

news release

DEMOCRATIC NATIONAL COMMITTEE . PUBLIC AFFAIRS DIVISION . 2600 VIRGINIA AVE., N.W., WASHINGTON, D.C. 20037 . 202/333-8750

Release for Sunday AMs October 6, 1968

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HHH REAFFIRMS COMMITMENT TO WESTERN EUROPEAN SECURITY, MAINTAINS HOPE FOR FUTURE EUROPEAN RECONCILIATION

Washington, D.C., Oct. 5 -- Vice President Hubert H. Humphrey today endorsed the report of his Task Force on European Affairs and stated his commitment to the security of Western Europe and his hope for "a future Europe free from conflict."

The text of the Vice President's statement follows.

"Earlier this year, I said that the top priority for American foreign policy in the next decade involves the relations among the United States, the Soviet Union, Western Europe, and Eastern Europe.

This view has been underscored by the recent tragic events in Czechoslovakia.

We reaffirm our strong committement to the security of Western Europe, but we also do not abandon our hopes for a future Europe free from conflict.

My long-range vision is that of a larger Europe:

- -- a Europe restored to its proper role in world affairs;
- -- no longer divided:
- -- no longer the focus of United States-Soviet rivalry;
- -- but the source of growing international cooperation.

To this end, I today endorse the report prepared for me by my Task Force on European Affairs, under the chairmanship of Mr. Joseph Slater and composed of some of America's most experienced experts on foreign affairs.

This report emphasized the continued relevance of the goal of increased

American-West European interdependence, and proposes that the heads of allied governments hold annual meetings.

It stresses the need to make the NATO Alliance more vital, both as a security shield and as an important means for seeking peaceful engagement with the East. In seeking this engagement, we should leave not the slightest doubt about how we would regard a threat to the security of Western Europe. Let all know that we would regard any threat to Berlin or Bonn or Paris as a threat to Washington, New York and San Francisco.

The report proposes various imaginative steps designed to end the partition of Europe;

and it advocates the creation of new scientific and educational links spanning the two shores of the Atlantic.

I not only endorse the report;

I pledge to you and to our allies in Western Europe: all initiatives that I take to end the bitter legacy of the Cold War will be accompanied by full consultations.

To advance the cause of unity, we must go forward together. "

(A summary and the full text of the Task Force report are enclosed.)

SUMMARY OF TASK FORCE REPORT

SUMMARY OF PRINCIPAL PROPOSED ACTIONS

- 1. Support for the development of a strong Western Europe, acting <u>interdependently</u> with the United States
 - a) Propose holding of annual meetings of the heads of allied governments.
 - b) Support the growth of the European Community, to include in it Great Britain and other applicants willing to adhere to the Rome Treaty.
 - c) Seek collaboration with the Community, and other advanced countries, to launch a new attack on the problems and restrictions in the field of foreign economic policy.
 - d) Developejoin scientific and technological programs, e.g., space exploration; the development of communication grids and computer facilities; and in such basic fields as urban affairs, pollution, and resource depletion.
 - e) Work toward new and enlarged multilateral programs of assistance to developing countries.

2. Reform of the North Atlantic Treaty Organization

- a) Maintain NATO's defensive role but encourage a substantially larger European role in the Organization.
- b) Encourage development of a European caucus within NATO, leading to the possible appointment of a European as Supreme Allied Commander Europe.
- c) Encourage the European NATO members to make joint decision on defense and weapons procurment.
- d) Avoid a unilateral American or European reduction of defense forces in Europe; it is even more essential for our NATO allies to fulfill their longstanding defense obligations.
- e) Support the use of NATO as a means of reducing tension between East and West with the eventual goal of mutually acceptable security arrangements with Warsaw Pact members.

3. An international role for the German Federal Republic

- a) Maintain our position that the division of Germany is provisional.
- b) Support West German efforts aiming at the cultural and economic reassociation of the German people.
- c) Facilitate West German involvement in international development programs.

4. Peaceful engagement with Eastern Europe and the USSR

- a) Continue the longrun search to improve relations with the Sov iet Union within a framework of close collaboration with Western Europe - including immediate initiatives toward discussion with the Soviets of offensive and defensive missile systems, to be followed by further initiatives toward reduction, under careful safeguard and inspection, of arms and military budgets of all nations.
- b) Encourage the development of interdependent arrangements within Europe and with the world community generally. East Europeans should be encourage to deal multilaterally through the UN, IBRD, and IMF, the ECE, OECD, the Bank for International Settlements, GATT, and other international institutions.
- c) Support the broadening of Western European institutions to permit East European participation.
- d) Revise selectively U.S. economic relations with the European Communist

 States by encouraging trade, granting non-discriminatory status, normalizing credit facilities, and renovating the existing system of export restrictions.
- e) Indicate to Moscow the gravity with which the U.S. views the Soviet invasion of Czechoslovakia.

5. Support of Transnational Educational Activities

- a) Engage Europe in developing an "Educational Common Market" involving transnational agreements on educational norms and standards in a fashion that will make education more truly international.
- b) Consider, with the other nations, creation of an International Foundation to develop and make grants internationally, as private philanthrepic foundations operate within the United States, to carry out common approache to common problems.
- c) Develop means whereby political and industrial managers, and civil servants and parliamentarians, might cross national boundaries for long or medium stays as a normal part of their careers.

RELEASE FOR SUNDAY AMS OCTOBER 6, 1968

REPORT TO VICE PRESIDENT HUMPHREY

BY

THE EUROPEAN AFFAIRS TASK FORCE

Chairman

Joseph Slater

Staff Coordinators

Zbigniew Brzezinski John Reilly

REPORT OF THE EUROPEAN AFFAIRS TASK FORCE

U.S./EUROPEAN AND EAST/WEST RELATIONS

Our vision is that of a larger Europe - a Europe restored to its proper role in world affairs, of a Europe no longer divided, of a Europe that is no longer the focus of United States-Soviet rivalry, but the source of growing international cooperation.

It has been the primary goal of United States foreign policy to help rebuild Western Europe and to encourage a more united Europe by a process that would not precipitate a war with the U.S.S.R. The first goal has been attained, and despite recurrent crises peace in Europe has been maintained, economic growth and stability restored, and the foundation has been laid for the eventual improvement of American-Soviet relations.

It is therefore tempting to believe that it is no longer necessary to maintain vigilant interest in American-European policy. Yet the very success of European policies over the past twenty years has inevitably generated new problems with which the United States must deal constructively in the years that lie ahead. The economic progress achieved by the European countries during and since the Marshall Plan has stimulated rising self-confidence and senge of independence. In consequence, in most areas of their domestic and forange activities, European countries no longer need nor desire American help and advice. Accordingly, European interests, attitudes and objectives will inevitably diverge in some respects from those of the United States.

Nonetheless, growing European cooperation remains one of the most promising and revolutionary postwar developments. The full potential of Western Europe can only be realized once the process recovers its forward movement. This should include both its systematic expansion to the political and defense fields and its geographic enlargement to include the United Kingdom and other European states. Such a European Community will be the only effective way to deal with the major problem which now beclouds U.S.-European relations; the great disparity in power.

It should be recognized that there will be points of difference between this Europe and the U.S. and, from time to time, expressions of anti-American sentiments. This is not too high a price to pay since the U.S. supports the European Community in the conviction that a united Western Europe will be better able to share with the U.S. the manifold responsibilities of today's world. A unified Western Europe is the constructive alternative to a return to reactionary nationalism. As it gains strength, it will attract and challenge a restless European generation.

American support of this revolutionary process should continue because the Community also will be a model and inspiration to other areas of the world, as well as provide a building block for a broader world community.

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In the meantime, Germany remains the unresolved problem of Europe. The frustrations resulting from the unnatural division of the country could prompt growing and restless nationalism within Germany. In this situation, the European Community remains a principal means of providing a positive outlet for the German energies.

The desire for greater independence in East Europe also highlights the continued need for a policy designed to bring about a situation in which the United States, Western Europe, Eastern Europe, and the Soviet Union can cooperate peacefully, with Europe no longer arbitrarily divided. Otherwise, tension and instability in the East can poison East-West relations and intensify the cold war. The Soviet invasion of Czechoslovakia is best proof of the proposition that a stable East-West order cannot be built on the foundations of an artificially partitioned Europe.

POLICIES FOR TOMORROW

In light of the foregoing, U.S. policy towards Europe must aim at:

Support for the development of a strong Western Europe, acting interdependently with the United States.

The United States cannot - and should not try - dictate to the Europeans their own future. But we can -- and should - encourage ends we think are desirable both for Europe and for the United States. To remain sensitive to each other's views, it would be useful to establish, as a regular practice, the holding of annual meetings of the heads of allied governments. Such meetings should precede major initiatives affecting either American or European interests.

Increased integration of Western Europe, including Great Britain, would permit the Europeans to exploit their considerable scientific and industrial assets. This European institutional development would then enable the two sides of the Atlantic to share to the benefit of both the benefits of our technological age, but without the overriding threat of American dominance. This more balanced relationship would bring to the fore the actual and potential European technological strengths, many of which are in advance of those in the United States.

Certain economic and financial measures deserve special priority. As the Kennedy Round reductions go into effect, tariffs will cease to be the major obstacle in many commodities to increased trade between the U.S. and Western Europe and the significance of non-trade barriers will become greater and more conspicuous. Viewed in the broadest sense, these non-trade restrictions all relate, in one way or another, to international trade competition. The need is to obtain agreement on common policies to insure that this trade competition will be both real and fair.

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Of equal importance is the need to eliminate the current conditions of potential international monetary crises by the establishment of new international monetary arrangements that insure adequate liquidity and facilitate the balance-of-payments adjustment process.

Greater Atlantic cooperation in the field of science and technology is both possible and desirable. Among them might be considered the promotion of an International Science Foundation; a joint space program with Western Europe; joint action to avoid or reduce undesirable aspects of scientific and technological change such as environment modification and pollution; joint action on resources depletion; internalization of communications arrangements; multinatonal projects, with or without the United States, in such large technological areas as computer facilities, and perhaps of greatest importance could be vigorous joint actions involving both concrete projects and research in such fields of common interest as urban affairs and mass transportation.

Such joint activities would underscore the actual advantages of interdependence in the sharing of brain power and resources. The U.S. stands to gain just as much as Europe by such arrangements. It could involve a pooling of know-how and facilities. It would certainly require greater integration of policy making and planning. Ultimately, such measures would do a great deal to mitigate the "brain drain" about which Europe has such great apprehension.

Similar steps might be taken in the fields of political and industrial management. The United States should encourage the creation of means by which political and industrial managers, and civil servants and parliamentarians, might cross national boundaries for long or medium stays as a normal part of their careers.

Meetings of the Ministers of North America and Western Europe might occur annually and their staffs and public and private working groups might meet more frequently in a whole range of economic, social, educational and other fields.

One deficiency in this general area is the absence of non-governmental institutions through which some of these steps might be encouraged. Accordingly, an international Foundation should be created to develop and make grants internationally much as private philanthropic foundations operate within the United States. Such affoundation would be multinational in its support, its staff, and its direction; - it would occupy itself by means of grants and contracts to the process of institution-building on an international scale.

2. Reform of the North Atlantic Treaty Organization

Recent events have underlined the vital importance of this Alliance to the security both of Western Europe and of the United States. Maintaining this security remains our first obligation.

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The nations of Europe should be encouraged to accept a far greater role in the direction of NATO and of its subordinate instruments. In particular, our support should be given to the development of a European caucus within NATO. In this context we should consider, if the Europeans so wish, a European as Supreme Commander.

Further modification should be encouraged in the original concept of NATO as an arrangement exclusively for military defense. NATO should be encouraged to engage more widely in the search for security arrangements intended to reduce tensions, not excluding eventually some relationships with the Warsaw Pact nations.

However, until there is progress towards East-West security agreements, the United States and Western Europe should avoid unilateral and precipitate reductions of their defense forces in Europe which could result in the dismantlement of NATO and prompt greater instability in East-West relations. The Soviet invasion of Czechoslovakia underlines the need for reciprocity in any effort to reduce the scale of the military confrontation. In the meantime, it is essential for our NATO allies to fulfill their longstanding alliance obligations.

The U.S. should encourage Great Britain's new emphasis on European security,

linked to the U.S. within NATO. This British move has the collateral effect of faci
litating Britain's entrance into the European Community. Eventually the NATO arrangements might be subsumed by a new joint American-European defense security system.

The rising cost of weapons systems and the interest of the European countries in allocating national resources to domestic purposes cast doubt on the ability of European governments to maintain adequate force levels in the 1970's unless there emerges more rational procurement procedures. Joint production is at best a partial solution and one to be applied carefully and selectively. European excellence in advanced tactical weapons systems should be exploited. The European NATO members should be encouraged to find means which would enable them to make joint decisions on defense and meapons procurement.

A rationalization of military production and procurement within a multilateral organization could also discourage the present competitive arms traffic in Latin America, the Middle East, and Africa. Further, such a framework could lead to the more effective control of the sale of obsolete American and European military hardware in third-world markets.

3. An International role for the German Federal Republic.

The United States should not waver in its position that the division of Germany is provisional; at the same time, it is clear that there is little prospect in the short term for the reunification of Germany.

In that context, always in collaboration with the Federal Republic, the United States should support the great "humanization" of relationships between the two parts of Germany, aiming at the economic and cultural reassociation of the German people.

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The United States should welcome increased efforts by the Federal Republic to become more fully involved with cooperative enterprises among the developed and the less-developed countries. A strong German participation in such activities around the globe would contribute to an outward-looking, internationalist German attitude and be a means of satisfying the humanistic energies of German youth.

4. Peaceful Engagement with Eastern Europe and the USSR.

The emphasis on the vital interest of the U.S. in Western Europe in no way suggests a lack of U.S. interest in Eastern Europe or the Soviet Union. Improvement in the conditions of life in the East and the development of new and mutually beneficial relations between the East and the West rests in the first instance on the willingness of the Communist states to collaborate; it is a process that will also be facilitated by greater U.S. - Western European Cooperation.

Seeking peaceful engagement is not an easy task, as recent events in Czechoslovakia demonstrate. In Europe, a policy of peaceful engagement means encouraging gradually East-West sharing of political and security responsibilities. The United States role in this must not make our European allies feel we are going over their heads contrary to their interest. It is not in our interest to complicate the Atlantic alliance and push our allies toward unilateral negotiations with Moscow.

To do so would be merely helping the USSR in its main current European objective: to split Europe and America (especially Washington from Bonn) and thus drive the U.S. out of Europe.

In the light of the Soviet invasion of Czechoslovakia, some short-run curtailment of relations with the Soviet Union, particularly those of symbolic value to Moscow is necessary to make clear continued U.S. concern over its actions. These steps could affect the direct Moscow-New York Aeroflot connection and involve the maintenance of the Czechoslovakian issue on the UN agenda. But it is not in the interest of peace--nor of U.S. security--to cut off arms control discussions with Moscow nor to make it easier for the more reactionary Soviet leaders to isolate Eastern Europe from the West.

Agreement to move ahead to limit the arms race does not presuppose that political competition between the U.S. and the Soviet Union will suddenly disappear. We hope it will diminish, but we recognize that this will take time, and that a dampening down of the strategic arms race is not dependent on an across-the-board political truce.

We know that the composition of the Soviet leadership can change, that constant vigilance and regular assessment of its attitude are required. But there are dangers in over-reacting to Soviet action as well as reacting too little. Accordingly, we should not waver in our efforts to engage the Soviet leaders in a searching and constructive discussion, designed to final ways to control, halt, and eventually reduce the arms race.

In planning and carrying out of the programs suggested in the previous sections, the West must take great care to create opportunities and facilitate the active participation of the East Europeans in broader all-European cooperation. This cannot be accomplished by any single means. It must include the deliberate elimination of sources of instability and tension. High among these is the territorial insecurity of the East Europeans. The time has come to accept existing national frontiers as enduring.

Certain Western European institutions could be broadened to include participation by certain European communist countries; U.S. policy should encourage this process where feasible. Yugoslavia has already established a relationship with OECD, and similar arrangements should be open to some other European communist countries. With the growing acceptance of the EEC by the Eastern European nations, the EEC should be encouraged to enter into special association agreements with some of the European communist countries. European communist states should also be encouraged to deal multilaterally and with each other and with other areas through the U.N., IBRD and IMF, the ECE, OECD, the Bank for International Settlements, GATT, and other institutions through which the nations of Western Europe are accustomed to order their affairs

Multilateral arrangements promise to be the most effective means of dealing with Eastern Europe. Many of the steps advocated above with relation to Western Europe might advantageously be extended to the East, such as new joint scientific and technological programs, space exploration, communications grids and computer facilities; there are other opportunities for common programs in such fields as urban affairs, pollution and resources depletion. In certain areas, the Western nations should attempt to involve as many as possible of the East European states, as well as the Soviet Union, in the initial exploration and development of such multilateral programs; in cases where this is not feasible, those projects that are developed among the Western nations should be open to subsequent Eastern participation, or at least their association with the benefits of these programs.

In addition to the inherent goals of reducing tensions and instability, the

United States should be prepared to take specific steps designed to encourage its

own trade with specific European communist countries and place its economic relations
with some of them on a more normal basis. We propose that the United States move,

where appropriate, to grant non-discrimnatory status to Eastern European countries, beginning with Rumania and later -- if it retains its domestic liberal reforms--with Czechoslovakia. We propose also that credit relations with such countries be normalized under liberal credit arrangements similar to those already provided by Western Europe. Accordingly, we propose that the U.S. accompany its MFN authorizations with lifting of present dollar or local currency (PL 480) credit restrictions; and, in Yugoslavia, encourage agreements between Belgrade and U.S. corporations to use U.S. PL 480 dinar balances for credits to U.S. investors for local construction needs.

We also propose that the Western nations facilitate the procurement of raw materials by Yugoslavia, Rumania, and perhaps some other East European states by the provision of credits, transportation facilities, and technology. This could ease their industrialization problems and simultaneously benefit the supplying countries of Asia, Africa, and Latin America. For the time being, none of these steps should apply to the states that invaded Czechoslovakia.

We propose that the entire system of export restrictions by re-examined from the standpoint of obtaining for the U.S. the maximum flexibility in dealing with individual communist states. There are in fact few products that should be kept out of such trade. Indeed, it is more effective to reduce the atmosphere of hostility by peaceful and liberal trade, than to seek to reduce the power of a potentially hostile nation by erecting trade barriers—if for no other reason than that the latter course, over a period of time, simply does not work. Export restrictions may serve our own urge to take all possible steps toward assuring ourselves a favored position, but they are doomed ultimately to failure, leaving behind them only a legacy of ill will. Our persisting in the present course creates an additional area of friction between the United States and Western Europe.

The long-term purpose of all this is to bring about an interdependence of Western and Eastern European economic and other interests. Such an intermingling cannot be of the same order or timing as that contemplated for Western Europe alone, for the gulf between East and West is real.

5. Support of Transnational Educational Activities.

Education is a creative, liberalizing force. In the United States, both technology and managerial skills are now firmly based upon the educational process. It is the university that is now the creator of new technology, and the university from which managerial and entrepreneurial skills emerge. Since the war, the ties between higher education and industrial enterprise have become so intimate that in such fields as electronics it is almost difficult to distinguish between the two; in a sense, this has been one of the most significant American technological discoveries of the century.

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It is difficult to transfer to another country a technology or a managerial skill, once it has been fully developed; it is much easier to transfer them at their inception, while they are still engaged in the educational stage. Accordingly, we propose that the United States and the Western European countries engage jointly in the process of establishing an Educational Common Market. This in time would involve transnational agreements with all of Europe on educational norms and standards, in order to internationalize the educational process. As a goal, there should be an unimpeded flow of students and faculty across national borders without prejudice to the formal educational accreditation of the student or to the professional career of the faculty. To the extent the East Europeans and Soviets feel able to do so, they should participate in this effort.

In the short-term, we propose that the United States take all steps necessary to encourage the flow of American students and faculty abroad, and the counter-flow of European students and faculty to this country. Joint institutional research and other projects are also essential to this process; there should be a broadening of the Fulbright program which has already served so well. The United States should encourage the formation of international professional careers in more than one country.

We propose that the United States support programs of European studies in the United States and of American Studies in Europe, with maximum mobility for students and faculty.

As a means to further these proposals, The International Foundation proposed earlier should be able to foster activities in these areas by means of grants and contracts. Public European and American funds, without strings, should also be channelled through the International Foundation, which should have open-ended membership.

U.S./EUROPEAN AND EAST/WEST RELATIONS

Summary of Principal Proposed Actions

- 1. Support for the development of a strong Western Europe, acting interdependently with the United States
 - a) Propose holding of annual meetings of the heads of allied governments.
 - b) Support the growth of the European Community, to include in it Great Britain.
 - c) Seek collaboration with the Community, and other advanced countries, to launch a new attack on the problems and restrictions in the field of foreign economic policy.
 - d) Develop joint scientific and technological programs, e.g., space exploration; the development of communication grids and computer facilities; and in such basic fields as urban affairs, pollution, and resource depletion.

2. Reform of the North Atlantic Treaty Organization

- a) Maintain NATO's defensive role but encourage a substantially larger European role in the Organization.
- b) Encourage development of a European caucus within NATO, leading to the possible appointment of a European as Supreme Allied Commander Europe.
- c) Encourage the European NATO members to make joint decisions on defense and weapons procurement.
- d) Avoid a unilateral American or European reduction of defense forces in Europe; it is even more essential for our NATO allies to fulfill their longstanding defense obligations.

e) Support the use of NATO as a means of reducing tension between East and West with the goal of mutually acceptable security arrangements with the Warsaw Pact members.

3. An international role for the German Federal Republic

- a) Maintain our position that the division of Germany is provisional.
- b) Support West German efforts aiming at the cultural and economic reassociation of the German people.
- c) Facilitate West German involvement in international development programs.

4. Peaceful engagement with Eastern Europe and the USSR

- a) Continue the longrun search to improve relations with the Soviet Union within a framework of close collaboration with Western Europe.
- b) Encourage the development of interdependent arrangements within Europe and with the world community generally. East Europeans should be encouraged to deal multilaterally through the UN, IBRD, and IMF, the ECE, OECD, the Eank for International Settlements, GATT, and other international institutions.
- c) Support the broadening of Western European institutions to permit East European participation.
- d) Revise selectively U.S. economic relations by encouraging trade, granting most-favored-nation status, normalizing

- credit facilities, and renovating the existing system of export restrictions.
- e) Indicate to Moscow the gravity with which the U.S. views the Soviet invasion of Czechoslovakia.

5. Support of Transnational Educational Activities

- a) Engage Europe in developing an "Educational Common

 Market" involving transnational agreements on

 educational norms and standards in a fashion that will

 make education more truly international.
- b) Consider, with the other nations, creation of an International Foundation to develop and make grants internationally, as private philanthropic foundations operate within the United States, to carry out common approaches to common problems.
- c) Develop means whereby political and industrial managers, and civil servants and parliamentarians, might cross national boundaries for long or medium stays as a normal part of their careers.

U.S./EUROPEAN AND EAST/WEST RELATIONS

Our vision is that of a larger Europe - a Europe restored to its proper role in world affairs, of a Europe no longer divided, of a Europe that is no longer the focus of United States-Soviet rivalry, but the source of growing international cooperation.

It has been the primary goal of United States foreign policy to help rebuild Western Europe and to encourage a more united Europe by a process that would not precipitate a war with the U.S.S.R. The first goal has been attained, and despite recurrent crises peace in Europe has been maintained, economic growth and stability restored, and the foundation has been laid for the eventual improvement of American-Soviet relations.

It is therefore tempting to believe that it is no longer necessary to maintain vigilant interest in American-European policy. Yet the very success of European policies over the past twenty years has inevitably generated new problems with which the United States must deal constructively in the years that lie ahead. The economic progress achieved by the European countries during and since the Marshall Plan has stimulated rising self-confidence and sense of independence. In consequence, in most areas of their domestic and foreign activities, European countries no longer need nor desire American help and advice. Accordingly, European interests, attitudes and objectives will inevitably diverge in some respects from those of the United States.

Nonetheless, growing European cooperation remains one of the most promising and revolutionary postwar developments. The full potential of Western Europe can only be realized once the process recovers its forward movement. This should include both its systematic

expansion to the political and defense fields and its geographic enlargement to include the United Kingdom and other European states. Such a European Community will be the only effective way to deal with the major problem which now beclouds U.S.-European relations; the great disparity in power.

It should be recognized that there will be points of difference between this Europe and the U.S. and, from time to time, expressions of anti-American sentiments. This is not too high a price to pay since the U.S. supports the European Community in the conviction that a united Western Europe will be better able to share with the U.S. the manifold responsibilities of today's world. A unified Western Europe is the constructive alternative to a return to reactionary nationalism. As it gains strength, it will attract and challence a restless European generation. American support of this revolutionary process should continue because the Community also will be a model and inspiration to other areas of the world, as well as provide a building block for a broader world community.

In the meantime, Germany remains the unresolved problem of Europe.

The frustrations resulting from the unnatural division of the country could prompt growing and restless nationalism within Germany. In this situation, the European Community remains a principal means of providing a positive outlet for the German energies.

continued need for a policy designed to bring about a situation in which the United States, Western Europe, Eastern Europe, and the Soviet Union can cooperate peace-fully, with Europe no longer arbitrarily divided. Otherwise, tension and instability in the East can poison East-West relations and intensify the cold war. The Soviet invasion of Czechoslovakia is best proof of the proposition that a stable East-West order cannot be built on the foundations of an artifically partitioned Europe.

POLICIES FOR TOMORROW

In light of the foregoing, U.S. policy towards Europe must aim at:

1. Support for the development of a strong Western Europe, acting interdependently with the United States.

The United States cannot - and should not try - dictate to the Europeans their own future. But we can - and should - encourage ends we think are desirable both for Europe and for the United States. To remain sensitive to each other's

views, it would be useful to establish, as a regular practice, the holding of annual meetings of the heads of allied governments. Such meetings should precede major initiatives affecting either American or European interests.

Increased integration of Western Europe, including Great Britain, would permit the Europeans to exploit their considerable scientific and industrial assets. This European institutional development would then enable the two sides of the Atlantic to share to the benefit of both the benefits of our technological age, but without the overriding threat of American dominance. This more balanced relationship would bring to the fore the actual and potential European technological strengths, many of which are in advance of those in the United States.

Certain economic and financial measures deserve special priority. As the Kennedy Round reductions go into effect, tariffs will cease to be the major obstacle in many commodities to increased trade between the U.S. and Western Europe and the significance of non-trade barriers will become greater and more conspicuous. Viewed in the broadest sense, these non-trade restrictions all relate, in one way or another, to international trade competition. The need is to obtain agreement on common policies to insure that this trade competition will be both real and fair. Of equal importance is the need to eliminate the current conditions of potential international monetary crises by the establishment of new international monetary arrangements that insure adequate liquidity and facilitate the balance-of-payments adjustment process.

Greater Atlantic cooperation in the field of science and technology is both possible and desirable. Among them might be considered the promotion of an International Science Foundation; a joint space program with Western Europe; joint action to avoid or reduce undesirable aspects of scientific and technological change such as environment modification and pollution; joint action on resources depletion; internalization of communications arrangements; multinational projects, with or without the United States, in such large technological areas as computer facilities, and perhaps of greatest importance could be vigorous joint actions involving both

concrete projects and research in such fields of common interest as urban affairs and mass transportation.

Such joint activities would underscore the actual advantages of interdependence in the sharing of brain power and resources. The U.S. stands to gain
just as much as Europe by such arrangements. It could involve a pooling of knowhow and facilities. It would certainly require greater integration of policy
making and planning. Ultimately, such measures would do a great deal to mitigate
the "brain drain" about which Europe has such great apprehension.

Similar steps might be taken in the fields of political and industrial management. The United States should encourage the creation of means by which political and industrial managers, and civil servants and parliamentarians, might cross national boundaries for long or medium stays as a normal part of their careers. Meetings of the Ministers of North America and Western Europe might occur annually and their staffs and public and private working groups might meet more frequently in a whole range of economic, social, educational and other fields.

One deficiency in this general area is the absence of non-governmental institutions through which some of these steps might be encouraged. Accordingly, an international Foundation should be created to develop and make grants internationally much as private philanthropic foundations operate within the United States. Such a foundation would be multinational in its support, its staff, and its direction; it would occupy itself by means of grants and contracts to the process of institution-building on an international scale.

2. Reform of the North Atlantic Treaty Organization

Recent events have underlined the vital importance of this Alliance to the security both of Western Europe and of the United States. Maintaining this security remains our first obligation.

The nations of Europe should be encouraged to accept a far greater role in the direction of NATO and of its subordinate instruments. In particular, our support should be given to the development of a European caucus within NATO. In this context we should consider, if the Europeans so wish, a European as Supreme Commander.

Further modification should be encouraged in the original concept of NATO as an arrangement exclusively for military defense. NATO should be encouraged to engage more widely in the search for security arrangements intended to reduce tensions, not excluding some relationships with the Warsaw Pact nations.

However, until there is progress towards East-West security agreements, the United States and Western Europe should avoid unilateral and precipitate reductions of their defense forces in Europe which could result in the dismantlement of NATO and prompt greater instability in East-West relations. The Soviet invasion of Czechoslovakia underlines the need for reciprocity in any effort to reduce the scale of the military confrontation. In the meantime, it is essential for our NATO allies to fulfill their longstanding alliance obligations.

The U.S. should encourage Great Britain's new emphasis on Europeau security, linked to the U.S. within NATO. This British move has the collateral effect of facilitating Britain's entrance into the European Community. Eventually the NATO arrangements might be subsumed by a new joint American-European defense security system.

The rising cost of weapons systems and the interest of the European countries in allocating national resources to domestic purposes cast doubt on the ability of European governments to maintain adequate force levels in the 1970's unless there emerges more rational procurement procedures. Joint production is at best a partial solution and one to be applied carefully and selectively. European excellence in advanced tectical weapons systems should be exploited. The European NATO members should be encouraged to find means which would enable them to make joint decisions on defense and weapons procurement.

A rationalization of military production and procurement within a multilateral organization could also discourage the present competitive arms traffic in Latin America, the Middle East, and Africa. Further, such a framework could lead to the more effective control of the sale of obsolete American and European military hardware in third-world markets.

3. An International role for the German Federal Republic.

The United States should not waver in its position that the division of Germany is provisional; at the same time, it is clear that there is little prospect in the short term for the reunification of Germany.

In that context, always in collaboration with the Federal Republic, the United States should support the greater "humanization" of relationships between the two parts of Germany, aiming at the economic and cultural reassociation of the German people.

The United States should welcome increased efforts by the Federal Republic to become more fully involved with cooperative enterprises among the developed and the less-developed countries. A strong German participation in such activities around the globe would contribute to an outward-looking, internationalist German attitude and be a means of satisfying the humanistic energies of German youth.

4. Peaceful Engagement with Eastern Europe and the USSR.

The emphasis on the vital interest of the U.S. in Western Europe in no way suggests a lack of U.S. interest in Eastern Europe or the Soviet Union. Improvement in the conditions of life in the East and the development of new and mutually beneficial relations between the East and the West rests in the first instance on the willingness of the Communist states to collaborate; it is a process that will also be facilitated by greater U.S. - Western European Cooperation.

Seeking peaceful engagement is not an easy task, as recent events in Czechoslovakia demonstrate. In Europe, a policy of peaceful engagement means encouraging gradually East-West sharing of political and security responsibilities. The United States role in this must not make our European allies feel we are going over their heads contrary to their interest. It is not in our interest to complicate the Atlantic alliance and push our allies toward unilateral negotiations with Moscow.

To do so would be merely helping the USSR in its main current European objective: to split Europe and America (especially Washington from Bonn) and thus drive the U.S. out of Europe.

In the light of the Soviet invasion of Czechoslovakia, some short-run curtailment of relations with the Soviet Union, particularly those of symbolic value to Moscow is necessary to make clear continued U.S. concern over its actions. These steps could affect the direct Moscow-New York Aeroflot connection and involve the maintenance of the Czechoslovakian issue on the UN agenda. But it is not in the interest of peace--nor of U.S. security--to cut off arms control discussions with Moscow nor to make it easier for the more reactionary Soviet leaders to isolate Fastern Europe from the West.

Agreement to move ahead to limit the arms race does not presuppose that political competition between the U.S. and the Soviet Union will suddenly disappear. We hope it will diminish, but we recognize that this will take time, and that a dampening down of the strategic arms race is not dependent on an acrossthe-board political truce.

We know that the composition of the Soviet leadership can change, that constant vigilance and regular assessment of its attitude are required. But there are dangers in over-reacting to Soviet action as well as reacting too little.

In planning and carrying out of the programs suggested in the previous sections, the West must take great care to create opportunities and facilitate the active participation of the East Europeans

in broader all-Furopean cooperation. This cannot be accomplished by any single means. It must include the deliberate elimination of sources of instability and tension. High among these is the territorial insecurity of the East Europeans. The time has come to accept existing national frontiers as enduring.

Certain Western European institutions could be broadened to include participation by certain European communist countries; U. S. policy should encourage this process where feasible. Yugoslavia has already established a relationship with OECD, and similar arrangements should be open to some other European communist countries. With the growing acceptance of the FEC by the Eastern European nations, the EFC should be encouraged to enter into special association agreements with some of the European communist countries. European communist states should also be encouraged to Geal multi-laterally and with each other and with other areas through the U.N., IEED and IMF, the ECE, OECD, the Bank for International Settlements, GATT, and other institutions through which the nations of Vestern Europe are accustomed to order their affairs.

Multilateral arrangements promise to be the most effective means of dealing with Eastern Europe. Many of the steps advocated above with relation to Western Europe might advantageously be extended to the East, such as new joint scientific and technological programs, space exploration, communications grids and computer facilities; there are other opportunities for common programs in such fields as urban affairs, pollution and resources depletion. In certain areas, the Western nations should attempt to involve as many as possible of the East European states, as well as the Soviet Union, in the initial exploration and development of such multilateral programs; in cases where this is not feasible, those projects that are developed among the Western nations should be open to subsequent Eastern participation, or at least their association with the benefits of these programs.

In addition to the inherent goals of reducing tensions and instability, the United States should be prepared to take specific steps designed to encourage its own trade with specific European communist countries and place its economic relations with some of them on a more normal basis. We propose that the United States move, where appropriate, to grant most-favored-nation status to Eastern European countries, beginning with Rumania and later--if it retains its domestic liberal reforms--with Czechoslovakia. We propose also that credit relations with such countries be normalized under liberal credit arrangements similar to those already provided by Western Europe. Accordingly, we propose that the US accompany its MFN authorizations with lifting of present dollar or local currency (PL 480) credit restrictions; and, in Yugoslavia, encourage agreements between Belgrade and US corporations to use US PL 480 dinar balances for credits to US investors for local construction needs.

We also propose that the Western nations facilitate the procurement of raw materials by Yugoslavia, Rumania, and perhaps some other East European states by the provision of credits, transportation facilities, and technology. This

could ease their industrialization problems and simultaneously benefit the supplying countries of Asia, Africa, and Latin America. For the time being, none of these steps should apply to the states that invaded Gzechoslovakia.

We propose that the entire system of export restrictions be re-examined from the standpoint of obtaining for the US the maximum flexibility in dealing with individual communist states. There are in fact few products that should be kept out of such trade. Indeed, it is more effective to reduce the atmosphere of hostility by peaceful and liberal trade, than to seek to reduce the power of a potentially hostile nation by execting trade barriers—if for no other reason than that the latter course, over a period of time, simply does not work. Export restrictions may serve our own urge to take all possible steps toward assuring ourselves a favored position, but they are doomed ultimately to failure, leaving behind them only a legacy of ill will. Our persisting in the present course creates an additional area of friction between the United States and Western Europe.

The long-term purpose of all this is to bring about an interdependence of Western and Eastern European economic and other interests. Such an intermingling cannot be of the same order or timing as that contemplated for Western Europe alone, for the gulf between East and West is real.

5. Support of Transnational Educational Activities.

Education is a creative, liberalizing force. In the United States, both technology and managerial skills are now firmly based upon the educational process. It is the university that is now the creator of new technology, and the university from which managerial and entrepreneurial skills emerge. Since the war, the ties between higher education and industrial enterprise have become so intimate that in such fields as electronics it is almost difficult to distinguish between the two; in a sense, this has been one of the most significant American technological discoveries of the century.

It is difficult to transfer to another country a technology or a managerial skill, once it has been fully developed; it is much easier to transfer them at their inception, while they are still engaged in the educational stage. Accordingly, we propose that the United States and the Western European countries engage jointly in the process of establishing an Educational Common Market. This in time would involve transnational agreements with all of Europe on educational norms and standards, in order to internationalize the educational process. As a goal, there should be an unimpeded flow of students and faculty across national borders without prejudice to the formal educational accreditation of the student or to the professional career of the faculty. To the extent the East Europeans and Soviets feel able to do so, they should participate in this effort.

In the short-term, we propose that the United States take all steps necessary to encourage the flow of American students and faculty abroad, and the counter-flow of European students and faculty to this country. Joint institutional research and other projects are also essential to this process; there should be a broadening of the Fulbright program which has already served so well. The United States should encourage the formation of international professional careers in more than one country.

We propose that the United States support programs of European studies in the United States and of American Studies in Europe, with maximum mobility for students and faculty.

As a means to further these proposals, The International Foundation proposed earlier should be able to foster activities in these areas by means of grants and contracts. Public European and American funds, without strings, should also be channelled through the International Foundation, which should have open-ended membership.

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