediately the commitment of the new Administration to the continuation of the strongest possible relationship with NATO and the strongest possible relationship within NATO among its treaty members. In 1977 the President sent me to Brussels in that first overseas mission to underscore that message.

In the more than 30 years that have passed since the North Atlantic Treaty was signed, we have shared with our allies three unprecedented decades of strength, of peace, and of success.

The 12 nations which signed the NATO treaty in 1949 reaffirmed their

ened obsolescence and the traumas of modernization.

That the alliance has survived and flourished through so much challenge offers proof that its charter, like our own Constitution, is, in fact, a living document, broad enough, universal enough, and tested enough to serve as a basis for the future. But today, as allies, we are not and cannot be complacent.

If the challenge faced by the alliance over the years has changed, it has by no means lessened. If the threat to the alliance has in some ways become more subtle, it is nonetheless formidable. And if the Soviet Union has become more open to cooperation with the West than it was in 1949, nevertheless, serious differences and strong competition continue to exist between East and West.

I need not describe for this audience the long history of the Soviet military

The President, working with our allies, has increased defense spending by 3% a year in real terms We will continue that growth and will request even more if our defense needs require it.

faith in the purposes and principles of the U.N. Charter. They stressed their desire to live in peace with all peoples and all governments. They have pledged to safeguard the principles of democracy, individual liberty, and the rule of law. And above all, they agreed to develop their capacity to resist armed attack. An attack against one, they agreed, would be considered an attack against all.

It is difficult to realize in our more settled and prosperous times, what an ambitious, even visionary, act that treaty was; how ambitious to speak optimistically of peace when the debris of World War II had not yet been fully cleared away, and how farsighted to join in a collective effort to resist aggression when so many of the signatories were individually vulnerable.

The NATO alliance has shown remarkable resilience and flexibility. It has surmounted recurring problems within and challenges without. It has undergone strategic and doctrinal changes, from an era of massive retaliation to an era of flexible response. It has endured both the pangs of threat-

buildup of Warsaw Pact forces. That history, for many of you, has been a daily professional challenge. It is a challenge that President Carter has met from the beginning of his Administration with the shaping of U.S. defense forces and with his decision to increase real defense spending by 3% annually. This is not an effort that we bear alone. Each of our allies must participate, if together we are to benefit.

The President has submitted to the Congress a request, as you know, for \$2.7 billion amending the FY 1980 budget so that despite the increased inflation which vexes us all, we will meet that commitment that we have made in all seriousness to NATO.

Visible strength is a deterrent to war. Together with our allies, we have begun the process of modernizing our defenses for the coming decades to meet the massive arms buildup of the Soviet Union and the East.

As you know, just this past week, in East Berlin, President Brezhnev announced unilateral reduction of certain Soviet troops, tanks, and other military hardware in Eastern Europe. We would

welcome such a reduction, but it is absolutely essential that it be seen in context, and that context includes the following factors.

First, Soviet forces in Europe today vastly outnumber those of the NATO alliance, and so, as I said, on behalf of the President to the U.N. Special Session on Disarmament on the eve of the 1978 NATO summit in Washington, we in NATO increased our defense budgets, not out of preference but out of necessity—a necessity imposed upon us, for example, by the Warsaw Pact's three to one advantage in tanks in Europe.

Second, the Soviet theater nuclear forces have been built up. The Backfire bomber and now their new SS-20, an intermediate range mobile ballistic missile, significantly increases Soviet military capability against targets not only in Europe but also in Asia, Africa, and the Middle East.

And third, it is obviously in the Soviet interest to lure NATO away from crucial conventional and theater nuclear force modernization.

While we must examine President Brezhnev's announcement carefully and affirmatively, we must bear in mind that the self-restraint in theater nuclear forces shown by the NATO alliance over the past two decades has not been met by corresponding restraint on the part of the Soviets. It is for this reason that the work of NATO's groups on the theater nuclear forces modernization and theater nuclear forces arms control is so crucially important, as is the decision we will take as an alliance leader this year on modernized theater nuclear forces capable of countering real and existing Soviet theater nuclear forces opposed against our alliance.

While deterrence at the theater level is of keen concern to each of us, the competition between East and West at the strategic nuclear level is central to our defense and survival. How we manage that competition—literally and directly—affects the lives of every man, woman, and child through the alliance and, indeed, throughout the world.

This week in Washington, as you well know, the Senate Foreign Relations Committee has moved into the final phase of its hearings on SALT II. As the Senate approaches this historic decision, let us look at the record of the debate and of the hearings before the committees.

Every single provision of SALT II has been scrutinized in detail for days of hearings. The agreement has stood up to every single criticism leveled

against it. The treaty is verifiable without any doubt. It is in the alliance's interest without any doubt. It strengthens our security, and it is a meaningful step toward arms reduction.

SALT II has withstood partisan attack. The fact is that when the President took charge of the strategic arms talks, he inherited many provisions of a draft agreement negotiated by his predecessor. We have not only built on that draft, we have improved it—broadening the scope of the agreement, greatly improving the quantitative and qualitative limits, and laying the groundwork for the negotiation of further limits in our national interests in SALT III.

SALT II has successfully withstood determined efforts to link it, to hold it hostage to other issues—issues ranging from the level of the defense budget to the Soviet presence in Cuba, issues important in their own right but which must not be linked to the pending SALT treaty.

I need not detail for the defense experts in this assembly the positive trend in the U.S. defense budget since 1977. No linkage to SALT is required for that trend to continue. The fact is that the President, working with our allies, has increased defense spending by 3% a year in real terms, reversing several

States to pursue strategic programs to strengthen our security while also constraining the arms race. In the same way, SALT provides both a foundation for the alliance to build a consensus to proceed with essential NATO theater nuclear force modernization, and it also furthers arms control initiatives to control the Soviet threat to Europe.

Thus, when the Senate votes for SALT II—and I have confidence the Senate will ratify that treaty—it will be voting not only for a strong and more stable strategic relationship toward the Soviet Union, it will also be giving crucial impetus to a stronger NATO and to efforts to reduce the nuclear threat facing our allies in the future. That is why the members of the North Atlantic alliance have, without exception and with great strength, endorsed SALT II. That is why SALT II is so central to continued American leadership of this great alliance.

Earlier this year, soon after the signing of the SALT II agreements, I visited seven states of our great country to discuss SALT with a good cross section of the American people.

Their response was overwhelmingly positive. The American people recognize that strategic arms limitation is an issue of vital importance for our nation and for mankind. They want any

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years of previous decline. We will continue that growth and will request even more if our defense needs require it.

To deal with the Soviet presence in Cuba, we have taken a number of steps to neutralize the Soviet role, including stepping up U.S. surveillance and military presence in the Caribbean. We will assure that the Soviets in Cuba pose no threat to the United States or other nations in this region.

When the President announced these measures a week ago, he emphasized and I quote, that, "... the greatest danger to American security... is certainly not the two or three thousand Soviet troops in Cuba. The greatest danger to all the nations in the world... is the breakdown of a common effort to preserve peace and the ultimate threat of a nuclear war."

Finally, SALT II is the central element in the alliance's policy of pursuing both defense and detente. SALT II provides a framework for the United

agreement we enter in to be fair, and they believe this treaty is fair. They want a treaty to protect our security, and they understand that this treaty enhances America's security. They want it ratified, and they want us to continue our efforts to reduce the threat of nuclear war.

They understand that SALT does not undermine our security. They recognize that SALT is not based on trust but on suspicion and that it can be adequately verified. They believe we must have SALT II if we're to move to SALT III.

If I have received a single message, it is that the American people genuinely believe, as do the President and I, that the SALT II agreement is in our interest and that it's vastly superior to no agreement at all.

Every day brings more support for the treaty. Just last week I received a letter from the President of the National Farmers Union representing a broad cross section of rural Americans.

In it he stated, and I quote: "The full board of directors of the Farmers Union concurred unanimously that the Nation must make headway towards arms control. It would be tragic," they continued, "if the whole process were to be set back by rejection of the present treaty. Approval of SALT II at this session, therefore, is vitally important so that the next steps can begin soon and hopefully lead to another advance for humanity."

"An advance for humanity." That is what the SALT process is all about.

As you all know, last week America welcomed an extraordinary visitor. To joyful crowds in cities and farmlands, to millions everywhere who saw him on television, the Holy Father brought a luminous message to mankind and to all Americans, a message of love and faith and optimism and confidence and grace.

That message struck deep chords within us. It unleashed our best and most generous sentiments. It opened, truly, a window on our soul. It reminded us again what our civilization is all about—and what this Association was established to protect and has served so well throughout the history of this Association—what it is about is the protection and love of our democracy, our drive for social justice, our hopes for our children.

In the end, those are the dreams that bond our NATO alliance together. That's its basic reason. Nuclear holocaust renders those dreams absurd. Today, with the decision on SALT II, we have a decisive chance to take a further step away from that final madness, to take a further step toward reason, and I'm confident we'll make the right choice.

DR. BRZEZINKSI

I welcome this opportunity to meet with your 25th annual assembly and to share with you some informal remarks on the subject of Western security on the relationship between defense and detente. At this time of unprecedented global change, our collective security requires that the United States successfully maintain a global power equilibrium while helping to shape a framework for global change.

These two imperatives—a power equilibrium and a framework for change—are not slogans. Each represents a difficult and vital process, critical to our security. The maintenance of a power equilibrium by itself would be insufficient for it would be unresponsive to the imperative need to recognize that an awakened global population in-

sists on basic changes in the human condition. Shaping a framework for global change while disregarding the realities of power would contribute to a fundamental instability in world affairs; it would transform global change from a potentially positive process into a condition of increasing fragmentation and eventual anarchy.

Since 1945 the United States has been the pivotal element in the maintenance of global stability. Initially our primary focus was on the defense of Western Europe. Today, Western Europe, the Far East, and the Middle East represent three interrelated strategic zones of central importance to the survival of the West as a whole and to global economic stability. This is an important strategic reality, and it has political, as well as military, implications. The United States must work with the countries in all three zones to protect the independence of these regions.

Development of more cooperative relationships with a power such as China is another important new factor in the geopolitical equation, contributing to greater global stability.

Insofar as the strategic nuclear equilibrium is concerned, the last 30 years have seen a shift from a U.S. monopoly and supremacy to a much more complex situation of mutually assured destruction. Moreover, the momentum of the Soviet nuclear buildup does pose the possibility that the Soviet Union may be seeking genuine nuclear war fighting capability. Accordingly, in thinking of the 1980's, we must be sensitive to the nuanced psychological-political relationship between the effective deterrence and war fighting capabilities. Therefore, to maintain effective deterrence, we must upgrade our own capacity to manage a conflict stably and to control nuclear escalation effectively.

Our responsiveness to the increasing complexity of deterrence is but one element in the global power balance. Arms control—a new factor in global security—is also significant. Such steps as SALT I and SALT II, based on the recognition that security cannot be obtained by arms alone, thus contribute to greater stability and predictability in the strategic equation.

The political awakening of mankind and resulting redistribution of power worldwide is the overriding reality of our time. By the end of this century, approximately four-fifths of mankind will be living in Asia, Latin America, and Africa. As a consequence, the West can no longer dominate world affairs. The only alternative to that domination is wider global cooperation

based on the acceptance of basic changes. Nothing less than that can insure that global change is not violent, chaotic, and increasingly exploited by our adversaries.

It is, therefore, important that the inevitable tensions associated with basic sociopolitical change not be exploited by major powers either directly or indirectly. The export of revolution through proxies or by direct military power has to be resisted, for otherwise global change will become global anarchy. These considerations make it imperative that self-restraint be the guiding principle for the conduct of the major powers in relationship to the local conflicts in the more unstable parts of the world.

The key elements of our efforts to promote genuine global cooperation, designed to create a more equitable sharing in global political and economic power, accordingly involve:

- Close cooperation between the United States, Western Europe and Japan;

- The development of more friendly relationships with some of the emerging regionally and internationally influential third world countries, including the moderate Arab countries whose influence is essential in shaping an economically and politically moderate Middle East; and

- More emphasis has to be placed on multilateral and regional organizations such as the United Nations, the Organization of African Unity, and the Association of South East Asian Nations. They represent the emerging new realities of a more genuinely pluralistic world.

As we fashion together the framework within which many of these changes will be assimilated, NATO's role retains vital relevance. The alliance, a guarantor of basic Western security, has special meaning for us in the context of global strategic equilibrium. Let me say a few words about one particularly important aspect of that equilibrium.

Entering its fourth decade, NATO now confronts a challenge and a choice as critical as any in its past. The challenge comes from a resolute, increasingly powerful Soviet Union. The choice, however—whether to acquiesce to Soviet ascendancy or effectively to preclude it—lies with us. Let me speak about both.

First the challenge. It is a fact that the Soviet Union has been steadily increasing its military expenditures over the past 15 or even 20 years. The projection of Soviet power has gained a global capacity; and along with that

capacity the Soviet Union continues to devote major resources to a regional military buildup. In no area is this buildup more pronounced than in the Soviet forces opposite Western Europe. This buildup encompasses all facets of Soviet military power—conventional forces, long-range and shorter range theater nuclear forces, and intercontinental forces.

One part of that buildup—the long-range theater nuclear forces—is of particular concern. The SS-20 missile represents an enormous advance over two previous generations of Soviet missile weaponry in both quantitative and qualitative terms. Compared to the older SS-4 and SS-5, the SS-20 is three times more accurate than the one and six times more accurate than the other. And where an earlier generation of missiles targeted against NATO Europe carried a single warhead, the SS-20 carries three. Moreover, the mobility of the SS-20, its increased range, and the fact that its launcher can be quickly reloaded following an initial salvo significantly enhance both the weapon's destructive force and its ability to survive attack.

In addition to the SS-20 missile, the Soviet Union has developed a medium-range bomber—the Backfire—whose range, greatly exceeding that of earlier Soviet aircraft, enables it to strike directly at Western Europe.

It is clear to us that the Soviets have underway a substantial and sustained program to modernize, expand, and deploy their theater nuclear forces. What this means in practical terms can be simply yet soberly expressed: At current Soviet deployment rates there is one new SS-20 warhead deployed roughly every second day.

Such a sustained effort goes well beyond what could be explained as meeting a reasonable defensive need. Yet in the same period of time, NATO has done virtually nothing to upgrade its own long-range theater nuclear forces.

The challenge we now confront is not only a military one; I believe that we have far more to fear from the possibility of political intimidation. Should NATO be viewed as unwilling or unable to respond to threats of nuclear warfare confined to the European area—as the lack of any effective theater forces would almost certainly make it appear to be—the opportunity for Soviet political pressures would be correspondingly enlarged.

That is the challenge. The choice is squarely up to us. We can, as an alliance, decide to do nothing to offset the substantial modernization in Soviet

theater nuclear forces; we can sit by, hoping we can cope with the consequence of inequality; we can allow ourselves to be lulled into passivity, leaving the alliance in a situation of inequality and growing vulnerability; or we can take effective action now. This means, in turn, the deployment of strong, theater-based systems capable of reaching Soviet territory.

Such a decision to deploy NATO systems would not only keep the credibility of our deterrent intact but would help promote the conditions under which meaningful arms control negotiations between East and West can proceed. In line with our twin goals of deterrence and detente, alliance deliberations over the past year have, in fact, actively explored meaningful

U.S. Commitment to Western Europe

SECRETARY'S STATEMENT, SEPT. 10, 1979¹

The security of Western Europe and the security of the United States are indivisible. This central fact has been the basis of our strategic doctrine and our defense planning for four decades or more. Our allies believe, as do we, that our mutual security requires collective effort and that our defense is inseparable. There should be no question about America's commitment to help defend Europe with all the means necessary—nuclear and conventional. The substantial forces we have deployed to Europe are not concrete evidence of that commitment.

As President Carter said in his proclamation on the 30th anniversary of the alliance, “. . . the firm support of Congress and the American people for NATO reflects their deep conviction that NATO is the cornerstone of United States foreign policy.”

NATO's basic strategy is one of flexible response. President Carter has, on several occasions, expressed U.S. support for this strategy. There has been no change, and we contemplate no change.

The defense efforts now underway within NATO demonstrate the collective determination of the allies to meet new challenges. To improve NATO's conventional forces and to make more efficient use of combined resources, the alliance is proceeding with a Long-Term Defense Program. We are cooperating in plans to modernize our theater nuclear forces. And we are developing an agreed alliance position regarding future arms control negotiations.

At the same time, the United States is engaged in a thorough and vigorous program to modernize each leg of our strategic forces. Our determination to maintain the strategic balance is re-

flected most recently in the President's announcement last week that we will proceed with full development of the new MX missile in a mobile basing mode that, while fully verifiable under SALT, will assure the long-term survivability of our land-based strategic forces.

Our strategic modernization programs reflect our determination not only to maintain the strategic balance but also to hold a capacity for flexible response—in terms of size and targets of the response—to any attack at any level of intensity, against us or our allies. That has been U.S. policy for many years. It continues to be U.S. policy. And we will maintain the forces necessary to fulfill it.

This modernization of nuclear and conventional forces is being undertaken precisely because the allies seek to deter aggression by maintaining the integrity and credibility of the whole spectrum of our response options. To deter aggression, NATO must both have—and be perceived to have—the capability, flexibility, and determination to respond as appropriate. Only in this way can we demonstrate to the Warsaw Pact the costs of embarking upon or continuing a conflict and the risk that a conventional European regional conflict would escalate to a general nuclear war.

The security of the alliance depends not only on collective military forces and resolve—although these are indispensable—it depends as well on common ties among allied peoples and their creativity and vitality in meeting the challenges we confront together. We are confident of the alliance's continued ability to do so. □

¹ Made available to the press by Department spokesman Hodding Carter III.

Review of U.S. Policy in Europe

by George S. Vest

Statement before the Subcommittee on Europe and the Middle East of the House Foreign Affairs Committee on July 12, 1979.¹

I welcome this opportunity to discuss with you the state of U.S. relations in Europe. I know that your overriding concern is U.S. policy. What are our main objectives? What have we achieved? What remains to be done?

It is with an eye to those central issues that this annual review is addressed. The succinct answer to your questions is that U.S.-European relations are in good shape.

- We have reaffirmed and reinforced our commitment to the traditional principles of U.S. policy and to our transatlantic partners.

- We continue to stress items of highest priority for the U.S. national interest—Western solidarity, the military defense of the West, economic well-being, the preservation and de-

velopment of democratic institutions in Western Europe, and the promotion of constructive relations with the diverse countries of Eastern Europe.

- We are working together with the governments of Western Europe and Canada on major issues of mutual concern. They have, for example, expressed strong support for SALT II, and they recognize the continuing need to cooperate on the economic challenges before us all.

To elaborate on these larger themes that pervade recent and current U.S. policy toward Europe, I will start with a discussion of our role vis-a-vis the major institutions of Europe. I will then move to discussion of our bilateral ties with the Western European and nonaligned nations and Canada. I will conclude with a summary of the evolution of our relations in Eastern Europe.

Western Military Security

Concern for the security of our citizens remains fundamental to U.S. foreign policy. In that regard, the

Defense and Detente (Cont'd)

arms control policy along with the need to modernize nuclear-capable systems. It is no secret that we view both paths—effective arms control and modernization—as complementary and that we look for credible movement along both by the end of this year. The true test of NATO's purpose lies with our allied parliaments and publics. Are they willing to pay the political price required to avoid the infinitely more costly alternative of intimidation at best, and even war at worst?

Let there be no question about our commitment nor of our determination to help defend Europe by all means necessary—nuclear and conventional. The U.S. commitment to the security of Europe is unshakable. It is organic. It is complete. We view the security of Western Europe as an extension of our own security. We recognize that any threat to the security of Western Europe is a direct threat to the security of the United States. The American commitment—nuclear and conventional—to the defense of Europe is an integral part of our own defense posture. There are no conceivable circumstances in which we would not react to a security threat directed at our allies in Europe.

The danger we could face in the 1980's will not be American decoupling from Western Europe; rather, the danger will derive from Soviet miscalculation—that is, from the belief that the alliance, through failure to keep pace with a changing strategic environment, has decoupled from its traditional purpose.

We must remove any possible grounds for that miscalculation. It is my belief that the decision which President Carter made a few weeks ago on the MX missile and the decisions which NATO must soon make on theater nuclear forces are as important as any the Western allies will ever face. Historically, those decisions rank with President Truman's creation of a strategic bomber command and President Kennedy's deployment of intercontinental ballistic missiles. Positive action now will give us survivable systems on both sides of the Atlantic. These, in turn, will greatly enhance the West's crisis-bargaining capability and thus contribute to global stability.

We are approaching a watershed in our alliance. The issue confronting us is fundamentally a simple one: We do not have to choose between detente and defense; we must have both, and—with political will—we can. □

American role in the North Atlantic Treaty Organization (NATO) is central. This year we celebrated the 30th anniversary of an alliance which, according to President Carter, has "... successfully deterred war and maintained stability in Western Europe and North America, thus securing the well-being and prosperity of its fifteen member states ..."

NATO's main purpose is, in the words of the North Atlantic Treaty, "... To safeguard the freedom, common heritage and civilization of their peoples, founded on the principles of democracy, individual liberty and the rule of law," and "... to promote stability and well-being in the North Atlantic area." NATO's basic means to achieve these goals are to deter war in the North Atlantic community and to defend its member states, if deterrence fails, by sustaining the credibility of NATO's strategy of forward defense and flexible response based on a triad of conventional, tactical nuclear, and strategic nuclear forces.

U.S. policies to carry out this strategy center, in the first instance, on the modernization of theater nuclear and conventional forces. These improvements are required in order to maintain the credibility of NATO strategy in the face of Soviet theater nuclear and conventional force improvements over the past decade.

U.S. policies toward NATO, in the second instance, aim at restraining arms competition in strategic, theater nuclear, and conventional armaments. We carried out continuous consultations with our NATO partners on the Strategic Arms Limitations Talks (SALT), and we coordinate closely with them on mutual and balanced force reductions (MBFR) and other arms control initiatives.

Thus, U.S. policy toward NATO offers the Soviet Union and its allies an alternative to an unrelenting force buildup, while NATO force improvements offer them an incentive to move forward on this option.

Equally important, the United States pursues these policies in NATO in a way that preserves political cohesion among members of the alliance. It is in the interest of NATO solidarity that we consult continuously with our allies not only on the issues of arms control but also on global issues where the national interests of the United States and its allies intersect.

The impact of U.S. policy on this institutional cornerstone of Western security is impressive. We held a ministerial meeting recently at which there was a most useful exchange of views. We are confident that our effort

to help shore up NATO's defenses, renewed after long concentration on Southeast Asia, is making headway.

- On conventional forces, the NATO summit a year ago approved the Long-Term Defense Program. It provides programmatic remedies for such deficiencies in conventional forces as antiarmor, reenforcement, reserve mobilization, maritime, air defense, and logistics. Complementing the program was the NATO summit's commitment to the goal of 3% real annual increases in members' defense spending. Needed improvements could not have been made on the basis of existing levels of defense expenditure. The summit also approved alliance cooperation in the development and production of armaments in order to bring about greater standardization and interoperability of NATO arms and greater efficiency in the employment of economic resources.

- On theater nuclear forces the Long-Term Defense Program gives impetus to consultations with allies on the need to modernize. The question has taken on particular importance in view of the continuing deployment of Soviet long-range theater nuclear systems targeted on Western Europe, such as the SS-20 missile and the Backfire bomber. These consultations, carried on in the NATO Nuclear Planning Group's high level group (which we chair), are moving toward recommendations for theater nuclear force modernization. In parallel with this process, we are consulting with our allies on theater nuclear arms control measures in the special group, which the United States also chairs.

- On strategic arms limitations, we have consulted closely with our European allies and Canada over the course of the recent years to insure that the SALT II treaty protects and enhances their security. The consultations have focused on treaty issues of particular interest to the allies, such as the protocol cruise missile restrictions and the noncircumvention provision. European leaders made clear their support for SALT II at the Guadeloupe summit last January, in individual governmental statements in the intervening months and, most recently, at the NATO Foreign and Defense Ministers' meetings in May and after the NATO Council reviewed the treaty on June 29.

I could not give a comprehensive review of our NATO policies without touching on the question of enhanced radiation warheads, the so-called neutron bomb. This defensive tactical nuclear weapon was designed to counter an enemy tank assault with a

nuclear warhead which would cause less collateral damage than existing nuclear weapons. The President decided in April 1978 to defer production of the weapon but to modernize tactical nuclear forces in such a way as to leave open the option of adding it at some future time, depending on Soviet restraint.

In addition to the defense side of our policy toward NATO, we have, on the political side, sustained the vital consultative process on issues of mutual concern. East-West relations, the Mideast, China, Southeast Asia, and Africa have been prominent among the questions of foreign policy we have addressed in the NATO Council, often with special experts sent from Washington for the meetings.

The need to preserve political cohesion in NATO, while a truism, can never be taken for granted, precisely because we are an alliance of 15 sovereign equals. And, the greatest single burden in this respect falls on the United States. It is, in part, for that reason that President Carter has met three times with the North Atlantic Council. Our leadership is an imperative. Further, the manner in which we lead influences NATO's cohesiveness as well as its effectiveness.

The fact that NATO's basic fabric is strong and resilient in 1979 is a signal achievement. It may be a greater accomplishment now than it was in 1959 or 1969 when we were in the midst of, or were just emerging from, the cold war. To have preserved the commitment of NATO's 15 members to the alliance has been a difficult challenge in an increasingly multipolar world where defense and detente have been our declared policy since 1967. And, it has been all the more difficult for NATO to confront collectively the unprecedented, broad range of divisive issues that face the West today.

Finally, the very success of our efforts to preserve Western security begets new challenges. On the defense side, our success in achieving alliance agreement on how to respond to the Warsaw Pact conventional and theater nuclear challenge leaves the need to follow through with implementation of agreed decisions.

- On the Long-Range Defense Program, the United States must lead the effort for vigorous followthrough on the 123 conventional force improvement measures approved at the NATO summit a year ago.

- On improved cooperation in NATO armaments, U.S. leadership will require imagination and face hard choices, given the economic as well as

military implications of this issue. The executive branch intends to work closely with the Congress and with U.S. business and industry.

- Similarly, carrying out the goal of a 3% increase in defense expenditures will necessitate equally tough choices. If we fail to fulfill our commitments, our allies are likely to find it impossible to convince their own publics and parliaments of this need.

- On theater nuclear force modernization, we will continue to consult closely with allies, looking to NATO decisions near the end of the year.

- Close consultations will be the order of the day for SALT III.

- On the political side, the current effectiveness of our intensive consultations in NATO does not relieve us of the task of maintaining that process. It is a primary necessity for NATO, as well as for our own foreign and security policies. And, needless to say, we in the executive branch attach comparable importance to the need to continue to consult with the Congress as we move ahead on issues vital to U.S. security.

Western Economic Well-Being

There can be no enduring military security without a sound basis in economic strength. Recession can imperil the defensive underpinnings of the alliance and the political stability of its member states. Concern about economic issues in general and energy in particular ranks uppermost in the minds of Europeans, as much as with most Americans.

How to deal with shared economic problems is thus a major consideration in U.S.-European relations. Because the problems are so great and because the need for cooperation is so clear, we have put primary emphasis on working together. Recognition of the necessity for close consultation on shared challenges to our economic well-being is the basis for holding economic summits and it accounts for the special emphasis we place on working with two major multilateral institutions—the Organization for Economic Cooperation and Development (OECD) and the European Community (EC).

We have made a concerted and continuing effort to underscore the role of the OECD as a major forum for cooperation among the industrialized nations. At the June 13-14 OECD ministerial meeting, Deputy Secretary of State Warren Christopher, Secretary of the Treasury Michael Blumenthal, and Council of Economic Advisers Chairman Charles Schultz headed the U.S. delegation. They focused on the

need to grapple collectively with such problems as sustained noninflationary economic growth, payments imbalances and the international monetary situation, energy, the North-South dialogue, and structural change brought about by changes in technology and relative prices, as well as shifting patterns of world production and trade.

Using the OECD as the principal forum, we have engaged in extensive consultations with the EC nine and other European countries on North-South issues. We have been successful in building support for U.S. views and in achieving a common position among the OECD member countries in meetings such as the recently concluded UNCTAD V [U.N. Conference on Trade and Development] session in Manila. This time, the industrialized countries had a cohesive approach, and we avoided acrimonious disputes with our allies.

The International Energy Agency (IEA), an independent agency within the OECD framework, is the principal forum for consumer country cooperation on energy matters. As recent price and supply developments illustrate, there is a need to maintain a united consumer country position and for careful management of the situation. The IEA ministerial meeting, May 21-22, reconfirmed the decision for members to adopt measures to reduce their collective demand for oil by 2 million barrels per day, or by about 5% of anticipated 1979 IEA demand. The ministers decided to continue such efforts in 1980 and agreed on a set of policies and principles for enhancing coal utilization, production, and trade. France, although not an IEA member, has adopted parallel conservation measures. The EC is an IEA participant and the EC energy program has reflected IEA recommendations. The Tokyo summit commitments to limit oil imports are based upon the IEA program.

A substantial package of economic assistance for Turkey has been developed within the OECD framework, with the Federal Republic of Germany and OECD Secretary General Van Lennep playing key lead roles. A pledging session in Paris, May 30, resulted in commitments in excess of \$900 million over the next year in the form of concessional credits, export credits, and grants. The U.S. share is approximately \$250 million, subject to congressional authorization and appropriation. The pledging of these funds has facilitated the completion of an agreement between the Turkish Government and the International Monetary Fund (IMF) on appropriate economic

policies. We expect to receive formal IMF approval later this month.

U.S. support for the process of European integration, exemplified by the evolution of the European Community, remains strong. We consider progress toward European unity of primary importance for Europe, for the West, and for the world. At the same time, we believe that European unity must be achieved by the Europeans themselves. It is in that spirit that we follow with interest such milestones in the move toward European unity as the establishment of the European monetary system, the enlargement of the Community to include nations of southern Europe, and the holding of direct elections to the European Parliament. We view these developments and others as reflections of the growing habit of Europeans to think and act in the European context.

- We welcome the European monetary system, launched on March 13, 1979, by all EC members except the United Kingdom. It is an effort to stabilize intra-EC exchange rates and to provide additional resources to counter exchange speculation. It is a major Franco-German political initiative, designed to stabilize European currencies and, incidentally, to foster European economic integration. Its long-term success will depend on the member states' ability to harmonize their economic policies.

- We applaud the signing of a treaty of accession for Greece on May 28, 1979. After ratification by all the national parliaments, Greece is expected to become the 10th EC member on January 1, 1981. Portugal and Spain have also applied for membership and substantive negotiations are expected to begin this fall, with entry into the EC as early as 1982-83. The primary motivation for EC enlargement is political: to bind the newly democratic applicants to the more advanced European democracies and thereby enhance their political and economic stability.

- We consider the first elections to the European Parliament, June 7-10, a significant step forward for Europe. The shift to direct elections will not increase the limited advisory and oversight powers of the Parliament, but the new legislators will adopt a higher profile than their appointed predecessors and will gradually seek to expand their influence. We hope that, in due course, the present ties between the Congress and the European Parliament can be strengthened to reflect the significance of the June elections.

In addition to expanding U.S. activity in the OECD and increasing cooperation with the EC, there are other de-

velopments in the economic realm that merit mention. We continue to participate in economic summits as one of several means to buttress joint action for economic well-being. The economic summit in Tokyo was a crucial opportunity to focus on such priority issues as energy.

In the area of energy, the most important decisions revolved around the commitment to set national ceilings for oil imports for 1980 and 1985 and to insure adequate resources for the development and commercial application of technologies for alternative sources of energy. Both the OECD, including the IEA, and the European Community will play a significant role in the followup to the commitments made by the summit participants.

Although energy was the key issue discussed at the Tokyo summit, the participants also made commitments to do more to improve the long-term productive efficiency and flexibility of their economies, to implement the agreements reached in the Tokyo Round of the multilateral trade negotiations (MTN), to achieve durable external equilibrium, and to pursue constructive North-South relations.

After years of arduous bargaining, we have achieved the successful conclusion of the MTN. U.S.-EC negotiations lay at the heart of the MTN because of the Community's weight in world trade. We have, in consultation with the Congress, prepared the necessary U.S. implementing legislation. We will be consulting closely with the EC and other European countries to insure that their implementing regulations and legislative procedures are a comprehensive and accurate reflection of the agreements reached at Geneva. With ratification, we will have to put the new rules into practice through revised GATT [General Agreement on Tariffs and Trade] procedures and thus be able to deal with trade disputes over the coming decades.

Over the past year, we have been working closely with our European allies to arrive at reasonable solutions which balance proliferation concerns with energy needs. The International Nuclear Fuel Cycle Evaluation (INFCE) is part of this process. In addition, as required by the 1978 Nuclear Nonproliferation Act, we are negotiating a new nuclear cooperation agreement with the EC and hope to conclude a new agreement sometime next year after the end of INFCE. We are also working with the EC and the International Atomic Energy Agency (IAEA) in Vienna to accelerate the conclusion of facility inspection arrangements between the EC and the IAEA.

Bilateral Relations

Although the United States places significant emphasis on using multilateral institutions to help foster Western military security and economic well-being, we must, at the same time, deal with our European counterparts and nonaligned nations effectively on a bilateral basis. Here—as with NATO, the OECD, and the EC—we are searching together for solutions to problems that affect both Europeans and Americans.

We have deepened mutual understanding on bilateral policy issues with the **Federal Republic of Germany** through intensified consultations. Of particular note during the last year were the President's highly successful state visit to the F.R.G. in July 1978 and Chancellor Schmidt's visit to Washington last month. The Chancellor has countered reports of a deterioration in U.S.-F.R.G. relations in major speeches in Germany and during his June 1979 visit in the United States. In a speech at the University of South Carolina, for example, he emphasized that firm U.S.-German ties are a reliable feature in today's international affairs and that "the focus of our relations is no longer on a purely bilateral relationship but on the wider tasks and responsibilities which we share."

He has expressed strong support for the President's efforts to achieve lasting peace in the Middle East and for the prompt conclusion and ratification of SALT II. Areas of U.S.-West German relations requiring continued special attention include military-security policy, East-West relations, the coordination of economic measures, and policies on nuclear energy and export.

We continue to have a positive relationship with **France** based on mutual respect and exemplified by the recent Washington visit by French Foreign Minister Francois-Poncet and effective consultations with the French during their term in the EC presidency this year. We recognize that, in its role as a major power, France has its own views on such questions as peace in the Middle East, organizing assistance for Africa, conventional disarmament in Europe, oil price ceilings, and export credit competition. All of these questions are under extensive discussion, as are such questions as nuclear non-proliferation where there is now a greater identity of view. The important underlying factor in all these questions is that French and U.S. basic objectives in the world are similar, while we sometimes seek their achievement along different but parallel paths.

Since I talked with your committee last year, the Conservative Party in

Great Britain has returned to power. Prime Minister Thatcher's victory, May 3, has given her party a solid working majority in Parliament and a strong mandate to try a Tory approach to dominant domestic economic issues. We expect our close ties with Britain to continue, as we work together on problems of mutual interest, especially those regarding Western security and southern Africa. If differences of view on some specific issues should emerge between us and the new British Government, we are confident that they will be resolved through the close and continuing cooperation that has long existed between our two countries. The Administration's dealings with the new British Government got off to an excellent start when Secretary Vance visited London, May 20-24. The President and Mrs. Thatcher met in Tokyo for the economic summit last month.

We remain distressed by the continuing violence in **Northern Ireland** which, although below the level of several years ago, still claims lives with tragic regularity and disrupts social peace and economic progress. As President Carter has said, our policy on Northern Ireland is one of impartiality,

and we recognize that the only permanent solution must come from the people who live there. Given a settlement acceptable to both parts of the community, we would be prepared to join with others to see how job-creating investment could be encouraged for the benefit of all in Northern Ireland.

We, of course, continue to enjoy close ties with the **Republic of Ireland** and are pleased to witness its continuing economic growth. We welcome Ireland's increased activity on the world scene, as evidenced by its contribution of troops to U.N. peacekeeping efforts in Lebanon and its assumption of the presidency of the European Economic Community for the second half of this year. We look forward to the visit of Prime Minister Lynch this November. That occasion will give us the opportunity to consult with him in his dual capacity as head of government and president of the Council of Ministers of the European Community.

We have continued our traditionally close ties with the nations of the Nordic area, an area of growing strategic significance in the light of the steady build-up of Soviet forces on the nearby Kola Peninsula. Vice President Mon-

Fourth Anniversary of the Helsinki Final Act

PRESIDENT'S STATEMENT, AUG. 1, 1979¹

On this day in 1975, the leaders of 35 states met in Helsinki to sign the Final Act of the Conference on Security and Cooperation in Europe (CSCE). They pledged to build a future of peace and stability in Europe on the strong foundation of mutual understanding and respect for fundamental human rights.

In the years since Helsinki, we have witnessed conscientious efforts on the part of many signatory states to fulfill, fully and completely, their obligations under the Final Act. We have made progress in insuring the freer flow of people and ideas. Flagrant abuses of human rights no longer go unnoticed and unchallenged.

The Final Act provision which calls for notification of large military maneuvers has worked well. The spirit of Helsinki is alive. But there have also been important setbacks. For example, in the German Democratic Republic, harsh new laws designed to restrict

contact with foreigners will take effect today, on the anniversary of Helsinki. In Czechoslovakia, members of the Charter '77 movement remain in prison, facing trial for their dedication to basic human freedoms. In the Soviet Union, organizations established to monitor compliance with the Helsinki agreement have been harassed and their members jailed. Acts like these are totally inconsistent with pledges made at Helsinki.

On the anniversary of the Helsinki accords, I rededicate this Administration and this nation to strive tirelessly for full implementation of the Final Act. We will continue to review our own record in preparation for the meeting of CSCE states at Madrid in 1980. And we call upon other signatory states to work with us so that we may mutually fulfill the obligations undertaken at Helsinki to peace, security, and human rights. □

¹ Text from Weekly Compilation of Presidential Documents of Aug. 6, 1979.

dale's trip to northern Europe in April 1979 demonstrated the solidarity of our NATO links to **Iceland, Norway, and Denmark**. On the same journey, he visited **Sweden and Finland** as visible evidence of our respect for these nations and their policy of neutrality, which also contributes to the stability of the northern region. The Vice President's trip to northern Europe was the first undertaken of that scope and at that level since Lyndon Johnson visited the area as Vice President in 1963.

Although the Nordic countries have differing security policies, they share common concerns with each other and with the United States on such global issues as human rights, East-West relations, arms control, U.N. peacekeeping, the Middle East, and economic development of the Third World. Vice President Mondale's trip provided an opportunity for high-level consultation on these world issues where the Nordic countries play a leading role and where their advice and support are important to us. The visit last month to Washington of Norwegian Prime Minister Nordli was a welcome reaffirmation of this process. Both in our talks and in public statements, Nordli stressed Norway's "close commitment" to NATO and emphasized that "SALT is an important element in the evolution of the East-West detente."

Our relations with the **Benelux** countries continue to be excellent and largely free of bilateral problems. We welcome their contributions to NATO defense and to peaceful solutions to common problems, both political and economic. Examples of these include the Belgian contribution to stability in Zaire and the Dutch contribution of troops for the U.N. forces in Lebanon. The Vice President's visit to the Netherlands in April underlined the importance we attach to that country and the rest of the Benelux.

U.S. policy goals in **Spain** remain to support Spanish democracy and Spanish integration with the rest of Western Europe and to maintain our mutually beneficial security relationship. Our cooperation under the 1976 treaty of friendship and cooperation contributes to the security of both nations and makes an important contribution to the defense of Western Europe and the Mediterranean.

Spain has made tremendous progress in its transition to democracy in the face of serious political and economic difficulties. Having adopted a new democratic constitution and carried out both national and local elections since December, the country is about to enter a challenging post-transition phase of

political life in which fundamental issues—such as economic policy, basic implementing legislation, and regional autonomy—must be addressed. Of particular seriousness is the problem of the continued, brutal terrorist campaign to destabilize Spanish democracy.

Our support for Spain, as manifested by the Administration and the Congress, and by our close relationship, assists the Spanish people in their efforts to realize the democratic ideals we share. Secretary [of Defense] Brown visited Madrid in mid-May. On June 1, Secretary Vance cochaired a meeting of the U.S.-Spanish Council in Madrid and met with the King and the Prime Minister.

U.S. relations with **Portugal** continue to be excellent. Our governments' shared goals of democratic consolidation and professionalization of the military were recently highlighted and reinforced during visits to Portugal by Secretary Brown and Senator Edmund Muskie and a meeting between Secretary Vance and the Portuguese Foreign Minister at The Hague. Secretary Vance stopped in Lisbon, June 18-19 to sign the extension of the Azores base agreement.

With the May 30 passage of the budget, Portugal can also look forward to resuming negotiations with the IMF on a third credit tranche standby. The fourth constitutional government headed by Prime Minister Mota Pinto submitted its resignation on June 6 but will remain in caretaker status until a government is formed or elections are held. The debate over the formation of any future government is, however, distinguished by the continued firm commitment to the democratic process and by a common willingness to seek a reasonable compromise to solve present problems.

Our important interests in **Italy** remain what they have been since the war. Italy's strategic position in southern Europe and the Mediterranean, its willingness to host American military bases dedicated to NATO, its nearly total support for American foreign policy positions, and its status as a major U.S. trading partner underscore the value of good U.S.-Italian relations.

Over the past year and a half, we have tried to reinforce our close relationship with Italy by pursuing a "strategy of cooperation" comprising concrete, mutually beneficial projects in such diverse fields as energy, health, and the environment. The program stresses medium- to long-range efforts to assist the Italians to solve their serious problems, to solidify our relations for the future, and to take advantage of

Italian expertise in areas where they are advanced, like solar energy. We have also encouraged high-level visits between our two countries; the latest being that of Secretary Vance less than 6 weeks ago.

Elsewhere in the eastern Mediterranean, the United States continues to work for stability in the area, including good relations with Greece and Turkey, progress toward a Cyprus solution, and the general strengthening of democracy among the countries of the region. During the past year, there have been significant developments in all of these areas.

With regard to **Cyprus**, the Administration has been actively engaged over the past year in seeking to promote an early and effective resumption of intercommunal negotiations. The centerpiece of this effort was the series of substantive suggestions that we submitted to the two Cypriot parties last November 10, in conjunction with the British and Canadian Governments. We are gratified that our efforts and the initiative undertaken by U.N. Secretary General Waldheim resulted in an agreement to resume intercommunal negotiations June 15. Unfortunately, these talks have run into temporary difficulties over the agenda and have now been recessed.

We hope, however, that these difficulties will be overcome soon and that we will see sustained and productive negotiations leading to concrete progress toward a mutually acceptable settlement. As in past months, we will work closely with the United Nations, the Cypriot parties, and our allies to help insure the success of these talks.

Turkey continues to be plagued by serious economic problems. We have worked to help solve them by proposing a substantial U.S. assistance program, as well as by working with other countries in a multilateral effort led by the Federal Republic of Germany to provide Turkey with needed foreign exchange so that necessary steps can be taken by the Turkish Government to start on the road to economic recovery. As I noted earlier, the multilateral effort is proceeding well.

Our security relationship with Turkey has also improved. In response to the lifting of the arms embargo, the Turkish Government, on October 9, 1978, authorized the resumption of U.S. military activities in Turkey. The authorization was for a 1-year period during which a permanent arrangement for the operations of the activities is to be negotiated. Formal negotiations began on January 18, 1979, and are continuing. They involve several complex issues and much work remains to

be done, but we are confident that we will work out a mutually satisfactory agreement.

Discussions are continuing within NATO to develop arrangements for the reintegration of Greek forces into the alliance's integrated military structure. As you know, Greece withdrew its forces in 1974 at the time of the Cyprus events. In the interim, there have been command changes on the southern flank which make necessary new command and control arrangements in the sensitive Aegean area. The issue has been handled in NATO military channels with Gen. [Alexander] Haig playing a key role in his capacity as Supreme Allied Commander Europe. The retirement of Gen. Haig will not halt the process. As we have stated repeatedly, we believe it is important to secure the return of Greek forces at the earliest possible time.

Greece, in the meantime, is enjoying a continuing period of economic vitality and democratic strength, as demonstrated by its signing a treaty of accession to the European Communities. That development contributes to one of our major policy goals—stability in the vital eastern Mediterranean area.

U.S. relations with Canada are excellent. We enjoyed close working relations with the Trudeau government and look forward to continuing close cooperation with Prime Minister Joe Clark. We particularly value the cooperative approaches to the energy challenge which we have effected with the Canadians, as well as cooperation on such global concerns as the Cyprus dispute, southern Africa, the Mideast peace effort, and assistance for Indochinese refugees.

We are gratified by Prime Minister Clark's reaffirmation of Canada's commitment to NATO and the North American Air Defense Command (NORAD) and his indication that Canada should increase defense spending. Finally, we hope that longstanding differences on fisheries and boundary issues in the Gulf of Maine will be resolved by two treaties signed last March, agreements that we hope will be considered and approved promptly by the Senate.

Our good relations with Switzerland have been bolstered in recent months by visits from the Swiss Minister of Defense, Gnaegi, and the Minister of Foreign Affairs, Aubert. Both visits went smoothly. While reaffirming their own stance of armed neutrality, the Swiss have shown support for most aspects of U.S. foreign policy. We have a modest but important defense relationship with them, including co-

14th Report on Cyprus

MESSAGE TO THE CONGRESS, JULY 25, 1979¹

In accordance with the provisions of Public Law 95-384, I am submitting the following report on progress made during the past sixty days toward the conclusion of a negotiated solution of the Cyprus problem.

In my last report to the Congress on Cyprus, dated June 4, I took note of the decision reached by President Kyprianou and Turkish Cypriot leader Denktash during their May 18-19 meetings to resume intercommunal negotiations on June 15. These negotiations resumed as scheduled under the chairmanship of United Nations Under Secretary General Perez de Cuellar. A number of procedural issues were settled in the course of the first session. Unfortunately, however, differences soon arose over the interpretation of the ten-point communique agreed upon in Nicosia on May 18-19, which serves as a broad agenda for the talks. The Greek Cypriots took the position that the Varosha issue should be discussed first in accordance with point five of the communique which states that "priority will be given to reaching agreement on the resettlement of Varosha." The Turkish Cypriots, on the other hand, maintained that point two of the communique, dealing with the overall basis for the talks, should be discussed first.

When it became clear that these differences of approach could not easily be overcome, Under Secretary General Perez de Cuellar decided to recess the negotiations on June 22 and to pursue a compromise resolution through informal consultations with the parties. These consultations have now been in progress in Nicosia for some four weeks. As of this writ-

ing, no firm date has been set for reconvening the talks, although there have been indications of greater flexibility and the elements of a solution are beginning to emerge. Our assessment is that given sufficient determination on the part of all concerned a practical way can be found out of these current difficulties that will permit the negotiators to return to the table within a short time. I assure you that this Administration will continue to work closely with the United Nations, the Cypriot parties and our allies both to overcome the present, hopefully temporary, difficulties and to help ensure ultimate success in the negotiations.

The Turkish Cypriot side has not yet given final endorsement to the procedures worked out in Nicosia on May 18-19 concerning the formation of a joint committee to trace and account for missing persons in Cyprus. With the assistance of expert organizations such as the International Red Cross, the proposed joint committee should be in a position to resolve this long-standing humanitarian problem.

I enclose with this report a copy of Secretary-General Waldheim's comprehensive report on May 31 to the United Nations Security Council on the United Nations operation in Cyprus.

Sincerely,

JIMMY CARTER □

¹ Identical letters addressed to Thomas P. O'Neill, Jr., Speaker of the House of Representatives, and Frank Church, chairman of the Senate Foreign Relations Committee (text from Weekly Compilation of Presidential Documents of July 30, 1979).

production arrangements for some U.S. weaponry.

U.S. relations with Austria are essentially troublefree. We respect Austria's neutrality under the 1955 state treaty; at the same time, we admire its democratic development and prosperity. We support the Austrian desire to make of Vienna a third U.N. city, and we are grateful for Austrian hospitality in connection with the summit conference held there in June.

U.S. relations with nonaligned Yugoslavia have continued to improve across the board, as both sides have demonstrated a conscious effort to resolve differences and to build a climate of trust for the present and the future. President Tito's state visit to Washington in March 1978 provided the opportunity for in-depth discussions. This

dialogue has continued through a dozen or so letters between the two Presidents and through frequent consultations. Other Yugoslav visitors have included Assembly President Markovic and Defense Secretary Ljubicic. From our side, several Cabinet-level officials have visited Yugoslavia or are planning to this year.

In the economic area, we have made significant efforts to increase trade and to improve further the climate for U.S. business in Yugoslavia. The United States is Yugoslavia's fourth largest trade partner and is first in the value of joint ventures, but we are convinced that both trade and investment can be increased further.

In scientific affairs, the two sides recently reviewed the achievements of the joint science and technology pro-

gram over the past 5 years, but the future of this highly successful program is clouded by the prospect that the United States may be forced to cut its contribution to about one-third of the level of the past 5 years.

On the cultural side, Joan Mondale recently opened a major exhibit of American arts in Belgrade. Mrs. Mondale also visited the earthquake-stricken Republic of Montenegro. Following the severe earthquake, April 15, the United States mobilized a major disaster relief effort which resulted in the prompt delivery of nearly \$1.3 million worth of relief supplies. We are currently in the process of working out a program of longer term rehabilitation and reconstruction assistance.

All of this activity is in support of a policy which has remained consistent through every Administration since 1948: We support Yugoslavia's independence, territorial integrity, and unity. But, in addition, we are trying to move our relations toward broader interchange, mutual understanding, and confidence.

Evolution of East-West Relations

Much that the United States pursues with the nations of Western Europe, Canada, and Yugoslavia reflects our shared interest in fostering improved East-West relations. The Carter Administration has devoted substantial high-level attention to this area of concern. Since I understand that you will be holding separate hearings on U.S. relations with the Soviet Union and SALT, I will focus on U.S. policy toward Eastern Europe.

We are grateful to this subcommittee for your initiative in convening hearings last year on recent developments and trends in Eastern Europe. The statement which then Deputy Assistant Secretary Luers presented to you, September 7, remains valid as a comprehensive account of U.S. policy and objectives toward the region. As Mr. Luers indicated then, we are mindful of the increased diversity in Eastern Europe and, at the same time, of the importance of contributing to the security of all of Europe in pursuing our policies. Thus, we intend neither to leave our relations with Eastern Europe hostage to relations with the Soviet Union nor to conduct a policy that is reckless and destabilizing.

In Eastern Europe, we have continued to make progress toward more normal relations with individual countries. We have expanded and intensified human contacts, trade, cultural and scientific exchanges, and discussions of political and security issues.

Our approach is designed to recognize and support the sovereignty and individuality of each Eastern European nation in its domestic and foreign affairs.

During the past 18 months, our relations with **Romania, Poland, and Hungary** have been particularly active and fruitful. For example, with Romania, which pursues an independent foreign policy in many respects, we have conducted a useful dialogue on a broad range of international political and economic issues. These discussions were given special impetus during President Ceausescu's visit here in April 1978 and by subsequent visits to Romania by Secretaries Blumenthal [Treasury] and Kreps [Commerce].

With Poland, official and nongovernmental exchanges continue to develop, and the level of our two-way trade rose to over \$1 billion last year. Earlier this week, Polish Foreign Minister Emil Wojtaszek visited Washington for an extensive review of bilateral and international issues. And, U.S.-Hungarian relations continued to improve, as demonstrated by successful conclusion last year of a bilateral trade agreement extending most favored nation tariff treatment to the exports of both countries.

With **Czechoslovakia** our first priority continues to be a satisfactory resolution of the nationalization claims of U.S. citizens. Following consultations with the Congress, we hope to be able to initiate new talks on this longstanding problem in the coming months.

Our relations with **Bulgaria** have continued to show gradual improvement, although progress in family reunification has been slower than we had hoped.

The United States is continuing to try to develop improved relations with the **German Democratic Republic**. We recently completed negotiation of a consular convention with the G.D.R. in which, to our satisfaction and that of the F.R.G., we successfully defended the position that there is a single German nationality. When the convention has been signed, the way will be open for some modest development of our relations with the G.D.R. For example, the G.D.R. will then be allowed to open two trade offices in New York. We will continue to stress claims, our desire for more action on divided family cases, and the need for a general improvement in their emigration record.

Of course, we continue to have certain fundamental differences with the governments of the Eastern European countries. We are concerned about the lack of democratic institutions, about

uneven observance of human rights, and issues such as divided families and denial of freedom of movement which directly affect many American citizens. But, it is also clear that the expansion of U.S. relations with these countries has enhanced our ability to talk candidly with their governments about these and other issues.

During the past months, for example, we have had constructive consultations with Eastern European governments concerning further progress in implementing all aspects of the Helsinki Final Act, and we expect to continue to use these bilateral exchanges as we approach the Madrid Review Conference for the Conference on Security and Cooperation in Europe (CSCE).

Indeed, continuing attention to the CSCE process has been an integral part of U.S. policy in the area of East-West relations. Our objective in the CSCE is to achieve full implementation of the Helsinki Final Act and thereby reduce international tensions, improve observance of human rights, and solve some of the human problems caused by the political differences among European states. Progress has been slow, and there have been many setbacks. Yet, we have seen some effort by all signatories to implement the Final Act and thus believe that sustained attention to carrying out the commitments undertaken in Helsinki will have a positive effect.

The first meeting for review of implementation, held in Belgrade, ended in March 1978. That meeting achieved our major aim of providing a full and complete review of the follow-through of the Helsinki accords. The time since the Belgrade meeting has been devoted to a series of experts meetings; to prepare a scientific forum; to discuss peaceful settlement of disputes; and to consider economic, cultural, and scientific cooperation in the Mediterranean.

In addition the United States, its allies, and the other participating states in the CSCE have now turned their attention fully to the review meeting to be held in Madrid in 1980. The United States has held bilateral consultations, using the Final Act as a framework, with Austria, Bulgaria, Finland, the German Democratic Republic, Hungary, Poland, Romania, Spain, and Switzerland. Consultations were recently held with Yugoslavia and Sweden. We have also had the first of a long series of discussions on the Madrid meeting in NATO. We anticipate that these consultations will continue throughout the period leading to Madrid.

At that meeting, the United States favors seeking a review of implementation of the Final Act and consideration of a limited number of new proposals. Any new proposals should be balanced to reflect the major concerns of the Final Act. We should not favor, for example, adopting new proposals in the military area without including new humanitarian measures.

Conclusion

Concern with security and the importance of the individual brings me full circle in this tour d'horizon of U.S.-European relations. Several points of particular import emerge from this summary of Western military security, Western economic well-being, bilateral relations with individual nations, and the evolution of East-West relations.

First, U.S. objectives in Europe are clear. We have a firm sense of overall direction and priority. We consider U.S. relations with Europe the cornerstone of American foreign policy. Through pursuit of shared aspirations with the nations of Western Europe and Canada, we seek to assure strong defense and fullest possible economic and political opportunity for our citizens. Through promotion of detente with the countries of Eastern Europe and the Soviet Union, we try to curtail dangerous competition and expand constructive cooperation.

Second, active and sustained pursuit of these goals has helped serve important U.S. interests. Relations with the nations of Western Europe and Canada are sound. Although much of the rest of the world is torn by turmoil, there is institutional stability and a sense of communal progress in the west. Since I last met with you for a review of U.S.-European relations, there have been elections in 10 European countries. Transitions have been orderly, both in terms of the changing of guard from one government to the next and in terms of continuing American cooperation with the new heads of government. For the first time in its history, all members of NATO are democracies. We have resisted retrenchment into national reaction to challenges that transcend borders. We have, instead, reached out to work together on mutual problems for mutual benefit. It is for that reason that NATO is strong and growing stronger and that we have resisted the worst protectionist pressures in a generation in order to try together to shape a healthier world economy. At the same time, we have achieved continuing success in building more normal relations with Eastern Europe—

relations that reflect the diversity of the area, our interest in security, and our concerns with fundamental human rights.

Third, we recognize that, despite some achievements to date, much remains to be done. The problems before us—most notably those in the area of economics and energy and those in the sphere of East-West relations—are complex. Bilateral frictions persist. Uncertainties exist within some European nations, especially those in the Mediterranean area. We are, however, determined to persist in the pursuit of vital U.S. objectives. And, we feel confident that we can succeed. As Secretary Vance stated in his address before the Royal Institute of International Affairs in London on December 9, 1978:

We have passed through a particularly difficult period during the 1970's. But we have navigated these turbulent waters. Although the course ahead remains demanding, the progress we have made should give us great confidence in our future. □

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Fisheries Agreement With Denmark, Faroe Islands

On September 5, 1979, representatives of the Government of the United States of America on the one part, and the Government of Denmark and the Home Government of the Faroe Islands on the other part, signed a new agreement relating to fishing activities of the Faroe Islands off the coasts of the United States.

The agreement sets out the arrangements between the countries which will govern fishing by Faroese vessels within the fishery conservation zone of the United States. The agreement will come into force after the completion of internal procedures by the governments. □

Press release 215 of Sept. 5, 1979.

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MIDDLE EAST: *Vision of Peace*

by Zbigniew Brzezinski

*Address before the World Jewish Congress in New York City on September 17, 1979. Mr. Brzezinski is Assistant to the President for National Security Affairs.*¹

We meet at an historic moment. One year ago tonight, President Carter, Prime Minister Begin, and President Sadat signed the Camp David accords. The electrifying meeting in the White House East Room culminated 13 days of the most intensive diplomatic negotiation in history. It marked the first moment, in 30 years of efforts, when people could truly say: Yes, peace is possible in the Middle East.

President Carter spoke that night for all Americans:

We are privileged to witness tonight a significant achievement in the cause of peace, an achievement none thought possible a year ago, or even a month ago, an achievement that reflects the courage and wisdom of these two leaders.

And I may say, as one privileged to have participated at Camp David, that none of this would have been possible without the courage and wisdom of that

begun. Last March 26, for the first time in its history, Israel at last found itself at peace—a real peace—with one of its neighbors. I can only tell you that nothing I have ever experienced can compare with that moment at the airport in Cairo, when President Carter lifted the phone to tell Prime Minister Begin that peace was finally within grasp. It was an extraordinary triumph of statesmanship, of personal courage, of vision—a triumph shared by President Carter, Prime Minister Begin, and President Sadat.

I felt deep pride in all three men for what they alone, in a long line of leaders of these three nations, had accomplished for the people of Israel, for the people of Egypt, and—I believe—ultimately for all the peoples of the Middle East. “No more war, no more bloodshed, no more bereavement.”—the words of Prime Minister Begin at the treaty signing—“Peace unto you—*shalom, salaam* forever.”

Negotiations on Palestinian Autonomy

Yet even as we rejoiced, all of us, at the new state of peace between Israel and Egypt, we knew that the task was

is fast approaching when the Palestinians should enter the autonomy negotiations to help determine their own future—though their unwillingness to enter must not be permitted to delay the Israeli-Egyptian-U.S. talks.

And we all must seek to avoid any impediments to peace that lie in the way: whether by continued building of settlements on the West Bank, which plays so directly into the hands of those who argue that Israel does not genuinely desire an agreement; or by the use of Lebanon for terrorist attacks on Israel; or by the retaliatory devastation of that helpless country.

Israel, meanwhile, has a right to arrangements that will guarantee its security. Yet, in securing this right, in demanding full recognition as a Middle East state, Israel also bears a responsibility to reach out to the Palestinians in new and creative ways. The Israeli nation, which has suffered so much and worked so hard to gain acceptance in the region, must also be prepared to accept legitimate Palestinian rights and to interpret the Camp David accords on the West Bank and Gaza both generously and with wise attention to the needs of an enduring peace with the Palestinian people; all, of course, with due regard for Israel's genuine security needs.

Representatives of the three Camp David countries—Minister Burg, Prime Minister Khalil, and Ambassador Strauss—are striving to make the negotiations on autonomy succeed. Each carries the mandate of his government to make them succeed, and each carries with him the hopes and prayers of his people.

Bob Strauss has just returned from the Middle East to report that those talks are progressing on track and ahead of schedule. They are full of promise, and full of the basic good will and mutual trust that are vital to carrying on the great work of peace. At the same time, the Treaty of Peace between Israel and Egypt is no longer just words. It is turning into facts—facts that should prove to all the joint commitment of these countries to both the letter and spirit of the Camp David accords, in their entirety.

Meanwhile, Prime Minister Begin and President Sadat are building upon their own unique friendship: leaders of once bitter enemies who know that to build peace is to build for the future of

The time has come, too, for all Palestinians to accept fully, and in good faith, U.N. Resolutions 242 and 338 and Israel's right to exist; the time is fast approaching when the Palestinians should enter the autonomy negotiations. . . .

third great leader—the President of the United States, Jimmy Carter.

We are also here tonight because we share a common commitment to the future of Israel, to its security, and a common commitment to peace. The United States and Israel share something that today is particularly important—a belief that human society must be able to devise ways for the peaceful resolution of disputes, whether within each country, or between them and their neighbors. The peoples of both countries are passionately committed to peace—and there is no higher calling in either country than that of peacemaker.

The United States today is at peace; Israel has enjoyed but few moments of peace. Yet tangible progress has

not done; that it was important to move ahead with the other half of the Camp David agreements—a peaceful solution for the West Bank and Gaza.

This task is more difficult than the first: the questions it raises are, at first glance, more opaque; the stakes for Israel, its neighbors, and for a lasting peace throughout the region clearly are far higher.

In this process, all the parties are challenged to exercise the same wisdom and foresight that brought the dramatic visit of President Sadat to Jerusalem and led to the Camp David accords, with all their hopes for the future. The time has come, too, for all Palestinians to accept fully, and in good faith, U.N. Resolutions 242 and 338 and Israel's right to exist; the time