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BILDERBERG MEETINGS

CAMBRIDGE
CONFERENCE

31 March - 2 April 1967

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LIST OF PARTICIPANTS

CHAIRMAN:

H.R.H. THE PRINCE OF THE NETHERLANDS

HONORARY SECRETARY GENERAL FOR EUROPE:

ERNST H. VAN DER BEUGEL

HONORARY SECRETARY GENERAL FOR THE UNITED STATES:

JOSEPH E. JOHNSON

HONORARY TREASURER:

Johannes Meynen

DEPUTY SECRETARY GENERAL FOR EUROPE:

ARNOLD T. LAMPING

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AGNELLI, GIOVANNI	ITALY
ARLIOTIS, CHARLES	GREECE
BALL, GEORGE W.	UNITED STATES
BARRAN, DAVID H.	UNITED KINGDOM
BAUMEL, JACQUES	FRANCE
BAUMGARTNER, WILFRID S.	FRANCE
BECKER, KURT	GERMANY
BEEBE, FREDERICK S.	UNITED STATES
BENNETT, SIR FREDERIC	UNITED KINGDOM
BIRGI, M. NURI	TURKEY
BIRRENBACH, KURT	GERMANY
BROSIO, MANLIO	INTERNATIONAL
CASANOVA, JEAN C.	FRANCE
CLEVELAND, HAROLD VAN B.	UNITED STATES
CLEVELAND, HARLAN	UNITED STATES

COLLADO, EMILIO G.	UNITED STATES
COLONNA DI PALIANO, PRINCE GUIDO	INTERNATIONAL
DANKERT, PIET	NETHERLANDS
DEAN, ARTHUR H.	UNITED STATES
DIEBOLD, JOHN	UNITED STATES
EAYRS, JAMES	CANADA
EDINBURGH, H. R. H. THE PRINCE PHILIP, DUKE OF	UNITED KINGDOM
FERRARI AGGRADI, MARIO	ITALY
GRIFFIN, ANTHONY G. S.	CANADA
HALL, SIR ARNOLD	UNITED KINGDOM
HARTUNG, HENRI	FRANCE
HEALEY, DENIS W.	UNITED KINGDOM
HEATH, EDWARD R. G.	UNITED KINGDOM
HEINZ II, HENRY J.	UNITED STATES
HØEGH, LEIF	NORWAY
HOFFMANN, STANLEY	UNITED STATES
HOGG, QUINTIN	UNITED KINGDOM
HOLMBERG, YNGVE	SWEDEN
HORNIG, DONALD F.	UNITED STATES
JACKSON, HENRY M.	UNITED STATES
KAYSEN, CARL	UNITED STATES
KEARTON, SIR FRANK	UNITED KINGDOM
KNOPPERS, ANTONIE T.	UNITED STATES
KOHNSTAMM, MAX	INTERNATIONAL
KRAFT, JOSEPH	UNITED STATES
KYMMELL, JAAP	NETHERLANDS
LEFÈVRE, THÉO	BELGIUM
LÉGER, JULES	CANADA
LUNS, JOSEPH M. A. H.	NETHERLANDS
MARTIN, PAUL	CANADA
MATHIAS JR., CHARLES McC.	UNITED STATES
MATTHIASSEN, NIELS	DENMARK
MAUDLING, REGINALD	UNITED KINGDOM
MCGHEE, GEORGE C.	UNITED STATES
McNAUGHTON, JOHN T.	UNITED STATES
MERKLE, HANS	GERMANY
MOYERS, BILL D.	UNITED STATES
MUNTHE, PREBEN	NORWAY
MURPHY, ROBERT D.	UNITED STATES
NETHERLANDS, H. R. H. PRINCE CLAUS OF THE	NETHERLANDS

NEWHOUSE, JOHN
 NIARCHOS, STAVROS S.
 NOGUEIRA, ALBERTO FRANCO
 NORSTAD, LAURIS
 NYKOPP, JOHAN
 PECCEI, AURELIO
 PERKINS, JAMES A.
 PESMAZOGLOU, JOHN S.
 PIEL, GERARD
 PIORE, EMANUEL R.
 PIRELLI, LEOPOLDO
 ROCKEFELLER, DAVID
 ROLL, SIR ERIC
 ROSTOW, EUGENE V.
 ROUX, AMBROISE
 SCHMIDT, HELMUT
 SCHWARZ, URS
 SHAWCROSS, LORD
 SIMONET, HENRI
 SNOY ET D'OPPUERS, BARON
 SØRENSEN, SVEND O.
 STONE, SHEPARD
 TAVERNE, DICK
 TERKELSEN, TERKEL M.
 TIDEMAND, OTTO G.
 TRON, LUDOVIC
 UDINK, BEREND J.
 VITTORELLI, PAOLO
 WALLEMBERG, MARCUS
 WHEELER, SIR CHARLES
 WITHALM, HERMANN
 WOLFF VON AMERONGEN, OTTO

IN ATTENDANCE:

CHIUSANO, VITTORINO
 MUNBY, RICHARD K.
 ROY, BERTIE LE
 SCHELLE, CAREL J. VAN
 VERNÈDE, EDWIN

UNITED STATES
 GREECE
 PORTUGAL
 UNITED STATES
 FINLAND
 ITALY
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INTRODUCTION

The sixteenth Bilderberg Meeting was held at St. John's College in Cambridge (England) on 31 March, 1 and 2 April 1967 under the chairmanship of H.R.H. The Prince of the Netherlands.

There were 88 participants from the United States, Canada and fifteen Western European countries as well as from various international organizations. They consisted of members of governments, leading civil servants and prominent businessmen, representatives of employers' organizations and trade unions and important persons in other fields.

In accordance with the rules adopted at each meeting, all participants spoke in a purely personal capacity without in any way committing whatever government or organization they might belong to. In order to enable participants to speak with the greatest possible frankness, the discussions were confidential with no representatives of the press being admitted.

The Agenda was as follows:

- I. a) Do the basic concepts of Atlantic co-operation remain valid for the evolving world situation?
b) If not, what concepts could take their place?
- II. The technological gap between America and Europe with special reference to American investments in Europe.

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On opening the meeting, His Royal Highness The Prince of the Netherlands asked participants to observe one minute silence in tribute to Mr. Fritz Erler, a greatly valued collaborator of Bilderberg and member of the Steering Committee, who had passed away in the beginning of this year.

His Royal Highness then read a message he had sent to Her Majesty Queen Elizabeth.

The Prince informed participants that, for practical reasons, the order of the Agenda had been changed. He, consequently, proposed to start the discussion on the second item.

I. THE TECHNOLOGICAL GAP BETWEEN AMERICA AND EUROPE WITH SPECIAL REFERENCE TO AMERICAN INVESTMENTS IN EUROPE

The groundwork for discussion of this item on the Agenda consisted of a paper prepared by an American participant which was distributed before the meeting.

The author of this paper began by emphasizing that there was undoubtedly an imbalance in the production of "marketable" technology which favoured the United States of America—the situation commonly known as the "technological gap"—and he considered that this gap was growing.

Differences in the production of technology were not bad *per se* provided that technology was transferred through the industrial world. But transference of "marketable" technology between nations was subject to many artificial restraints. Before World War II the transfer of new technology took place mostly through licensing whereas it was now mostly transferred by exploitation through direct investment. This development had led to the existence, growth and power of "international" companies, sometimes called "world companies".

Although the West European countries needed this type of transfer of technology, it was understandable that certain fears and forms of resistance against this development should appear. The "take over" of national industries by such United States world companies stimulated anxiety of foreign (United States) dominance while the plans and objectives of such powerful "world companies" (without national allegiance) might form a threat to national economic independence as expressed in "national" economic planning.

Given the expected widening of the technological gap in important sectors, it would be unwise to hamper technological transfer by deterring United States industrial investment. At the same time, it was important that Europe should develop sufficient technology of its own in order to establish and maintain a manageable balance of the two-way flow. This was an urgent problem whose solution necessitated radical action in respect of education, research management and capital requirements which could only succeed in a framework of greater European unity.

MANAGEMENT IS THE KEY

The rapporteur went on to say that the key point for Europeans to grasp if they were to increase their own technological prowess was that superior technology was the result of superior industrial management and management concepts.

Although the quality of management in many European firms was equal to that of their American counterparts, American management of research *in toto* was more advanced. The American manager seemed to be more aggressive in giving practical application to new science and/or new technology and this was of great importance.

The whole situation was aggravated further by the question of size. The United States had 55 companies with sales of \$ 1 billion or more and 248 with sales of more than \$ 250 million; Great Britain had 6 and 49 respectively; Germany 8 and 27; and France 1 and 21. The advantages of size were reflected in such factors as safer risk taking, and hence greater venturesomeness, larger investment resources for low-cost production and for marketing and advertising; greater variety and depth of personnel; more technical integration. However, only a predetermined part of the energies and resources of the larger corporations could be devoted to the exploitation of new opportunity so that a substantial body of the newly created technologies was available for exploitation by others. In America, the small innovating industry exploiting new technology was stimulating both technology and the economy.

The 1950's witnessed the emergence of many new enterprises based on the exploitation of the large amount of research and development performed during the 1940's and 1950's. These new, technically-based businesses had as their objectives:

1. the exploitation of a new product, process or service which had not yet been commercialized, or
2. the development in their laboratories of a new product, processor service, or
3. contractual participation in the further development of a new scientific or technological field.

It was significant that the overwhelming majority of these new ventures were started in close proximity to prominent universities—which were centres of research and development in the particular field of science concerned.

The very existence of these new businesses was a challenge to large companies to remain alert and aggressive. Despite many problems, there had generally been sources of risk capital to start and sustain them and entrepreneurs with the drive to exploit the opportunity (although with too little seasoned managerial skill to avoid some bad mistakes). The key factor, however, was

the conviction that success could be really rewarding in financial terms.

The reasons for the fact that in Europe there had been no comparable rate of formation of new, technologically-based businesses seemed to be

1. a lack of tradition of broad-based industrial entrepreneurship together with a somewhat rigid social infrastructure;
2. a lack of venture capital for exploiting new technology;
3. the lack of an involved, committed government market for the products of new research-based enterprises.

In the United States, the government was often the main or only initial customer, thus providing market support at the most crucial stage in the existence of the business.

QUANTITY AND QUALITY IN TECHNOLOGY

There were three major stages in the development of new technology. The first was the idea stage, where an individual or group of individuals interpreted available data in a new arrangement and speculated on the consequences. The second was the basic evolution stage, where individuals, laboratories and instruments checked out the hypothesis. (If scientific ideas had potential technological application, they were reduced to practice; if the ideas were purely scientific, they were mostly transferred through scientific publication; if they had practical implications, they often became technical property, protected by patents.) In the third stage, a proven idea was continued into usable technology, which added many other dimensions to the problem—cost versus need; reliability and stability, size, etc., often resulting in acceptable compromises. While science was continuous, the progress of technology was often erratic and time-conditioned because many technologies often had to be brought together for practical success.

If one of the technologies failed, the process was retarded. Superconductivity was a current example of the problems of producing "usable" technology. Dutch Nobel Prize Laureate Kamerlingh Onnes discovered in 1911, as a by-product of his "low temperature" achievements, that by chilling some metals to the vicinity of absolute zero they became "super conductors". This was a great scientific discovery and a basic technological breakthrough but "superconductivity" was only now—fifty years after its discovery—getting the type of attention that would lead to its becoming a tool with practical applications. This example of the interplay of different areas of science in contributing to technological progress was the rule rather than the exception, but due to new revolutionary technology in data processing, retrieving and recognition and

communications, development of marketable technology was being accelerated. It was therefore readily apparent that the development of new technology had both quantitative and qualitative aspects, which could shed light on the nature of the gap.

The rapporteur said that his main original observation was based on interviews with about ten American research directors of large international firms who all concluded that they were somewhat or far ahead of the rest of the world with respect to a part or all of their fields of technology. He had put this view to a group of engineers and research directors in Europe and found that they agreed. He was convinced that there was a "gap" and that it was "growing".

The figures were impressive. In 1963 the United States of America spent around \$ 17.350 million in Research and Development versus Western Europe's \$ 5.750 million. Very recent figures suggested that this trend was continuing (\$ 23 billion versus \$ 9 billion in 1965). It was also reflected in the number of active scientists and engineers (estimated at 436.000 in 1962 versus 150.000) and the positive balance of income from licenses and royalties (about 5 to 1). In addition, a good part of the positive trade balance of the United States over Western Europe derived from export gains in research-intensive products. It was largely hidden in the export figures of large United States world companies to their subsidiaries.

Both the compilation and the interpretation of the figures, however, were hazardous. For instance, some interpreters had suggested that due to lower wages (now rapidly rising in Europe), the real ratio might be only 2 to 1 instead of 3-3.5 to 1 in favour of the United States—an argument which was largely offset by the fact that America excelled in the management of highly complex research projects, using automated, versatile laboratory equipment and sophisticated approaches. Much of Europe's industrial effort was fragmented and often so small that the "critical mass" for a chance of success was not even reached. A much more complicated argument centred around the distribution of expenditure on Research and Development (R & D). In the year 1964, out of a R & D total of \$ 19 billion, the United States Government spent \$ 12.5 billion, industry \$ 6 billion and colleges and universities \$ 0.5 billion.

HOW MUCH "FALL-OUT" FROM SPACE AND DEFENCE RESEARCH?

Although direct "fall-out" might be limited, the indirect contribution was very large. It was not generally recognized that of the \$ 12.5 billion spent by the United States Government, \$ 7.6 billion was industry performed (60%). This provided industry with an immense pool of scientists and engineers well

versed in fields of research and technology of great importance to the future of industrial technology and the interchange and mobility of these scientists and engineers inside their own company and between companies guaranteed a substantial and essential "fall-out".

Moreover, the need for reliability in space vehicles had set new standards of achievement: new materials—stable under extremely low and high temperatures—would find their use in daily life as well; the fuel cell would prove valuable in transportation in an age troubled by air pollution; the technology of telemetry and metrology had been accelerated; miniaturized, solid state circuitry was providing new opportunities for the electronics industry. Government-sponsored research involved real disadvantages (the large numbers of scientists tied down to government projects, the large amount of company capital which must be committed and the diversion of management energy and attention) but they were more than offset by the technological momentum created by this type of government research.

The advanced position of the United States in most fields of physics—from elementary particle theory to immensely complicated, computer-planned and controlled systems—was reflected in leadership in a number of industries, such as the aerospace groups, quantum electronics applications (solid state physics, laser and maser), computer technology, large new fields of instrumentation, communication, micro-wave application and non-military use of atomic energy.

In the field of chemistry, Europe was in a much better position—e.g., in the heavy chemical industry and in the exploitation of natural products, this latter because American research had lost much interest in natural products, preferring instead to synthesize new compounds to present-day specifications.

In the production of biological technology, the dominance of the American pharmaceutical industry was evident, yet the fact that the Swiss pharmaceutical industry was fully competitive in the development of new drugs showed that a small country could be competitive through good management, if it specialized, ran its research well, had adequate long-range planning and re-invested a large part of its profits wisely.

It was also important to emphasize that there were many important cases where the two-way flow between Europe and the United States was in favour of Europe.

Reverting to the three successive stages of research—

1. ideas;
2. basic, experimentally proven theory; and
3. development and application—

it could be said that whereas Europe originally dominated the first two phases, today the United States in many sectors might lead even in these phases and was dominant in the third phase, so important for the development of "marketable" technology. This development was one of the main causes of an irritating phenomenon, the so-called "brain drain": the migration of scientific talent from Europe to the United States. The belief that it was caused solely by higher wages and more affluent living was not accurate.

THE "BRAIN DRAIN"

This serious problem was a symptom of the technological imbalance but was also a reaction to demand in the United States. This demand was reflected in the recruiting activity of American firms in Europe. The annual average number of scientists and engineers migrating to the United States from Western Europe between 1956 and 1961 was about 1,300, of whom 965 were engineers. As a percentage of the national output of 1959, 21% of Netherlands engineers and 17% of United Kingdom engineers left. Figures for later years showed similar trends. As emigration was a serious, active decision of motivated people, many of those migrants were likely to have entrepreneurial qualities.

What could be done about the "brain drain", and by whom? Responsibility for ensuring that highly skilled technologists either did not emigrate, or returned after studies abroad, was incumbent on the countries of origin. It was neither desirable nor necessary for the United States to establish any form of legislation as far as Europe was concerned (although some co-operation on this problem with less developed countries might make sense). It was clear that from a European point of view the problem could only be solved by long-range solutions: creating more attractive working conditions for scientists and engineers and making better use of available manpower. This would necessitate changes in the social appreciation of technologists, better and more effective laboratory management and especially higher starting salaries and opportunities for advancement.

EUROPEAN MEASURES TO BALANCE THE TECHNOLOGICAL IMBALANCE

The rapporteur stressed that Europe could not afford to let the technological gap continue. There was a real fear of American technological dominance in Europe.

In the light of overall figures, however, no such dominance as yet existed. The United States gross direct investment in Europe in 1963 was only slightly over 2% of the total direct investment. The highest investment in a single

country was in West Germany with 3.1% and the lowest was in France with 1.4%. It was true, however, that in some specialized industries, United States companies dominated or had a substantial share of the market (computers, aircraft, carbon black, business equipment, pharmaceuticals). It was also true that in recent years the percentage of new investment by American firms as part of the total industrial investment had materially increased. Europe wanted a smooth transfer of technology and was prepared to pay for it, but it did not want technological dependence. Above all, Europe would like to develop sufficient technology itself.

WAYS OF DEVELOPING EUROPE'S TECHNOLOGY

From the long-range point of view, it was certain that Europe had to restructure its educational system. European education often produced small groups of first-rate men but, compared with that of the United States, it did not create and utilize that large body of scientists and supporting engineers so necessary to technological output.

In the United States in 1960, more than 33% of the population had attained secondary-level education and an additional 7.7% had had university-level education; in the Netherlands, 11% had received secondary education and 1.3% a university education or its equivalent. In 1962 there were about 71,000 higher-education degrees awarded in France and 58,000 in West Germany, compared with more than half a million in the United States. The latest figures (1966) show that 75% of the American male population between 20 and 24 years have now completed at least four years of high school.

There was a growing realization in Europe that the traditional educational system was not geared to today's realities. The challenge in Europe today was to provide broader education for more individuals without eliminating the opportunity for individual accomplishment. American education had its shortcomings but it also had its strong points, not the least of these being a stronger emphasis than was usually found in Europe on teaching approaches that caused the student to reason, construct and discover rather than memorize and repeat.

Given the right incentives in the form of challenging professional opportunities, the educational tide could change with unexpected rapidity, as had been demonstrated in the United States since World War II, but much preliminary work remained to be done.

Industry itself, in the future, would be deeply involved in the educational process, said the rapporteur, alluding to the application of electronics to teaching. In the United States, several of the most progressive firms in the communi-

cations field regarded the whole area of learning and information usage as full of promise, and some publishing enterprises were investigating the possibilities of electronics.

A more direct step had to be taken to create size through European mergers, preferably of a trans-national character. Such firms could develop the management attitude and the research facilities necessary for world competition. As Professor van der Beugel had pointed out in his doctoral thesis: "The potential danger of unhealthy competition due to the often larger size of the American enterprises and their research has to be matched through larger European production units." The question was whether Europe was on the right track and would be successful in achieving a manageable balance.

The movement of European firms was towards national concentration rather than trans-national European mergers. If the Common Market repulsed the American giant world corporation and failed to establish European incorporation, the European movement might fall short of real integration.

However, to develop fully trans-national mergers, uniform European company law was needed, and this was now under consideration by the European Economic Community. This, however, would have to be accompanied by a harmonization of taxation, industrial laws and regulations, monetary institutions, etc.

Europe was on the right track in setting up a number of trans-national research institutions, such as the European Organization for Nuclear Research (CERN), EURATOM, the European Nuclear Energy Agency (ENEA), the European Space Research Organization (ESRO) and the collateral European Launcher Development Organization (ELDO), although most of these were hampered by inadequate budgets.

It was extremely important that the Committee for Science Policy of the OECD should be very active and skilful since it might be the best rallying point for analysis and action. Much more had to be done by Western European countries not only individually but also in concert in order to attack some large sectors of technology.

NEW INITIATIVES: WILSON, OECD, FANFANI

Recently there had been some new initiatives. One example was British Prime Minister Harold Wilson's plea for British admission in the EEC "to create a new technological community in Europe", the idea being "to pool the enormous technological inventiveness of Britain and other European countries. This would enable Europe to compete in technology in a way that

is now impossible and reduce its dependence on imports and the chance of domination of its technology from outside".

The Fanfani approach was not as yet known in detail but an outline was available. The plan called for a technological agreement between the governments of the NATO countries as a first phase, with the possibility for other governments to join at a later date. A technological organization should promote initiatives, agreements and infrastructures necessary to foster European technological development for the next ten years. This proposal implied the acquisition by European countries of technology without charge in the case of government-owned technology (United States) and through payment in the case of private patents.

Technology in the sense of industrial property (patents; know-how) was America's biggest asset in meeting its responsibility in world affairs. From an American point of view, the United States should preserve a technological gap in order to protect its balance of payments. Hence, the attitude of some United States government officials was to consider the matter as a "non-problem" or to downgrade it. The author of the paper believed, however, that the United States would gladly assist Europe to take certain steps to alleviate the problem. But to give away government-owned industrial property in the form of technology to an affluent area such as Western Europe would be unacceptable, especially at a time when at least one European country was quite prepared to undermine the United States gold balance.

On the other hand, if Western Europe were to adopt a business-like approach to the various forms of co-operation, it would find the United States receptive. One aspect of such a business-like approach would be an objective attitude towards the rôle which America's direct investments had in the transfer of "marketable" technology. In a time of growing nationalism in Europe, the question of whether this development was useful or not was decisive. Should such investment be stimulated, controlled or hampered? Were there any new solutions?

THE ROLE OF DIRECT UNITED STATES INVESTMENT IN THE TRANSFER OF TECHNOLOGY

Intensified American investment in Europe had undoubtedly made a positive contribution to Europe's growth and without such investment Europe could not have remained a competitive, modern, industrial society.

Yet most Europeans feared certain consequences of American investment: the size of the international companies, and the potency of their research effort and monetary resources. The "international company" could be at odds with national objectives and sovereignty, although the rapporteur stressed that most

of these fears were unrealistic. If Europe did not take new and radical steps to arrive at new attitudes towards the development of technology, a tense situation seemed inevitable while if a European technological will developed, the contribution of United States international companies could be essential for total success.

That international investment promoted economic growth was shown by those European industries which, although nation-based, were internationally operative, and would hold their own and be fully competitive. The only question was which forms of direct investment were most profitable for Europe's technological position. The fact that the "international" company thought in terms of optimal "world-wide" profit considerations did not mean that it failed to recognize that it was a guest in host countries.

American direct investment in Europe consisted of establishing wholly-owned subsidiaries and branches through joint ventures with European firms and sometimes through the acquisition of local firms. From the point of view of the "international company" the wholly-owned subsidiary was usually the best solution. A sort of balance had to be found between the so-called central decision-making and the interests of the national subsidiary, as far as the host country and local employees were concerned. One new way would be through a true European holding company, in which Europeans could hold shares, once that became feasible. The other alternative, that United States international companies could really become "international" by offering shares on European stock exchanges, looked attractive, but would be impracticable for a long time.

Joint ventures could be very useful, but the belief that they solved the basic problem for foreign investment in the host country was unrealistic. The best justification for joint ventures was an economic one: if the contributions—technological, financial, available infrastructure, local management know-how, long-range compatibility—were complementary and well-balanced with the division of profits and good growth policy, they could be ideal.

Of all European countries, France probably pursued the most protective policy against United States take-overs of its industries, but recently France recognized that a more positive attitude was necessary to prevent its economic competitiveness from being impaired. France could not afford to have international companies nestle around its borders with relatively free access into France itself.

One point of friction could be removed: both American and European firms should, in establishment and operations, compete on equal terms.

RESEARCH BY UNITED STATES INTERNATIONAL COMPANIES IN EUROPE

Given the scientific and technological tradition of Europe and the availability of outstanding scientists and engineers, many United States international companies were now carrying out research in Europe, but, if it was not to be a "sham", this required a "critical mass" of personnel and facilities, as most companies recognized.

Some European economists contended that such research created an "invisible brain drain": European scientists were drained away to work for the interests of American companies, and this activity was of no technological benefit to the economy of European countries. This contention had its weaknesses. In the first place, United States research laboratories imported research management and therefore challenged European research to be competitive. With the increased mobility of European industrial scientific personnel, a certain number of the researchers of the American institutions would later join European firms, so contributing to a synergistic blending of European and American research approaches. In the second place, systems could be worked out so that the European research laboratories could charge royalties if their inventions were used outside, thus providing tax revenue in the country of origin. Present trends in taxation of international firms in the base country and in the foreign country tended in that direction. Finally, evidence was accumulating that scientists in European laboratories of American companies tended to remain in their countries. It was much more important for European countries to create an environment, to offer tax incentives and other stimuli for research to European and United States companies alike, provided such research was genuine and not "camouflage".

Summing up, the author of the paper repeated that the technological gap between the United States and Western Europe was a problem and one which would become more serious. The gap had its origin in management, organization of research, education, sociological structures and political concepts. To keep the disparity manageable, Western Europe would have to modify certain of its organizations and systems as well as certain attitudes. This meant that greater European economic unity was essential to promote larger firms and the necessary research. An overhaul of European technological education was also implicit. Europe should continue to attract American investments as a method of technological transfer. It also should find ways to reconcile the world companies with national economic systems, to avoid economic retardation. As the causes of the technological gap were deep rooted, Western Europe could only be successful in its corrective efforts, if a general

political will were created to deal with the problem. For this, a greater political and economic unity was a precondition.

Whether the impact of the new revolutionary technology on human values was considered desirable or not, no turn back was possible. To remain in the forefront of production and trade—essential to preserve economic and political power—Europe itself had to solve this problem in its own way.

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In the speech in which the author introduced and summarized his paper he particularly indicated some of the lines which might be followed in the discussions on the subject which he described as a complex and urgent one, involving many emotional overtones.

It was essential to clarify the semantics of the problem and to understand that the convenient term "technological gap" referred to a disparity between the United States and Europe in respect of the development of marketable technology in certain sectors. It was also necessary to dispel the notion that the problem was not a serious one. It had perhaps been exaggerated but it was nonetheless vital. Finally, the fears prevailing in Europe of economic dependence on the United States while also exaggerated, were real and had to be reckoned with, in their political implications.

The speaker suggested that the first question which the meeting might consider was whether there was an "acceleration of the disparity", whether the change was not only quantitative, but had qualitative aspects as well.

He went on to say that it was not generally recognized in non-scientific circles that innovation could now be the result of the "directed forcing of technological change" and this involved just those sectors where the United States was dominant. It could therefore be assumed that the technological gap would widen.

His second question would be how innovation should take place, assuming that Europe wanted to produce enough technology of its own to be in the forefront.

In this connexion, he mentioned an illuminating report issued by the United States Department of Commerce: "Technological Innovation: its environment and management". This contained some important observations which he felt would be of interest to participants:

- a. Technology now made an important contribution to national economic growth: three industries (television, air transport and digital computers)

which were virtually non-existent in 1945 currently contributed more than \$ 13 billion to America's G.N.P. and had added 900,000 jobs;

- b. In a typical distribution of costs in successful product innovations only 5-10% of such costs fell in the category of "Research-Advanced Development", but 50-80% had to be spent in the next two phases of "engineering and designing" and "tooling-manufacturing" engineering.

While the basic invention was mostly achieved by a relatively small number of brilliant scientists, the second and third phases were carried out by large groups of able technologists (B+ people).

This led to the question of whether Europe's educational system, while producing a satisfactory number of A people (top scientists and technologists, responsible for basic inventions) failed to develop enough of the B+ category, who were responsible for 40-80% of the necessary effort. Was this due to a system of selection and exclusion? Was it true that Europe did not create an environment (sociological appreciation, financial rewards, etc.) calculated to foster the creation of such a "middle class" of technologists?

Emphasizing that the small firm and the independent inventor were important in the development of marketable technology, the rapporteur said that such small firms needed to be close to academic centres of good technology, they needed eager entrepreneurs who were also technologists and they needed bankers who were ready to invest risk capital.

Reverting to the question of education, he asked whether the use of "electronic equipment" in European education could alleviate and solve the problem of B+ manpower.

With regard to the "brain drain", the author of the paper suggested that the meeting might consider whether sociological appreciation, the scientific and laboratory environment, greater freedom and the stimulating atmosphere were more important factors than the financial rewards offered.

The "spin-off" from American defence and space research was another question which the meeting would do well to consider. Between 60 and 65% of United States federal expenditure in these fields was channelled through "industrial laboratories" where the pool of scientists and engineers—forming a mass potential for developing "marketable technology"—was formed. Government-supported and industry-supported technologists mingled, exchanged ideas, stimulated each other and the author was convinced that "spin-off" was substantial.

In connexion with present European fears and frustrations, he suggested that the change from transfer through licensing of national firms to exploitation by an international company based and owned in the United States was possibly

the dominant cause. Certainly the international company was a real factor in the life of nation-states. Yet it should be noted that while the economic establishment in the United States was strongly in favour of maintaining the technological gap in view of America's world rôle, it nevertheless recognized that undue disparity could create serious political tensions, while an economically prosperous Europe was essential to United States marketing and sales. Meanwhile the question arose of whether "trans-national" European mergers rather than national concentrations could be helpful in solving or mitigating the technological gap.

On the positive side, there were indications that worry about the technological gap had been a stimulus for more action in the EEC towards economic harmonization in order to facilitate "trans-national" European mergers. After a period of stagnation, there seemed to be a real progress in the drafting and accepting of a European company law; the "Six" had accepted the "added value" tax; and other "harmonization" actions were under way. The "size" of the market would not solve the technological gap, but it was a necessary consequence of the more essential actions (education, management, environment) to be taken.

If admitted to the Common Market, Great Britain could make an immense technological contribution to Europe and it might be asked whether this was not indeed essential.

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The author of the paper suggested that the following points might be taken as a basis for discussion:

1. *Nature and extent of the "technological gap".*

Is it a general problem or restricted to certain sectors of industry? What are the trends? Are factors such as size, capital availability, large domestic United States market permanent, or will they, in due course, be balanced by European integration? Is the latter a pre-condition from Europe's tackling of the problem?

2. *The United States Government and its sponsored research.*

Is the "fall-out" essential? One advantage in such research is that it is nearly assured of a large customer, the government itself. Co-operative European scientific agencies (CERN, EURATOM), in varying degree, fulfil the research-sponsorship function, but can a European "buyer-ship" be created?

3. *Is there agreement on the basic causes of the "gap"?*

Management attitude, management-labor relationships, sociological climate, educational system.

- a. Management attitude. It might be worthwhile to dig deeper concerning this phenomenon.
- b. Labor's attitude. Is it "it's all right, Jack", or is there a broad sense of involvement?
- c. Sociological climate. The appreciation of the development-engineer; openness to top management for "other class" etc.
- d. Educational system. This is a very worthwhile discussion point as it goes to the heart of the matter from the long range point of view. In fact, it includes all the causes as an expression of the total national attitude.

4. *The "brain drain".*

Is it really damaging? Causes and correction.

5. *The basic changes in transfer of technology: the phenomenon of the multinational "world company".*

The confrontation of the "world company" with national objectives. Will parochial nationalism aggravate the problem? Will oligopoly be contained? The just rôle of joint ventures as an economic business approach: when are they useful?

6. *Will there be a "spin-off" of the research of the Soviet Union into commercial fields? If so, what methods can be expected through which the Soviet Union will exploit these marketable developments? Will it lead to further relaxation through a pragmatic approach?*

7. *If the technological gap were to go out of manageable balance, what consequences could be predicted: economic, sociological and political?*

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In the course of the discussion, various speakers made the point that the so-called technological gap represented a more complex situation than was popularly believed.

At the outset, a British participant, echoed by subsequent speakers particularly from the United States, stressed that the gap was not a new phenomenon. One of the Americans remarked that essentially it should not even be considered as a macro-economic problem.

The same British participant went on to say that many new advances had

originated in Europe and, in this connexion, a Netherlands participant cited plastics and man-made fibres as being primarily a European development. Similarly, it was noted by a Greek speaker, that out of 55 Nobel Prize Winners between 1957 and 1966, 23 were American, 20 were West Europeans, 7 were East Europeans and 5 were from Australasia. Reference to the technological gap as a problem only existing between the United States and Europe, therefore, represented something of an oversimplification. In this same connexion a United States participant remarked that far greater technological gaps existed between various parts of his country than between the United States and Europe.

Within the same context, a Norwegian speaker directed attention to the shipbuilding industry as one sector in which the gap was to Europe's advantage. United States Defence Secretary Robert S. McNamara had said that it not only cost twice as much to build a ship in the United States but it also took twice as long. Support for this view came from a French participant who said that European firms were still managing to make inroads on the United States markets, even if only to a limited extent.

An American speaker stressed that the issue was one which also concerned all the developed countries in the light of their responsibilities to the third world, while a Canadian speaker urged that we should not forget that the real problem was the gap between Euro-America and the rest of the world.

At a later stage an American participant who had lately visited various Eastern European countries—see page 66—stressed the enormous effect on East European countries of progress made in Western Europe and of technological development in the United States and Western Europe. This development is creating fears in high level official circles and has even resulted in practical measures being taken in order to reduce the gap by allowing more economic freedom also with respect to prices. This has happened in Czechoslovakia, Poland, Hungary but especially in Yugoslavia where serious measures are being taken to protect foreign investments.

There was no unanimity with regard to the question of whether the gap was mainly quantitative or qualitative or both but there was agreement that a gap between Europe and America did exist, that it was to the advantage of the United States and that the tendency was for it to widen.

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This led a British speaker to suggest that much development came about simply because it could be done and not because it was actually needed. At a

later stage in the meeting, he emphasized that he was not questioning the utility of science and technology but was merely urging that we should know what we were trying to do with it and not just carry it out because it was possible. The most valuable forms of technological development were those which answered a recognizable need. Technology should be regarded as a means of improving the lot of mankind in general; in other words, we should be in control of technological development and not driven by it.

A French participant shared this view and a United States speaker agreed that technology was not an end in itself. A Canadian participant noted that there seemed to be a notion that technology held the key to the kingdom. Firmer evidence was needed, he suggested, before we accepted the view that technology was somehow the essential component of political power and it was arguable whether mere deprivation of the latest technological "gimmick" automatically shut one out.

At the same time an international official defined technology as merely doing things more efficiently. Once a country opted out of technology, he said, it opted out of history. The essential problem in connexion with the technological gap did not concern the possibility of acquiring a fourth television set but the possibility of doing things most efficiently so that more time and opportunity remained for the things in which human beings were most interested.

An American speaker pointed to the advantages which had accrued from space exploration in respect of medicine, stellar measurement, etc., and a fellow-countryman summed up by saying that the primary function of science and technology was simply to enlarge the scope and scale of the intellectual, social and economic possibilities confronting mankind.

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A wide range of factors were singled out by the meeting as lying at the root of the technological gap. The "brain drain" from Europe to America, research, the "spin-off"; the non-proliferation treaty, the effect of the difference of size between the two continents, and between the markets, educational aspects, the policies of firms and big concerns in the United States and Europe and other elements were mentioned in this respect and will be dealt with in the course of this summary.

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It was generally felt that the proper way to stop the "brain drain" would be to make conditions at home more attractive. It was also pointed out that it was not only financial considerations which caused scientists to emigrate.

Additional incentives to encourage scientists in Europe were put forward by a United States participant who pointed out that so far European countries had not gone along with the United States practice of providing outstanding scientists with an opportunity to acquire an equity investment in corporations so that they were not only hired technicians but beneficiaries of profits accruing from their own ingenuity. His own experience, he said, indicated that European financial groups were reluctant to give up even a small portion of the initial financial equity to the scientists concerned.

A French speaker shared the opinion of the author of the introductory paper that the importance of the "brain drain" should not be overestimated and that the research problem was far more important.

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The research problem and the failure of European governments to provide sufficient funds to this end as well as shortcomings in management were mentioned by various participants and more particularly by a French speaker, although a German participant said that too much blame should not be placed on management attitudes towards research and development in Europe.

Europe, in the view of a Netherlands participant, would have to spend more money on research and the development of technology but, as everyone knew, the battle of the budget in European countries was essentially a battle of priorities and it was almost impossible to find extra money in government budgets without hurting some of those priorities. Hence, the problem was not only the mentality of management or firms, but also the mentality of people as a whole. It was very doubtful if the list of priorities could be changed to lower housing and transportation on the list in favour of technological development, research, etc. Nevertheless, this was what would have to be done if we were to bridge the gap.

This same speaker mentioned as another reason for the gap that European governments had never been very active in research and development, possibly because it was jointly decided some 15 or 20 years ago that the main development of defence would be centred in the United States.

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An Italian participant forecast an enormous increase of the technological gap in the years to come and believed European industry should take the lead to enable Europe to compete.

Another Italian speaker thought that the main cause of the technological gap might be not so much an inability to decide how much to spend but a lack of knowledge of the right spheres in which to spend.

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The meeting paid considerable attention to the question of "spin-off" as a result of government spending on research and development.

Although a United Kingdom speaker pointed out that "spin-off" was a haphazard product initially depending on programmes of research originated by governments and was therefore not necessarily a good thing, it was generally agreed that this process had contributed to the American lead. A German present recalled that, in 1963, 12.7 billion dollars were spent in the United States on research and development and that 58% of this sum had come from Federal funds.¹⁾ The equivalent figure for Germany, he said, was 750 million dollars, of which nearly 95% was provided by the industrial sector itself. He foresaw that the gap would go on expanding especially in the field of electronics in which case the "spin-off" would be to the detriment of Europe.

However, a United States speaker doubted whether "spin-off" was of major importance and one of his compatriots said that hardly any product that the Department of Defence had supported had hit the commercial market as such products had to be completely redesigned for commercial purposes. The important element of the "spin-off" was that it created a large body of people who knew a great deal, and their most important characteristic was mobility between universities, industries and governments and mobility between industrial firms. This view was also expressed by a fellow American who noted that Federal expenditure on research and development—amounting to 17 billion dollars in 1966—not only enlarged the pool of active scientists and technologists but also developed skills which could be transferred to various sectors of the economy and at the same time generated demands.

A third American said that this was a powerful point but that it would be

¹⁾ The figures mentioned in this paragraph do not correspond with those given by the rapporteur on page 12.

wrong to conclude that Europeans had to repeat the United States experience in order to get such benefits. It would be regrettable and not in the European interest if European nations felt that the only path to the advantages of large-scale spending on difficult technological and scientific problems was the path of weapons development.

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This issue tied in with the discussion of the non-proliferation treaty. A Netherlands speaker stressed that Europe's reluctance to sign such a treaty was due precisely to fears that it would prevent signatories from benefiting from the "spin-off" effects of military research. He suggested that this had led to United States assurances that the "spin-off" from such research was practically negligible in view of the differences between the military and the civil needs. However, he had to admit that the discussions of the meeting so far had not been particularly calculated to eliminate the objections regarding the effect of the "spin-off" on European industry.

He was answered by one of the previous American speakers who recognized the interaction of military and civilian elements in this field but he saw no contradiction between these two factors.

An Italian speaker likewise referred to the belief that the non-proliferation treaty would increase the technological gap and said that, in his view, this objection was not valid. Ultimately, in the view of a Netherlands speaker, the question was whether there could be collaboration between the United States and Europe so that while non-proliferation was accepted as a necessity, Europe nonetheless shared in technological development. Meantime, according to a French participant, consideration might be given to what he termed the "negative spin-off" effect of United States Government expenditure on space and defence; if such expenditure were to be concentrated on civil instead of on military objectives, its effects would be relatively far more detrimental to Europe than the present situation.

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Sheer size, in the opinion of many of those present, provided an explanation for the technological gap. As a French speaker put it, differences in the size of

the market led to differences in the profit margin and thus reduced the possibility of financing research in Europe. An international official likewise described the size of the market as a matter of top priority. His view was supported by a Canadian who underscored the fact that the United States market was over six times as large as that of any European country and was therefore better able to support the companies best equipped to exploit technology.

Similarly, a United Kingdom participant stressed that the difference between the United States and the European countries was ultimately one of scale. The United States, he said, had scale advantages at two different levels: the government as a purchasing agent was able to influence technological development much more rapidly than any European government and the size of the commercial market encouraged the development of very high grade and very large-scale industrial undertakings.

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With reference to this same question of size, the meeting was concerned not only with the size of the market but also with that of the companies engaged in the market. An American speaker stated that 49 of the 65 world corporations were American. As another American participant pointed out, the bigger European companies were quite relaxed about the technological gap. He went on to say that international concerns had much virtue insofar as they provided the world economy with the advantages of efficient utilization of resources—raw materials, labour, plant, capital, etc.—but that the question of the legitimacy of power and the problem of responsibility had to be borne in mind. To whom were these large companies responsible? Decisions which might be of high value to the corporations themselves could cut across national interests and, while they might tend to erode nationalism, such companies could also tend to exacerbate nationalism.

This point was also made by a Belgian speaker who said that the very restricted number of big concerns in Europe was due to the lack of standardization of fiscal regulations in Europe, the immaturity of the capital market, etc. Their existence was, he agreed, of considerable importance since they had vast resources of manpower and finance which enabled them to do extensive work on research and development. On the other hand, he also agreed with an earlier American speaker that some international companies might incline to overlook national interests while others might have an unduly national

bias. Finally, he wondered to what extent international companies could make up a network of scientific relationships to offset the political disparities.

In this connexion a United Kingdom participant remarked that the most pernicious form of nationalism at present existing was the economic form so that world companies should be encouraged although it was essential to find a system whereby they could develop without provoking a nationalist reaction.

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Discussion of the dimensions involved led to a number of points being made in connexion with European unity. The British participant who had opened the discussion considered that since the most important incentive for management and industry was the market and its profitability and size, together with the opportunity for better utilization of capital, this was the most potent argument for a more united Europe. An Italian speaker also affirmed that the economic and political union of Europe would be the most decisive step towards solving the problem of the technological gap while an American present added his voice in support of the view that European integration offered obvious advantages. Similar attitudes were voiced by an Italian speaker who warned that there was a great danger involved in delaying the achievement of such unity and by a Greek participant who added, however, that in talking of integration, it was essential to be clear as to what sort of integration we wanted and the possible implications with respect to the technological gap. The necessary progress should aim at the creation of a number of common policies and this inevitably implied a supra-national mechanism.

Another Italian speaker said that the union of the different European countries at the technological level could bridge a large part of the gap and that while European unity, including the United Kingdom, could not make Europe comparable to the United States on a 1 : 1 ratio, it would nonetheless make the relationship far more favourable. He felt we might be overreaching ourselves in talking about the transformation of the Common Market into a political unit without realizing that the natural evolution of the Customs integration taking place in the Common Market area would necessarily cover the technological sphere. Finally, he pointed out that a technological community would result in creating a partner with whom the United States would be inclined to deal in quite a different way from that in which it dealt with a divided Europe.

In this connexion, a United Kingdom participant said that the concept of a European technological community had been more of an idea than something

worked out in detail. He questioned whether European technological unity would do all that much to reduce the technological gap.

A note of caution was sounded by a United States speaker concerning the relationship between political and economic structure. Even where there was a centralized political structure, he said, there might well be decentralized economic enterprises. Given the great differences between national industries in Europe, Pan-European enterprises could only be achieved through a central European government which would have to take far more interventionist and dirigiste measures than would either be liked in America or prove practicable in the early stages of even a European federation.

His comments were taken up by another American participant who said that while a common political structure for Europe would not necessarily procure the industrial concentration needed to close the technological gap, the removal of impediments through such a common political structure would open the way in a manner impossible under the present circumstances. United States experience of a big market and the demands leading to concentration which result from such a market indicated that concentration would come about. European unity might not ensure the necessary conditions but such conditions could not be achieved without such unity.

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The meeting treated the question of education as being scarcely less important than that of European unity. At the outset of the discussions, a United Kingdom speaker said that there was no evidence for saying that the United States was necessarily more prolific in scientific and technical advances but, on the other hand, the output of scientists and technologists varied greatly as did the use made of them. Europe produced several times more scientists than technologists, America roughly equal quantities of both. The same speaker felt that it was necessary to change the "prestige aspect" of universities as against colleges of advanced technology.

Significant figures were furnished on the educational situation by a United States participant who said that in the United States, approximately 70% of the 15-19 age group was still in school as against 31% in France, 18% in Germany, etc. Similarly, 12% of the 20-24 age group was still in school in the United States whereas the corresponding percentage in Europe nowhere exceeded 5%. As a result, there was a much larger pool of the so-called B+, B and even C people in the United States able to contribute and consume technology, and the educational system further contributed to the sophistication

of a market able to utilize or buy technology. An American participant remarked that whether or not the gap was widening, governments, educational systems and the business community should have policies designed to make the best possible use of the world supply of brains. Nor, he added, was it only B+ and C brains which were involved but also A brains. It was a great disservice to the world community at large to divert the few A brains to tasks which B+ men could do. The problem could not be solved by governments alone but they could do much by removing barriers and providing stimuli for the development of programmes to advance the use of science and technology in public affairs more intensively.

These comments impelled a United Kingdom speaker to draw attention to Admiral Rickover's book on education which showed that although the proportion of any age group at any period in their education differed in Europe and the United States, yet at doctorate level the proportion was roughly the same.

Replying, the American who had submitted the original figures said that he agreed the quality of Ph.D. theses in England and America was roughly equivalent and that other factors were involved besides mere quantity. Nevertheless, in addition to leaders a great many people were needed to do a wide variety of jobs and it would therefore be a mistake to underestimate the importance of B+ people.

In the view of a French speaker, comparison of United States and European universities indicated that the technological gap would increase in the years ahead. At present there was 1 graduate in Europe (Common Market) for 4 in the United States; in 1975, this discrepancy would have doubled. In order to absorb the knowledge generated in America, it would be essential to expand universities in Europe.

Reverting to the question of quantity versus quality, another French participant mentioned three main differences between European and American education as far as the technological gap was concerned. First, teaching in the United States was more closely linked to the concept of efficiency; second, Europe had not sufficiently developed the concept of continuing education; and third, there was a tendency in Europe to feel that only a few people were concerned with technological activities and that the others were hardly interested.

Yet another important element in the American educational system was mentioned by a United States representative who said that America had a small number of first-rate engineering schools but that the products of third-rate and fourth-rate schools were of vital importance to American technological advance and, in addition, had upward mobility.

This argument received support from a Canadian participant who added

that a good deal of snobbery needed to be eliminated from education. There seemed, he said, to be a sort of natural law that the less developed the country, the more it strove towards "precious" academic standards.

Answering an American speaker who had referred to the fruitful interaction of town, gown and government in the United States, a Canadian contended that such interaction had also brought about very harmful side-effects. He concurred with the view of another American participant who had warned that the American relationship between government, universities and business might lead to scientists being permanently diverted from the realm of theory to tasks connected with applied science or applied study, and said that he was profoundly disturbed at the readiness of people in high places to "bully and hector" the universities. Great universities should remain "sanctuaries of concern". This view was supported by yet another American participant who stressed that the rôle of the university was to carry out research in the basic sciences and that it was up to industry to take on the practical application of such science. A fellow American agreed that universities should be preserved as centres for the creation of new ideas, for the objective criticism of society, etc., but contended that this rôle did not preclude a healthy interaction with the society in which such universities existed.

An American speaker summed up by saying that no system could satisfactorily apply technology to the standard of living where much less than 30% of an age group attended secondary school or much less than 10% received education at collegiate level. If less than one-quarter of the bottom third of the socio-economic classification went through high school, then the system was probably not utilizing available talent to the maximum.

In respect of Europe specifically, a United Kingdom participant said he was confident that in order to develop European technology there would have to be a massive development of secondary education and further education. He took the view that the whole of a given age group should receive secondary education and something like 25% should receive higher education in one form or another.

Finally, a United States participant stressed the importance of business colleges in producing men for the technological infrastructure. He was supported in this view by a French speaker who pointed out that in some European countries, especially in France, there was an undue regard for technical graduates so that excessive importance was attached to entrepreneurs of this category as compared to business men.

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In discussing possible ways in which the gap might be bridged, the meeting showed no disposition to favour active hampering of United States investment in Europe although a British speaker thought that the situation might require some discrimination against the United States in certain forms and certain fields, adding that this would imply a European investment policy.

Another British participant, however, laid particular stress on the fact that American investment in Europe encouraged the outflow of technological development from the United States so that the problem was not to interfere with that outflow but to find ways of maintaining national control through company law. The reform of international company law, he said, would do much more to encourage technological and scientific applications, in which view he was warmly supported by a French speaker.

A Canadian speaker likewise emphasized that a hampering of investment flow was no solution to the problem of domination since it was impossible to have the technology without the investment. On the other hand, clear and unmistakable ground rules should be laid down for the conduct of foreign-owned subsidiaries and such subsidiaries should be required to conduct their affairs in the best interests of the host country. An international official also contended that United States investments would have to be continued but controlled so as to be consistent with the aims of the European community. There should, therefore, not be undue concentration in any given sector or country and the companies concerned would have to display self-discipline. A British speaker in turn suggested that it might be necessary to investigate the behaviour of international companies and felt that this might help to bridge the gap.

Answering an Italian participant who had suggested that it was perhaps desirable for NATO to do something about reducing the technological gap—in which connexion he mentioned the "Fanfani Plan"—a Canadian speaker pointed out that the problem was not exclusive to NATO or to the Alliance. He considered that the OECD might be the ideal organization to examine the problem since such countries as Japan, Sweden and Switzerland which were not in NATO might then give the benefit of their experience. Nevertheless, he continued, the NATO Council might find it worthwhile to define the area of work which might properly be done within that organization in the matter of defence technology.

The same speaker went on to say that, in his view, European countries could co-operate more fully to reduce the gap and he wondered whether what was really required was not the establishment of public or private West European firms. In this same connexion, a British speaker noted that in Europe the trend was towards national mergers rather than European mergers and

said that the maximal solution would be active intervention by a European authority which would imply a positive European policy to promote European mergers. He doubted if the minimal solution—common company law and patent laws, harmonization of fiscal laws and standards—would do much to narrow the gap although he recognized the desirability of bringing about such harmonizations. The need to standardize European laws was a point also raised by an international speaker and by an American who not only felt a pressing need for uniform company law and standardization of fiscal charges within the Common Market area but also an equally pressing need for a common capital market.

With reference to some of the suggestions put forward for bridging the technological gap, a Canadian speaker warned that certain of the cures proposed might be worse than the disease itself. There was a real danger that efforts to close the gap could involve dirigiste or even totalitarian solutions which could ultimately be more detrimental to society than the gap itself.

Finally, a United States speaker stressed the American willingness to support all initiatives to close or to decrease the technological gap and he gave the assurance that any suggestion to this end would be taken into serious consideration in his country.

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The American participant who had undertaken to sum up the discussions began by expressing appreciation of the excellent working paper provided. In the course of the discussions, he said, participants had developed a statement of the problem, an identification of its causes and an effort to discover some solutions.

Concerning the problem, he said it seemed to be agreed that the application of science and technology to the development of new and economically advantageous products was greater in the United States than in Europe and, if anything, the gap seemed to be widening. The causes of this problem were several: first, the size of the United States domestic market had encouraged the development of industries which would grow to optimum size with large-scale production; second, the United States educational system trained a larger percentage of the population at every level than was the case in Europe; third, while the best scientists in the United States might not be either more creative or more inventive, there were more of them; fourth, and even more important, the United States trained a much greater number of technologists

—the B+ men—who converted ideas into marketable products; fifth, the United States Government, especially through its space and defence programmes, and industry in the United States spent a higher percentage of income on research and development than did their counterparts in Europe and this quantitative superiority in producing research and scientists had inevitably had a very important impact; sixth, the management of United States multinational corporations were for the most part more research-conscious and marketed new products more aggressively than most European corporations, despite notable exceptions, while the United States corporations also had greater financial resources at their disposal; seventh, creative scientists were given greater freedom and more opportunity in the United States—freedom in their research, opportunity for equity participation in industry, in addition to the higher wage scales paid in the United States.

Concerning possible solutions, there were two aspects to the problem: measures which needed to be taken, and the political and psychological implications of those measures.

- a. It was generally agreed that a truly unified European economic community including Britain would be the most important single step which could be taken to eliminate the technological gap.
- b. Short of that, it was agreed that steps should be taken to establish uniform laws affecting corporations among the European countries, to encourage investments across national boundaries, to improve the capital markets in Europe and to encourage co-operation in research across national boundaries.
- c. It was agreed that European corporations should be encouraged to place more emphasis on research, on flexibility, on market planning, on management techniques, etc.
- d. It was agreed that education should be stepped up at all levels in Europe, with special emphasis on the training of technicians.
- e. It was agreed that the United States investment in Europe should also be encouraged, especially investment which brought research and technology to Europe.
- f. In order to allay fears of domination or control by United States firms, it was felt that laws should be passed which were neither punitive nor discouraging to investment but which cleared the ground rules serving to protect national interests. Reciprocal investments by European multinational companies in the United States would also seem to be another step which might be taken to allay some European fears concerning American investment in Europe.

- g. United States multinational companies should examine their own policies and personnel to make sure that when investing in Europe they were respecting national pride and national interests.
- h. Finally, the United States Government should make sure that its policy and laws were understanding of and responsive to the problems posed by the technological gap.

In conclusion, the speaker said that the technological gap was a complex problem and a real one. He quoted a high United States official as saying that it was as much in the interests of the United States as in the interests of Europe to find a way of narrowing the gap but, as other participants had pointed out, the problems between Europe and the United States were in many ways less serious than the problems existing between the industrial nations as a whole and the developing nations. Moreover, discussion of the gap tended to divert attention from the very basic social and moral questions of the goals of technology. It was necessary to decide to what extent technology should be directed towards human objectives other than just raising the gross national product.

II. a . DO THE BASIC CONCEPTS OF ATLANTIC CO-OPERATION REMAIN VALID FOR THE EVOLVING WORLD SITUATION?

b. IF NOT, WHAT CONCEPTS COULD TAKE THEIR PLACE?

The groundwork for discussion of these items of the Agenda was laid by two papers prepared by a United States participant and by a German specialist, the papers having been distributed before the meeting.

The author of the first paper began by pointing to the fact that to some extent an "Atlantic mythology" had developed over the last twenty years which exaggerated the degree of community actually reached among the members of the Atlantic Alliance. Two crucial questions had therefore been sidestepped: *what for* i.e., what are the purposes of the enterprise, and *who controls*—i.e., who commands and who benefits.

The dominant concepts of Atlantic co-operation belonged to a phase of the international situation that no longer applied. The basic assumptions were as follows:

- a. The Allies were faced with a threat from Communism that was overwhelming, universal and centrally controlled. Being overwhelming, this threat displaced and submerged the separate or conflicting interests which the Allies had in areas of secondary importance; being universal, the threat called for a considerable amount of harmonization of policies not only in Europe but also in other parts of the world; being centrally controlled—by the Soviet Union—the threat of Communism in general did not have to be analysed separately from the threat of Soviet imperialism.
- b. Because of the above vision of the world, a bipolar system was taken for granted. One pole was Moscow. The other was Washington. It was hoped that the nations of Western Europe would gradually unite so as to become together a partner of the United States but there was no expectation of major conflicts of interests between the partners, or of challenge to the basic concepts described here.

Even during what might be called "the bipolar duel" phase, the assumptions of Atlantic orthodoxy were never entirely vindicated. Separate interests often intruded: France's misgivings about German rearmament, the reluctance

of France and other colonial powers to subordinate overseas interests to the imperatives of the cold war, the Suez crisis, the rivalry in Europe between the Six and the Seven—i.e., Britain's reluctance to join the Continental Communities—proved that the simplified arrangement of priorities provided by Atlantic orthodoxy did not always prevail.

Moreover, the structure of the Alliance was never as tightly integrated as the mystique of Atlantic co-operation suggested. There were four different layers of purposes and control relationships. There was a layer of separateness, in which the Allies pursued unco-ordinated or minimally co-ordinated policies over a broad range of economic, diplomatic and even strategic subjects. There was the layer of American hegemony, strictly limited to a portion of the realm of defence (nuclear weapons, integrated commands of the conventional forces in Europe, strategic doctrine). There was the subsystem of the West European Six, concerned with economic relations and thus inevitably involved in an effort to reshape those relations not only among themselves but also with the United States. Finally there was the emergent or potential stratum of the possible political community of Western Europe, the object of a fierce tug of war between, primarily, France and the United States. The scope of integration in the Alliance was limited to the second and third layers, and was always narrow.

As long as the threat from the East was felt to be compelling, and the nations of Europe were still recovering, the second layer was the controlling one. American leadership was accepted—either voluntarily or, in the case of decolonization troubles, under duress; there was no challenge of the prevailing strategic doctrine—that of massive retaliation—nor of America's predominance in the Alliance.

The rapporteur went on to say that the evolution of the international situation since the early 1950's had deeply affected both the ties among the Fifteen and the relations among the Six. Among the Fifteen, the Alliance had been the victim of the dominant trend of the last ten years: the *muting of the bipolar conflict* due to the nuclear stalemate and to the new world-wide legitimacy of the nation-state. This had resulted in (a) greater moderation of the Soviet-American conflict, (b) a "polycentric" rise of smaller nations acting on the world scene, (c) the challenge of the chief rivals by their respective allies, France and China, determined to restore a multipolar system. For three reasons, the stratum of separateness had become much more disruptive, and in the second stratum, where American hegemony had been challenged, both the purposes and the control had become objects of controversy and crises.

First, as the problem of West European security became less central, problems external to the geographical area of NATO became more important. As

a result, the ultimate political questions came out in the open again. With America's increasing involvement in other parts of the world, there was a host of reasons why the layer of separateness assumed increasing weight. Consequently, the problem of control in the second stratum could not fail to arise since American control there provided the United States with the means of continuing to equate the Alliance and the West even outside the geographically and functionally limited realm covered by the stratum of American hegemony.

Second, the organization of security became a focus of discord. The declining credibility of massive retaliation as the basis of deterrence enlarged the sphere of disagreement over purposes by putting in doubt the relevance of the strategic doctrine. American control was accepted as long as there was agreement on the doctrine; but once the doctrine was in jeopardy, there could not fail to be "polycentric" attempts at gaining some control, so as to make sure that no one member could sacrifice the security of the whole Alliance by being either too rash or too cautious.

Third, behind the wall of deterrence, the six nations of Western Europe gave a very strong impetus to their own organization. The very success of the third stratum, the Common Market, raised questions of purpose and control in European-United States relations that had been submerged. The problem of the Common Market's external tariff, the agricultural negotiations among the Six, the problem of policies toward the non-Communist world, all involved a possible clash between the United States and the very powerful economic grouping of European states.

The very same basic trends of the international system which created the trouble ruled out the solution. One, the world-wide harmonization of purposes among the Fifteen was made difficult by the muting of bipolarity. The new conditions of the cold war decentralized the Soviet-American contest all over the world, moved it away from large-scale military confrontations and encouraged some prudent rapprochement between the chief contenders. Two, the reorganization of control in the Alliance was made difficult by the boost which the muting of bipolarity gave to the nation-state, and by the emergence of new nuclear powers. Not only were the Six, for all their success in creating a Community, nowhere near setting up institutions capable of "speaking with one voice"; not only was a division of responsibility between the United States and Europe hardly conceivable as long as Britain remained outside Europe, but on the crucial issue of control in the second stratum it was not possible to envisage a simple "collective" solution. In military affairs, a formula of true "sharing" could hardly be invented.

On the issue of purposes, President Kennedy indicated clearly that insofar as the United States was concerned, the Atlantic dimension was only one among

many. Not only was the sphere of separateness thus made weightier, but in the second stratum, the Administration drastically revised America's strategic doctrine so as to draw the consequences of "peril parity" between the superpowers. Inevitably, the old inter-allied agreement on strategic purposes was the casualty of the new effort. Any strategy of graduated deterrence was bound to worry Europeans whose first concern was the deterrence of major war rather than the choice of a sound strategy in case of a failure of deterrence.

On the issue of control, there was a determined effort to reassert American command within the Alliance. Its most spectacular arena was in the second stratum. The new strategic doctrine of flexible response was, in fact, imposed, since the United States alone had the means to apply it. The Nassau agreements, which tied the British nuclear force—present and future—to NATO and set in motion the machinery toward a MLF under American control, went in the same direction.

The American desire for control existed in other areas as well: while the call for an Atlantic partnership and the Trade Expansion Act indicated awareness of the need for co-operation in economic affairs, the United States used its presence in Europe as a way of affecting the third and fourth strata. As a result, inevitably, the structure of the Alliance became more complex, and more of a stake: the zone of separateness was preserved. While the ideal of a future partnership was launched, it was made clear that it would have to wait until a desirable European partner had emerged, that for the time being the partner-in-the-making would have a limited rôle in defence, and while his future rôle in defence was left obscure, a battle for control of the policies of the European partner was already being waged.

Another circumstance that increased the disarray was the emergence of General de Gaulle: between the new Administration in the United States and the French leader, the whole complex of Atlantic relationships became a stake in a fight of nationalisms. America's, being that of a leading power, inevitably cloaked itself in the language of common interests and "enlightened" vision, while France's, being that of a challenger, appeared more parochial and jingoistic. Insofar as purposes were concerned, de Gaulle tried to limit the range of common action by insisting on the right of France to follow her own policies in every conceivable respect; he exploited America's own insistence on a separate course in various areas, as a reason for acting in the same way. Moreover, he openly opposed America's new strategy and upheld the old doctrine of nuclear retaliation.

De Gaulle shook American control in the second stratum by three series of moves: by pushing France's nuclear programme, by keeping it under purely French control (i.e., by rejecting the Nassau proposals and the MLF) and,

finally, in the spring of 1966, by pulling France out of NATO's conventional structure. He also fought the battle for control in the third and fourth configurations.

The rapporteur went on to say that there were today, among the members of the Atlantic Alliance, still a number of recognized common interests, translated into parallel objectives:

- a. A joint interest in West European security against the Soviet Union, to be preserved by a strategy of deterrence in which the nuclear arsenal of the United States was recognized by all to play a determining rôle.
- b. A joint interest in what could be called the tying of West Germany to her Western allies, the management of West Germany in such a way that she would not become an arena of instability.
- c. A joint interest in eliminating what de Gaulle had called "the German anomalies, the concern they cause and the suffering they entail", i.e., all the allies realized that the main threat both to security and to West Germany's Western ties could come from the partition of Germany and from the status of West Berlin.
- d. A joint interest in a détente with the Soviet Union and its East European satellites, as long as it entailed no loss of security and no setback for the two interests concerning Germany.
- e. A joint interest in prosperity and in aid to underdeveloped countries.

While there might be relative harmony at the level of generally defined interests and general objectives, there was discord at two other levels. First, there was a clash between bipolar and multipolar visions. On the whole, the United States had remained bipolar. The bipolar vision did not favour the emergence of a European entity whose foreign and military policy would differ greatly from that of the United States. The multipolar vision looked forward to the emergence of independent actors other than the two superpowers.

Then there was a contrast between an Atlantic vision and a European one. The Atlantic vision concentrated on the internal relations of the Atlantic world, on the partnership between the two halves of the Alliance. The European vision focused on one aspect of the external relations of the Atlantic Alliance: the relations between the two halves of Europe.

The problem today was first, to determine whether the Allies could agree on a policy in the "new" area of cold war—China; second, to determine the terms of practical settlement of the original cold war; third, to cope with the pressures which successful containment of Soviet Communism and the decentralization of the Communist threat had created in the West itself.

The notion of Atlantic partnership, offered by President Kennedy, was not adequate to the present situation.

In the first place, it envisaged the emergence of a special kind of *partner*—an integrated Western Europe, not a "Europe of national states". But the integrated Western Europe required was not likely to develop nor would it necessarily be congruent with the notion of "equal partnership". In either event, as long as de Gaulle was there, the French would not favour supranational integration. His successors might be readier for it than he, but with a vision not so different from his, hence quite different from that of the Atlantic Partnership as conceived in the United States.

The second, and major weakness of the American conception, lay in the notion of *partnership* itself. On the subject of control, the will-to-equality of the United States was open to question. This could be shown by analyzing American attitudes on two important issues. One, *when* would the United States be willing to establish partnership? Two, *what* was it that the United States wanted to share? To say that true sharing had to be postponed until Europe had become a power comparable to that of the United States meant postponing sharing *sine die*. The key question of control was: who should decide when the time had come for equal association? On the second issue of control—*what* was to be shared?—the United States had been more explicit about the sharing of burdens than about the sharing of privileges or decisions.

On the subject of purpose, the suggested reorganization of the Alliance had too little to say about the purposes of intra-Atlantic arrangements and little to do with the other two great problems: the "decentralization" of the cold war and the gradual settlement of the original one. The Allies had been arguing *ad nauseam* about the control of nuclear weapons, while avoiding the one subject that was both fundamental and (in contrast with nuclear control) manageable jointly: the definition of the purposes for which such weapons, or the threat to resort to them, might be used.

As for the other two problems, what was suggested was the "Atlantic dimension" as the keystone for both pillars of the Alliance. Yet this was not *ipso facto* capable of playing the rôle of common denominator in the rest of the world and, relevant as it undoubtedly was to relations with the Soviet Union and Eastern Europe, it provided no guidelines for the partners. It was a conception based on the notion that Europe's partition was sufficiently durable, and the costs of ending it sufficiently high to justify giving priority to Atlantic solidarity. The "Atlantic dimension" could be used either to justify a call to the West Europeans to concentrate their energies on their own integration, or to defend the right of the guardian of Atlantic interests to deal directly with the Soviet Union on behalf of the common cause.

The real problem was to define common policies and, should there be no agreement, to ask whether an agreement to disagree was necessarily worse than a hypocritical or forced agreement. The kind of diversity that let "partners" try different approaches was more in the interest of the Alliance than any forced or cramped unity.

The present situation within the Alliance engendered no coherent common actions, despite the widespread popularity of the "opening to the East". Any scheme for the reunification of Europe led by the United States suffered from a fundamental contradiction. Either it would not reach its goal, and would thus exacerbate the tensions already present in the Alliance, or else it would move toward its goal, but the price to be paid by the United States would have to be much higher. If the United States in its approach to the East should try to keep West Germany as its privileged ally, the most likely results would be the delaying of European and German reunification and trouble in Western Europe. If the United States chose to approach the USSR and East Europe without the traditional consideration for Germany's security fears and anti-Soviet susceptibilities, the most likely results would be a consolidation of Germany's partition (which remains the Soviet Union's definition of a European *détente*), and serious troubles between the United States on the one hand, France and West Germany on the other. From whatever angle one looked at it, the conclusion was the same: while the United States had an important rôle to play along the long road to European reunification, a scheme that envisaged continuing American preponderance in Western Europe was condemned to sterility. The very settlement of the original cold war sought by such a policy requires a reorganization of intra-Atlantic relations.

The policy that seems required today is one of American *co-operation with a uniting Europe or limited engagement in European unification*. The rapporteur said that what he had in mind was the creation of an international system stabilized, at the global level, by mutual deterrence between today's or tomorrow's superpowers; under the nuclear umbrella, a certain amount of decentralization should allow for the management of most crises at a predominantly regional level; in this world, the number of major participants in world politics would be higher than today. Relative moderation as well as a return to flexibility would be the chief attractions for the United States. The implications, insofar as the Atlantic Alliance is concerned, would be of little help in relieving the United States of its "burdens" outside Europe; the dream of a partnership of world-wide scope would have to be given up as neither feasible nor even truly desirable; the scope of those purposes which the Allies agreed to keep common would be restricted to the "old" cold war in Europe: for the rest, there would be separateness, ranging from convergence (international trade,

it was to be hoped) to divergence (it was to be feared, in Asia). But in Europe, there was a need to revive the Alliance's sense of purpose by making it aim at a gradual reunification of Europe, that would not be either a barely disguised Soviet or American victory or a badly disguised duopoly which would contain the seeds of instability. The United States must therefore encourage actively the creation of a European entity that would give to the continent its only chance of emancipation from "the two hegemonies", to the United States its best chance of ultimately reducing its burdens without increasing its risks, and to all parties their best chance of reaching an acceptable solution of the German problem. What was required was American involvement toward self-denial: an unorthodox kind of policy, but, in the rapporteur's opinion, the most likely to produce results both practical and desirable.

This suggested the following answers to the three present problems of the Alliance: resignation to diversity; a gradual working out of a settlement involving reunification away from the "hegemonies" toward the creation of a European "pole" of power; a gradual reorganization of the Alliance toward greater "sharing" of privileges and responsibilities. Thus, the sphere of separateness would no longer include a variety of political, economic and military policies toward Eastern Europe and the Soviets. But in exchange for transferring those policies into the second stratum, the Allies would agree to replace American hegemony with genuine partnership. The partners would be the United States and a developing West European entity, the enlarged version of our present third stratum, the long delayed emergence of the fourth. For the long run, this conception suggested the following answers to the two basic questions of politics: on purposes, the common goal of the Atlantic Allies would be the emergence of a "European Europe" secure and coherent on both sides of today's iron curtain, from the Atlantic Ocean to the eastern border of Poland; on control, the question of command should ultimately be solved by an association of major powers in a "multi-hierarchical" world.

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Assuming the goal to be the reunification of Europe in agreement with the Soviet Union, two consequences followed. First, the kind of partnership to be established between the United States and the Western Europeans would have to be one that incited the Soviets to such an agreement, not one that incited them merely to try to get the status quo sanctified. Second, the long-term perspective was that of a *détente* between the superpowers. By making possible a reduction of America's burden in Europe, by opening up some avenues of at least tacit collaboration between the superpowers in other parts

of the world, i.e., by driving the international system closer to moderation, such a détente might reduce the need for universal "burden sharing" on America's part.

Moreover, the problem of joint control would become much less acute, if, along with a solution to the European problem involving not merely *some* reunification of the continent but the development of Europe as an entity, there would also be a relative loosening of the ties between the partners outside Europe. The ideal would be a joint enterprise aimed at establishing an entity with its own domain—its own set of rights and responsibilities—without having to beg for, demand or insinuate itself into the domain of the United States.

The best way of easing the present disarray was to emphasize the need for an evolving solution. If the writer's vision were adopted the Soviet Union would forego its grip on Eastern Europe, but would "gain", in exchange for an undeniable loss of power, both a decrease of America's rôle in Europe and a set of institutionalized guarantees against any dangers from a reunited Germany. The West Germans would accept restrictions on their borders and military capabilities as well as a loosening of their ties to the United States, but regain the unity of Germany and an important rôle in uniting Europe. The French would gradually switch from their heady emphasis on independence to the construction of a confederal Europe, consonant with the Gaullist vision. The British would join such a European entity, giving up the vestiges of Commonwealth ties and fading or costly special relationships with the United States for the reality of European development. The United States would give up its privileged position in Europe, but gain in exchange both from the return of the Soviet Union to moderation and from the establishment of a European entity.

Politically, the rapporteur believed that this corresponded to America's interest and capabilities, since it aimed at establishing a harmonious Europe. When the Soviet menace was paramount, America's interest in a harmonious Europe was inevitably focussed on Western Europe—within the Atlantic Alliance and the emergent Community of the Six; today, a harmonious Europe meant a gradually reuniting Europe. America's interest still required a continuing association between Europe and the United States, but presence and association, "partnership" and co-operation, integrated alliance and guarantee were not synonymous. America's rôle in Europe would be "broader" since it would aim at European reunification and organization; but it would also be more modest. In Europe, American and West European interests were safely and overwhelmingly mutual. Whereas each of several West European countries could be tempted by a separate deal with Russia if the present status quo persisted, a uniting Europe's only interest in a deal with the Soviets would

be for the purpose of reunifying and stabilizing Europe. Moreover, it was rapidly becoming in America's interest not to man the front lines everywhere, but to build up centres of power in various parts of the world.

The best prospects lay in strengthening Germany's European links, in incorporating her in a complex continental framework in which there would be both security and ultimate unity in exchange for certain restrictions, and in which those restrictions would at least serve their purpose. Any policy, followed by European powers or the United States, that would lead toward the military unleashing of Germany would be dangerous. The only way out was the gradual elaboration of a European defence system, in association with the United States. In such a system, there would be a chance of preventing West German disenchantment with her allies, without giving her so important a voice as to preclude reunification.

Europe was the only forum in which it would be possible to have both German unity and ties between Germany and her neighbours that would make such unity acceptable to them; from which it would be possible for each superpower to withdraw without a sense of defeat or imprudence; for which states such as France, England, Germany would accept certain sacrifices of sovereignty, around which these three states, whose divergent outlooks had so far plagued both the Alliance and the European movement, could reconcile their interests. But Washington would have to accept the notion of a "European Europe", with a political, military and economic rôle of its own in association, but not in exclusive partnership with the United States. Within the Alliance the rôle of the United States would be to promote the gradual emancipation of its dependents, as well as to collaborate with its defiers, while the institutional form and face of the European enterprise would matter less than the capacity to arrive at common policies and to multiply links between the states, whatever the formal amount of sovereignty still at their disposal.

Concerning the policies required the rapporteur said that two precepts should be observed. First, it was dangerous to act in the present as if the desired future had already arrived. This meant in particular that even though the outcome ought to be a replacement of the present rival alliances and a withdrawal of the superpowers' forces from Europe, any premature withdrawal in the West could make the goal unreachable by weakening Western Europe and consolidating the Soviets' position. Second, decisions made in the short term should take into account and contribute to the designs of the long term.

a. In the military realm, we should have to devise a security system to facilitate the transition from the present stage of an "integrated" alliance dominated by the United States to the final stage of a European entity guaranteed by the United States (as well as by the USSR). Those imperatives could only be

reconciled through a transformation of NATO. Two sets of measures were needed, with the common aim of turning an "integrated" alliance under United States leadership, into an alliance between the United States and a West European organization—an alliance necessary as long as the division of Europe lasted, but whose very structure would facilitate the end of the division and the advent of a general European organization.

The first set of measures concerned the present Alliance. The necessary co-operation between the United States and the Europeans, in pursuit of their common goals, required the careful preservation of the second stratum of the Alliance. If the notion of integration were gradually replaced by that of co-operation, the French could return without appearing to renege on their condemnation. What was required was a flexible interpretation of Art. 5. Furthermore, a gradual dissolution of the integrated commands would be a disaster only if the result were a return to full national autonomy. An agreement was needed on reactions to crises, and on command and operations in wartime. If such an agreement existed, and if a European organization developed, there would be no disadvantage in placing national forces situated on national soil under national command in peacetime.

The second set of measures concerned the establishment of a West European defence system, associated with the United States. The rather loose structure of the WEU could provide the nexus. Indeed, the military realm is the one in which so-called "sharing" could begin at once—precisely because it was the area of American hegemony. As the European organization became more coherent, as its members became more self-confident, as they discovered—through the exercise of responsibility—the need for conventional forces to make the nuclear deterrent credible in major emergencies and unnecessary in small ones, as those members reorganized their defence systems accordingly, a thinning out of the United States troops could proceed.

The author of the paper said that what he was suggesting was simply the gradual transformation of an alliance whose central purpose was the defence of West Europe against the Soviet Union, and whose additional purpose became the controlling of West German rearmament, into an alliance whose central purpose would be the establishment of a West European entity both secure and capable of contributing to the reunification of Europe. In such a perspective, a certain relaxing of peacetime integration could be allowed and, on the other hand, the *encadrement* of Germany would change form. The participation in a European defence organization of a West Germany without national nuclear weapons, would suffice to establish links that could justify a relaxing of German subordination. Also, a defence organization of the type described

would avoid raising at a premature stage the issue of a "European nuclear force", while making possible the assignment of the British and French forces to a European command in wartime. An agreement with the United States on ends and means would actually reduce the pressure for a European force although the door would remain open to a future force, once European political unity had progressed enough.

b. Turning to the common external policy of the Alliance, the rapporteur said it was true that neither the United States separately nor West Europeans alone could reach the goal. Washington acting alone could bring about a *de facto* recognition of the continent's division. The West Europeans alone don't carry any weight in Moscow. But for the long run objective to be reached, there had to be a transformation of the ties between the United States and Western Europe, without which the ties between the Soviet Union and Eastern Europe would persist and the German problem would remain a formidable source of instability. What was needed in the West was a complex but coherent policy. Since the ultimate objective was the reunification of Europe, not of Germany alone, and since the various East European allies of the Soviet Union were neither organized in a grouping of their own, nor capable of moving collectively toward the West, even if their leaders all wanted to, any monolithic Western approach would backfire. Co-ordination was useful, anything tighter would be ineffective. Co-ordination ought to mean a certain division of labour between the United States, West Germany and other West European nations. Whether a Western European entity emerged in the realms of defence and diplomacy or not, this would undoubtedly not eliminate national freedom of action right away: hence the continuing possibility of separate emphases, say between West Germany, London and Paris. Yet such an entity would have a most important rôle: first, in keeping the separate approaches co-ordinated and convergent; second, in developing in the Western half of Europe precisely the kind of model of relations that would attract the East European states, as well as convince them and the Soviets of the value of the whole enterprise. A West European entity comparable to a fully-fledged federation would probably be absorbed by problems of internal organization and it would be much more difficult to "open it to the East". Something different and more flexible was needed.

c. Concerning the organization of a West European entity, institutional engineering was less important than, and determined by prior agreement on, goals and directions. The entity must comprise France, West Germany and England but this would become a possibility only if the three countries

came to share the same general vision. Should this happen, it would be futile to expect total harmony, any more than within the Economic Communities. A confederation would have to look in the beginning very much like the Fouchet Plan of 1962. Experience showed that while even such a scheme was too much without a prior consensus, anything more supranational was too much even when there was a prior consensus.

The author of the paper said there was one reason for believing that the goals and directions outlined would stand a fair chance of providing a kind of common denominator for the Allies. Each one of them was rapidly reaching the end of the road he had pursued for himself. The best future for each lay in a common road. Secondly, the problem of Europe's unity was obviously a very long-term one. Obviously it would take a while until the required consensus in Western Europe was reached, and the entity to be built on it was launched. Much internal liberalizing would have to precede the reunification of the continent. There would have to be considerable ideological erosion in the Soviet Union, and strong domestic and extra-European incentives for the Soviets to bear the pain of an "agonizing reappraisal". But such erosion was in progress, the incentives existed, and the scheme suggested could give the right push—especially if the United States and its allies put their statecraft at the service of such a scheme. Thirdly, even if the goal should be a mirage after all, even if the gradual détente, while leading to closer contacts between the two halves of Europe, failed to bring about the withdrawal of Soviet troops from Eastern Europe, the return of the nations of Eastern Europe to the "European Europe" built in the West, and the reunion of the two Germanies, the scheme would still be worth trying. Not only would it expose and spotlight Soviet hegemony, it would also give to the Western half of Europe and to its relations with the United States the kind of shape that would help Americans and Western Europeans bear the strains of partial frustration—something that the present shape of the Alliance did not. Even if the European Europe should remain truncated, the scheme would meet the conditions for a return to a moderate international system.

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The author of the foregoing paper suggested that the following points might be taken as a basis for discussion:

1. Basic changes and trends in the international system, and their impact on Atlantic co-operation today.

2. Is there a contradiction between the search for an American-Soviet détente and the Atlantic Alliance?
3. Is a world-wide partnership between the United States and its allies possible and desirable?
4. How can the Alliance be reorganized?
 - a. The problem of security: troops, nuclear weapons, and NATO reform.
 - b. West European unification: is it a prerequisite? What institutions?
 - c. Necessary changes in national policies.

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The author of the second paper began by saying that the word "disarray" was barely adequate to describe the present situation of the Atlantic Alliance. Decay and disintegration would more accurately sum up the present state of affairs.

The NATO partners had long been aware of the need for reappraisal and revision, but no real effort had ever been launched to unite the Allies for the purpose. Such major changes as had been effected were the result of initiatives taken independently by individual member states—notably, although not exclusively, by Gaullist France. Without exception, they served to weaken rather than strengthen the fabric of cohesion.

General de Gaulle has carried the principle of independent action further than anyone else, to the point of actual disengagement from NATO's organization. But American insistence on strategic autonomy was not, in the last analysis, very much different; similarly, Great Britain had repeatedly served notice of its claim to independent decision.

Everything indicated that the trend towards autonomous decision and independent initiative would continue and develop during the years ahead. And the problem would not be appreciably different if a United Europe came into being: the number of players would change but not the basic rules of the national interest game.

The spirit of 1949 could not be recaptured for the set of facts to which it related had vanished. The future NATO would have to relate to a different set of facts, which the Alliance itself did much to bring about during the past 18 years. It would seem to be a rather safe bet that the new alliance would have a much looser organization and, at the same time, a far broader purpose than the old one. Differentiation would continue, more flexible structures would evolve. Bilateralism would complement multilateralism.

At the root of NATO's malaise lay its very triumph. During the period of the cold war it prevailed; for 17 years it had achieved its basic objective of

preserving the peace and security of the North Atlantic area. It contained Russian expansionism by creating a military equilibrium.

The nature of the threat had basically changed. It was now agreed in the West that a general war was unlikely and that there was little real possibility of a massive attack in Europe. There was still the danger of an armed clash arising from miscalculation or accident, or of swift, limited thrusts across the Central European demarcation line, but neither was probable. While Russian military capabilities continued to be formidable, Russian intentions had undergone a qualitative change. Given the maintenance of the nuclear stalemate, the mounting pressure of China on the Soviet Union, and continuing differentiation within the Warsaw Pact, NATO would seem justified in assuming that Soviet aggressiveness would henceforth be the exception rather than the rule.

Armed invasion of Western Europe need no longer be the dominating concern of the Allies and this had a fourfold significance.

—First, the inevitable political consequence was a weakening of allied cohesion. In the absence of a cementing military challenge NATO members must be expected to give more rein to their individual interests and concepts.

—Second, as to the military consequences, if Soviet aggression against Western Europe can now be rated unlikely, NATO's defence posture must in future reflect this state of affairs. It would be quite wrong to rid transatlantic relations of their military content altogether, but it could safely be diminished. This was unavoidable, and if the Alliance would not do it on the basis of collective agreements, the partners would do it individually. A collective solution, of course, would be vastly preferable simply because it would be far more rational. And rationality of reduction and/or redeployment was a prerequisite if NATO was to function as an insurance against renewed tension.

—Third, the prospect of a continuing détente between East and West cast NATO in a transitory rôle. If the evolution from confrontation to co-operation maintained its current momentum, the military alliance between Western Europe and North America would take on a new meaning: guaranteeing a temporary order against forcible change but not frustrating the movement of history towards new horizons.

—Fourth, if indeed the security aspect of European-American relations were to lose its significance, other ties—cultural and economic exchange, parallel social and governmental development—should be intensified in order to keep both Europe and America from sliding into sterile "continentalism".

The rapporteur went on to say that, for a variety of reasons, European-American co-operation must remain a basic feature of the future. This did not imply that its present modalities would or could remain unchanged but it was hard to conceive of a Western world the two halves of which were divided

against themselves. Economically, Europe and America were more important to each other now than they were before World War II; in the world of science, there was now a single Atlantic Community—with its imbalances, certainly but not without mutual benefit; societies had developed along parallel lines toward a common industrial and urban pattern; their domestic policies were oriented toward similar welfare-states; their monetary institutions were inextricably bound up with each other.

Basic security interests, moreover, continued to operate. The cold war had abated; but East-West crises could recur, and if the instrument which helped to master past crises were dissolved this might conceivably lure the Kremlin leaders back on to the irrational paths of adventure. Europe still needed the protection of America's nuclear umbrella, while the United States would be placed in a position of troublesome inferiority if the great industrial and scientific potential of Western Europe ever fell into the hands of a Communist "tsar".

There was another important consideration. Without the United States, the Central European *status quo* could not be maintained; but neither could it be changed and, after such change, be guaranteed unless this process had the backing of American power. Most Europeans—even including Poles, Czechs and other Easterners—would fear any arrangement that left the maintenance of a European balance of power exclusively to Europe's medium powers; in their view the United States must provide a counterweight to both the Germans and the Russians.

All this added up to the simple conclusion that it was not the principles of Atlantic co-operation but the modalities of their application that needed overhauling.

Under present conditions the inherent difficulties of NATO reform were compounded by the fact that answers had to be found to three problems that had arisen at roughly the same time: the change in relations with Eastern Europe indicated major adjustments of the Alliance; France's withdrawal from the treaty organization imposed the necessity of hasty rescue operations; the financial problem subjected re-examination of NATO's structure and strategy to basically extraneous factors: many governments were more interested in a cheap solution than in what a particular solution would or would not do.

The military effects of General de Gaulle's move had turned out to be less serious than the political and financial consequences. Removal of both military and political headquarters from France, though expensive and disruptive, posed no insurmountable obstacles; indeed, it had provided an incentive to streamline headquarters and tighten up the command structure of NATO.

But it was now an established fact that there were two kinds of NATO membership, one involving various degrees of integration, the other not even committed to the joint definition of the *casus foederis*. The Alliance was effectively split in two. A precedent of unilateralism had been set that might find followers elsewhere.

The first test would come in the Anglo-German-American talks about offset payments and force goal re-examination. Accommodation was already being prepared in Britain in case it proved necessary, for financial reasons, to reduce the Rhine Army in Germany.

Similar ideas were being discussed in the United States with rising intensity. While the immediate outcome of the Great Debate might be in doubt, a drastic cut of the Seventh Army would be inevitable in the late sixties; recent progress in military technology militated strongly in favour of a Big Lift Strategy.

Bonn seemed to be resigned to the inevitable. If the trend towards thinning-out continued, no one ought to be surprised if the Germans themselves conformed to it by restructuring the Bundeswehr—possibly cutting down the Army from twelve to eight divisions, turning it into a largely professional body and backing it up with a sizeable militia-type force for static defence. In the end all the main allies were likely to embrace a strategy of means—of cheap means, on present reading.

Resignation to the inevitable seemed to dictate the third change in the offing: NATO turning to peace by committing its members to seek better political, economic, social, scientific and cultural relations with Soviet Russia and East Europe. But if the Alliance were to add peace-making to its war-detering rôle, necessary though this might be, it was bound to place new burdens on an already creaking structure. While it was clear that all Allies, West Germany included, were now engaged in building bridges toward the East, it was also obvious that this might engender new rivalries rather than help overcome the old ones. Experience would suggest that NATO should restrict itself to military matters without branching out into strictly political activities.

As we emerged into a less threatening and more complex world, said the rapporteur, the relatively monolithic alliance structure of the cold war was bound to break up. Some kind of NATO would survive; but it would be very different from the NATO we used to know: neither so tidy nor, perhaps, quite so efficient, but this was a time for makeshift solutions, a time of transition. The following rough rules-of-thumb might be taken as guidelines to the future:

- a. NATO must survive as a centre for European defence relations with the United States in order to deter any recurrence of the Communist threat.

For this reason, a minimum nucleus of organization should be maintained but this would inevitably be less collective and more multi-national.

- b. Provided the overall military equilibrium between East and West remained intact, the military level of confrontation might be lowered. Instead of roundly opposing any and every British or American troop withdrawal, continental Europeans should try to keep it within reasonable limits and to influence its modalities. They should make sure that sufficient air transport capacity and depots of prepositioned war material were on hand to allow speedy reinforcement of overseas garrisons in times of renewed tension; they should urge that reduction of force levels be compensated by increase of strategic and tactical mobility; they should insist on frequent exercises to test its plausibility; but they would have to grasp the import of the new trend which put quality above quantity and required two types of forces: highly professional armies for sophistication, and national reserves for numbers.
- c. It would be extremely difficult to effect a reasonable measure of tacit or explicit East-West reciprocity with regard to troop reductions. Since the Eastern countries knew that NATO would scale down its continental garrison anyhow, there was little incentive to bargain. Probably it would be wiser for NATO to go ahead on its own, thereby creating a psychological climate in which corresponding changes on the other side were likely to follow.
- d. There was little hope of institutionally underpinning America's nuclear guarantee for Europe in such a way as to remove the last doubts which the latter might harbour about the trustworthiness of the former; the Americans were not going to share their burden of ultimate nuclear responsibility with anyone. Conversely, the Americans could not expect their European allies to display any enthusiasm for sharing the burdens of United States interests in areas outside the framework of the Atlantic Alliance.
- e. There would be different classes of NATO members. The Alliance would have to learn to live with its built-in differences, trying to cover up some of the holes in its fabric by a network of bilateral agreements. The principle of universal participation in decisions would have to be abandoned in favour of joint action by those partners interested in any given project. This was admittedly a highly cumbersome approach but, in the absence of a comprehensive multilateral system or true partnership between the United States and a Europe capable of collective political action, it was the only approach that held any promise of success.

The author of the paper conceded that these guidelines hardly added up to

a very alluring picture of the future, but stressed that this was not a time for sweeping reforms. Such reforms, indeed, could not be envisaged until political Europe had taken shape one day. In the meantime, only temporary adjustments were possible while many of the disputes besetting the Alliance were inherently insoluble.

NATO had fulfilled its primary purpose; future purposes were not so obvious. There was no new concept that could take its place, but the old ideas had lost much of their lustre and some of their relevance. Yet if there were less "glamour" and less need for perfection in tomorrow's alliance, this in itself could be taken as a measure of the success yesterday's NATO had achieved.

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The following points arising from the second paper were suggested by a German participant as a possible basis for discussion.

1. Would it be advisable and feasible to extend NATO's purposes in such a way that the Alliance would play a dominant rôle with respect to a co-ordinated policy of détente? Or would experience suggest that NATO should restrict itself to military matters without branching out into strictly political activities?
2. Is East-West reciprocity as to troop reductions entirely dependent on Moscow's readiness to withdraw simultaneously troops from East Germany? Or should NATO go ahead on its own, assuming that the other side is likely to follow?
3. The American view that NATO should acknowledge the principle of universal political engagement jeopardizes the cohesion of the Alliance. The majority of the member states reject participation in world affairs. On the other hand: what are NATO's future prospects for Atlantic partnership if the Europeans demand America's total engagement in Europe without being prepared to share the United States burdens outside Europe?
4. What of the non-proliferation treaty and similar attempts in the field of arms control? Did the procedure affect the cohesion of the Alliance?

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The ensuing discussion revealed a general consensus on the continuing need for the Atlantic Alliance, although, as will be seen later, there was wide disagreement as to its rôle and functions. While most also thought that NATO still had a vital rôle to play, a French participant insisted upon the distinction drawn by the French Government between the North Atlantic Treaty and the North Atlantic Treaty Organization.

A Canadian speaker warned that NATO was as essential today in the face of the military position of the Soviet Union as it ever had been. Similarly, a British participant said that the Soviet military threat had not completely abated and that there should therefore be no question of disbanding the NATO organization, more especially since any attempt by Europe to become a third force would be politically stultifying and economically unviable.

An American participant said that while it was quite obvious that the Soviet danger of 1967 was not the same danger as that of 1947, yet it should be remembered that the Cuban missile crisis had taken place less than five years ago. This point was made by another American present who said that only five years ago there had been a most serious threat involving the redeployment of military forces and a most serious contemplation of the use of such forces. He asked whether events over the last five years had created a situation in which we could be completely confident that we no longer needed the defensive capabilities available.

The first American, already quoted, drew attention to a study on "The Atlantic Alliance; Unfinished Business", submitted by the U.S. Senate Subcommittee on National Security and International Operations. This report made the point that "nothing is more guarded than the Kremlin's decision-making process, and this makes it difficult for anyone on the outside to predict whether the Soviet leadership is in a cautious or risk-taking mood". There was therefore little reason for complacency, said the speaker, who added that we must keep up our strength as a basis for working with the Russians and ensuring their respect.

This aspect of the problem was taken up by another American who said it was surely obvious that NATO was necessary in order to get the Soviets to talk sense about Europe, now and probably over a period of many years. Even when some kind of European settlement could be arranged with the Communists, he said, there would be a need for some organized Western military strength to keep the deal honest. This view was echoed by a British participant who described himself as an unrepentant believer in Atlantic unity and who contended that a greater détente between the United States and the Soviet Union was likely to derive from greater cohesion of the Atlantic Alliance.

Along the same lines, another British participant said that NATO had made a major contribution to the slow decline in the military threat to Western Europe; yet, since Europe could not produce a second strike nuclear capability in the near future together with the means of collectively controlling it, the Atlantic Alliance remained a pre-condition for successful negotiations with the East and as a guarantee for any solution achieved.

These views found support from a Belgian participant who emphasized

that the Russians had not made any contribution to the solution of the European problem, that the only thing which the Russians ever respected was force and that any détente was therefore dependent on the cohesion of the Western Alliance. A similar opinion was voiced by a United States participant who said that the Soviets had a tendency to lean against weakness.

Summing up this aspect of the matter, an international official particularly familiar with NATO questions, said that the basic reason for retaining NATO was simply the old requirement of a balance of strength without which there could be no clear settlement. This view was wholeheartedly supported by one of the American participants who said that he wondered whether countries like Greece and Turkey—and even the larger countries of Central Europe—would be happy without the Alliance. A Greek participant replied that he was confident that his country could not do without the Alliance while a Swiss member of the conference said that even non-members of NATO would be extremely unhappy if the Alliance were to disappear.

The Soviet menace had abated but could flare up again if the Atlantic Alliance were weakened or were to break down, in the view of a Danish participant. He went on to say that in such a situation, Western Germany would have to take all necessary precautionary measures whereupon West German defence would probably become the most powerful military force in Europe. A termination of the Atlantic Pact would mean a return to national states and national defence systems on both sides of the iron curtain. A discontinuation of the present defensive integration, whether through the NATO or the Warsaw Pact, might endanger the future of Europe more than the preservation of such pacts. Certain countries seemed to have got the impression that relaxation in Europe enabled them to take up individual attitudes but small countries were in fact unable to do so and their survival depended upon the Atlantic Alliance. The Alliance could not be abandoned, he concluded, until we were sure of controlled disarmament throughout Europe. In this connexion, a Turkish speaker warned, however, that the Warsaw Pact and the NATO Pact were not equivalent. If the Warsaw Pact were to disappear tomorrow, the aggressive potential of the Soviet bloc would not be reduced thereby. The Warsaw Pact was a superstructure added to existing Soviet domination established by bilateral treaties and its disappearance would not reduce the need for the NATO structures.

Two American speakers, a German, a Norwegian and an Italian were among those who stressed the importance of maintaining a balance of forces in Europe through the continued existence of NATO, the Norwegian pointing out that it should be remembered that men and intentions sometimes changed overnight. There should be no reduction of Western strength in Europe, he said, without a similar reduction on the other side.

In the view of a British speaker, one force which was driving the Western nations to cling closer together, both militarily and economically, was the fact that the world was increasingly entering into a dangerous state of inter-racial tension based on the haves and have-nots, the former being primarily the Western nations which formed the Alliance. Whether politicians in the West liked it or not, he said, we would have to stand together in order to overcome that danger.

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Notwithstanding this virtual unanimity concerning the need to preserve Western cohesion, it was generally agreed that the Atlantic Alliance was confronted with a difficult situation. A Portuguese participant said that the Alliance was in a very serious and even critical state. There was no point in disguising this or in trying to identify those Allies which had created such a situation. No individual country had deliberately brought it about: attitudes and actions were the result and not the cause of the Alliance crisis. The real cause lay in the fact that the NATO Pact no longer met the vital requirements of most of the Allies. The political and military realities on which NATO was originally based had changed: the Soviet threat to Western Europe had been diverted to other quarters of the world and Atlantic solidarity had been abandoned in those new areas of tension. The Communist threat had become global but NATO's political and military solidarity had remained limited. Similarly, a British speaker said that the shift of the external threat from Europe to Asia (but also changes in the relative balance of economic strength between the United States and Europe) called for a change in the structure of NATO.

NATO, in the view of a German participant, would tend towards disintegration unless various problems were solved, e.g., the lack of a common NATO strategy for the central area of Europe, nuclear control, lack of co-ordination of foreign policy among NATO partners, etc. Great progress had been made towards establishing the pre-conditions for a common strategy but the question of how to solve this strategy problem in a changing world still remained unsolved.

An Italian participant suggested that one of the problems confronting the Alliance lay in the fact that NATO lacked the capacity for political decision-making while a fellow countryman said that the overall situation was no longer the same as when NATO came into existence. He cited the process of decolonization and the attitude of some European countries which refused to assume world responsibility, and the introduction of new missiles, rockets and atomic

weapons. The threat itself, he said, had changed: it used to be global and primarily military and was now peripheral and manifest in a variety of forms. It frequently had a political, economic and ideological character which was less obvious than its former military nature but no less dangerous. On the other hand, a United States participant felt that tensions were not so much due to changes as to our delayed reactions to those changes. This observation tied in with the remarks made by a French speaker who said there was a basic conflict between those who thought that NATO was healthy and that all was well, people who had not changed their minds since 1949, who still used the cold war vocabulary and who did not understand the tremendous changes which had occurred throughout Europe and the world and, on the other hand, those far-seeing people who thought there was no heresy in saying that major changes had occurred and that the Alliance should be adapted to present-day realities.

According to an American participant, one of those changes lay in the fact that the Atlantic Community was now confronted with the enormous challenge of the Third World which had become a dangerous theatre of power rivalries. There had also been great changes in the Communist world: China had consolidated its power and this had resulted in a division within the Communist bloc. Japan had also been transformed since 1949 and had become a great and successful power with a significant participation in world affairs. He concluded by saying that there were now very few regional problems: the world was inexorably getting smaller and it had to be realized that neither the United States nor Europe could remain isolated from developments.

A fellow American saw the problem in terms of conflicting patterns. There were, he said, the Atlantic idea, which was essentially based on United States leadership of a coalition; the idea of a European federal state on a footing of equal partnership with the United States; the Gaullist design, which was essentially opposed to the Atlantic and the "classical" European idea and which was based not so much on a supranational Europe as on a Europe of States although one which included a positive new element summed up in the phrase "from the Atlantic to the Urals". One way of defining the disarray of the Alliance, he said, was to note the conflict between those desires and political reality itself.

In most of the less developed Alliance countries, said a Greek participant, there was a general belief that the type and degree of co-operation between members of the Alliance was not consistent with certain basic principles of solidarity and he considered that the inadequate performance in the non-military fields represented a real threat.

An American said that the disparity in size and resources between the

United States and any West European country necessarily led to some divergence of interest and created apprehension in Europe—to some extent justified apprehension—that the United States tended to have a larger voice in decision-making. Any effort to envisage an Atlantic partnership between the United States and individual European states acting more or less on their own was therefore a concept which had many inherent limitations. In this context a United Kingdom speaker expressed some doubt as to whether the United States had sufficiently realized the changes which had occurred on the Eastern side of the Ocean and if America had always acted accordingly. This view was strongly contested by a United States participant.

These various comments led an American to question whether the Alliance could avoid extinction in the course of the enormous avalanche of words and analyses devoted to it. We did nothing to promote either United States or European interest, he said, by a continual vivisection of the Alliance. Answering this observation, the author of one of the working papers said that the difficulties nowadays facing the Alliance were not due to academic analyses but to a failure to solve certain important problems. One such problem, according to a French participant, was that the Atlantic Alliance had been partly emptied of meaning precisely because it had proved a success.

Discussion of the Alliance's difficulties impelled several speakers to warn against over-dramatization. The international official, already mentioned, concurred in the view that the Atlantic Alliance was not in a state of disintegration although NATO problems remained serious and even very serious. We could be reasonably satisfied, he contended, with the situation within the Atlantic Alliance despite the undeniable divergencies. An American present said he himself saw no sign of disintegration, and this certainly applied to the morale of the troops. The army was a better army than it ever had been. He believed that Europeans—even the French—wanted the United States to remain in Europe and considered that the problem was to persuade Americans that Europeans wanted them to stay and that the troops had to stay. Another United States speaker warned that, once United States troops left Europe, their return would, in view of American public opinion, be hardly conceivable. The Europeans should realize this when they expected any relaxation from the Russians as a counterpart of unilateral withdrawal of United States troops.

The author of one of the working papers summed up by saying that the policies followed by the main NATO members gave no particular reason for despair. The disarray was not dramatic, yet it unquestionably did exist because policies had been followed which were not entirely compatible with ideals of community and partnership—e.g., French policy over recent years—and this had exacerbated various strains.

One of the problems which had to be solved if NATO were to survive, according to a German participant, concerned differences over the non-proliferation negotiations. Germans, he said, had the impression that the United States and Great Britain were inclined to give a higher priority to coexistence than to the cohesion of NATO. An American insisted, however, that any conflict which might arise between agreement with the Soviet and agreement with America's allies would always be resolved in favour of the latter. He did not favour policies, he said, which would lead to concessions on inspection and control and which would weaken EURATOM.

The plain fact was, said a British participant, that nobody was satisfied about the non-proliferation treaty. This was very clearly demonstrated by the attitude of the German Federal Republic as compared with its attitude towards the partial test ban agreement of four years ago. Reaction to the latter had been almost nil whereas today the protest against the treaty had been of a major kind (which development, incidentally, demonstrated the new position of resurgent Germany). On this point, an American present said that there was a difference between the non-proliferation treaty and the test ban treaty as far as German reaction was concerned: one treaty was symmetrical, the other asymmetrical. In the case of the non-proliferation treaty, the real commitments were all on the side of the non-nuclear powers. There was therefore no fundamental change in the German attitude.

Discussing his country's attitude towards the treaty, a German speaker said that the Federal Republic was, in his opinion, ready to subscribe to the non-proliferation treaty but was not willing to be discriminated against and felt that other states in a position similar to that of Western Germany should also subscribe. There were serious misgivings in Germany, not so much because of the economic danger of being deprived of "spin-off" as because some people feared that the treaty might rule out for ever any possibility of a European military combination. It was widely believed that the vague language of paragraph 3 of the treaty could open the way to a great measure of interference in civil research and civil application of the results of such research, while it was also widely feared that the treaty had an in-built disagreement between Washington and Moscow as to what the wording of that paragraph actually meant. Another criticism in Germany, he said, derived from the view that the negotiators of the text had not sufficiently borne in mind the fact that there was such a thing as EURATOM, that its controls were functioning and that it had achieved good things. These misgivings and strains on mutual confidence could have been avoided if the negotiating parties had kept more closely in touch with the non-negotiating parties.

A fellow countryman added that Germany had submitted its reactors to

international control through EURATOM so that Germany accepted controls and considered them necessary but his country did not want such controls to be discriminatory. The treaty should apply to all nations without exception and control should be limited to the real purpose of the treaty—i.e., use for military purposes. As far as the European option for a nuclear force was concerned, it was not the creation of such a force for their country the Germans had in mind but the question should not interfere with possible developments of a United Europe force.

The non-proliferation treaty did not discriminate against Germany or any other country, according to an American participant who went on to say that the United States had not reached an agreement on the non-proliferation treaty with the Soviet and then submitted it to others in the confident expectation that it would be accepted. America had merely explored the position with the Soviet until both parties thought there was a real possibility of agreement and had then broken off negotiations in order to consult with its allies.

In connexion with these negotiations, another American participant said that America had offered on various occasions to make nuclear material available for peaceful purposes, to dismantle nuclear weapons, etc., but that none of these proposals had aroused the slightest degree of Soviet interest.

Arguing that the search for détente was not contradictory with the Alliance but that certain means for pursuing one or the other might inject an appearance of contradiction, another American present said that the non-proliferation treaty might well do more harm than good insofar as it contributed to a deterioration in United States-Europe relations. The treaty, he said, only served the political interests of the Russians and should therefore be pursued in a broader framework.

In any case, said a French spokesman for the Gaullist viewpoint, France would retain its own nuclear policy. It was a paradoxical situation, he said, when an effort was made to strengthen the Alliance by relying on European Allies while simultaneously negotiating with the main opponent without reference to those Allies. Moreover, he saw serious difficulties in the task of applying the non-proliferation treaty: proliferation would inevitably continue since we had no impact on China; it was impossible to imagine any agreement maintaining the existence of a small nuclear club and depriving Europe of any potential in terms of defence and technological "spin-off"; finally, the non-proliferation treaty would put an end to EURATOM although that organization could well go on being utilized in terms of the peaceful use of nuclear energy in Europe.

This French intervention led to a reaction from a United Kingdom speaker

who remarked that in a decade plutonium would be available in massive quantities and the value of conventional tactical weapons would have become problematical. The partial test ban could not survive unless it were complemented by a non-proliferation treaty and other similar agreements. His conclusion was that Europeans would have to back the United States in the non-proliferation question and that the West Europeans would eventually have to come to terms with the East Europeans. Conversely a United States speaker said that the non-proliferation treaty could not survive by itself and was not self-sustaining; the non-proliferation question was only one of the elements to be taken into consideration in an effort to dampen a nuclear arms race.

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Mention of the increasing trend towards greater freedom of action among European members of NATO led a German participant to point out that this trend was paralleled by decreasing cohesion in Eastern Europe. On the whole, he felt that this development was not to be deplored. The tendency was towards a "Europe of Fatherlands" in which relations between East Europeans and Moscow would become relatively looser while their relation with Western Europe would relatively increase. There would, he thought, be a parallel development in Western Europe with France and Federal Germany pursuing a new course of improved relations with East European countries. It was of over-riding importance that the general balance of military factors should be maintained so as to make the process of relaxation and normalization throughout Europe possible. This equilibrium was currently endangered by the excessively quick tempo of France's loosening of ties with NATO and was further endangered by both the United States and the United Kingdom announcement of their intention to pull out a considerable proportion of their troops from Europe unilaterally. The United States, he said, should make it absolutely clear that its forces in Europe were not related to the balance of payments but were dependent on the balance of forces exclusively. In answer to this, an American participant affirmed that America had in fact a positive policy in favour of mutual reduction of forces.

In the matter of East-West relations, another German participant said that as the danger of aggression receded, it became more and more important to harmonize the future policy of détente with the East. Harmonization should be extended to the whole range of policies, especially in respect of arms control and disarmament and the goal of harmonization should be the reunification of

East and West Europe. Nothing, he warned, could be more dangerous than to weaken the West's integrated structures until fundamental changes in the Soviet attitude became visible. This approach did not impede reconciliation with the East but rather contributed to it.

In the view of a Canadian participant, NATO's primary concern should be precisely a search for an East-West settlement in Europe. Every support should be given to the desire of European countries for peaceful settlement even though any transformation towards a loosening of transatlantic interests for the sake of such a settlement would confront Canada with difficult problems. Whatever disengagement ultimately took place, however, must, he said, be on the basis of (a) a collective decision in NATO itself, (b) mutual disengagement, and (c) an absence of unilateral acts by greater or smaller powers within the Alliance.

This viewpoint was shared by a Turkish speaker who said that bilateral efforts to achieve a détente were wholly legitimate but that the content and methods of such a détente should first be discussed within NATO.

A British speaker said that the presence of United States nuclear weapons in West Europe together with hundreds of thousands of United States troops had made it wholly irrational for the Soviet Union to think of changing the situation by force. In these circumstances, people were beginning to wonder whether European unity should not comprehend Eastern European states and he added that no East-West bridge could be achieved solely on the basis of collective action but also called for individual action. A similar view was expressed by another British participant who contended that no situation should be created in which Eastern Europe was automatically excluded. NATO had greatly impeded East-West trade and it was now essential to create a situation in which all Europe had an economic self-interest.

A number of speakers raised the question of how far action in the West had influenced or could affect developments in Eastern Europe. According to a British speaker the loosening of the Soviet grip in the East had almost wholly resulted from factors within the Soviet bloc. The Soviet grip would continue to loosen but not as a result of anything that the West could do. The real question was how far we could exploit what was happening in Eastern Europe to mutual advantage.

In this context another United Kingdom speaker said it would be an illusion to suppose that Russia would allow European satellites to be enticed into political unity with European powers.

Still another British speaker said that the growth of prosperity in the Common Market and in the West as a whole had had a significant impact on Eastern states and the granting of credits to those states had encouraged this trend. It was, therefore, a fundamental fallacy to imagine that the EEC should

not be enlarged since it would thereby be damaged; if the EEC were enlarged, it could only have a greater magnetic effect on Eastern states.

A British speaker said that some of the features of the Common Market organization which militated against an opening to the East would be removed when and if Britain and some of the EFTA countries joined it, but a fellow countryman said that, whatever the changes in the internal relations or internal conditions of Warsaw Pact states, he could see no concept of European unity which in the foreseeable future would stretch beyond the iron curtain. He asked how the Common Market could possibly embrace satellite countries which had no market in the sense that they did not, for example, have a market price—quite apart from Soviet objections.

The overall discussion of East-West relations led various speakers to speculate as to the extent to which those relations had in fact actually improved. According to an American participant, speaking as one who had spent much time negotiating with the Communists, no so-called unilateral move had ever been reciprocated to the slightest degree by the Soviet Union. Nevertheless, another American claimed that significant progress was being made with the Soviets during and notwithstanding such difficulties as Vietnam.

The détente, insofar as it existed, was not yet a marriage between East and West, said an international participant, who described the situation as merely a "flirtation" with the West doing most of the wooing.

The American speaker—quoted on page 24—who had recently completed a tour of five East European countries reported extensively on his experiences. He concluded that outwardly there seemed to have been some improvement in the situation beyond the iron curtain. Something had happened in Eastern Europe as a result of the fact that some people had been allowed to travel while the flow of West Europeans and Americans to Eastern Europe had also exercised an influence. There was a general belief in the East that the détente was a reality and was making progress but that it had both positive and negative implications. The positive implication was that it would help establish peace; the negative implication was that the Soviet Union and the United States might lose all interest in smaller countries. Eastern Europe, he said, was more ready than previously to accept normalization of relations with West Germany, particularly since the inception of Kiesinger's régime, and all Eastern countries were anxious to enlarge or initiate programmes with the United States for the training of business managers, public administrators, etc. This offered many opportunities to the West. Many East Europeans believed that in a decade the Germans might be more interested in relations with the Russians than with the United States.

Another American attributed the changes which had occurred in the Eastern

bloc not to initiatives taken by individual countries but to the strength and unity of the Atlantic Alliance and, in this connexion, a fellow countryman said that he would like to remind Europeans that the United States interest in rapprochement, détente and disarmament was not a plot against Europeans but an expression of what America deeply believed to be a vital common interest.

There could be no good solutions to the hard problems that lay at the centre of power in Europe, said another American speaker, unless Europe moved towards some kind of political unity. However many bridges were built between East and West, there was little possibility of settling the division of Europe and specifically the division of Germany except within the framework of a united Western Europe. A French participant, however, insisted that it was not within a divided and hostile Europe but only in a Europe enjoying a détente that we could start towards European and German unification.

A new element in this part of the discussions was introduced by two United Kingdom participants with regard to direct negotiations between the United States and Russia on the ABM's. If the United States were going ahead purely for its own coverage and the Soviets on the same basis, so that Europe was left in the middle, then the consequences for the Alliance would be immeasurable. Another United Kingdom speaker said the prospect of an agreement reached over the heads of the Europeans was not a happy solution.

An American speaker emphasized that in this respect the two nuclear powers should exercise temperance in their dealings with each other if they wanted to avoid a disastrous arms race. He had particularly in mind the discussions on the ABM system where little factual knowledge was available as to the destructive power of the Russian system. In such circumstances enormous sums would be spent to avoid all possible risks and this argument ran both ways.

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Discussion of East-West relations was interconnected with a discussion of the European situation and more particularly the rôle of the United Kingdom and Germany.

Warning that Russia would oppose a reunified Germany except under galling conditions and that even Western Europe would have some apprehension unless such reunification took place within the framework of a larger unified political system, an American speaker said that unless this problem was

solved there could be no permanent stability and that the United Kingdom had an essential rôle to play in a united Europe.

He went on to say that the United States should put less emphasis on the notion of equal partnership and should look forward to the emergence of a Europe enjoying a great measure of independence on the assumption that while we might not always be in agreement on both sides of the Atlantic, neither America nor Europe had a monopoly of wisdom. Europe should get on with the essential business of organizing itself in a modern, 20th century manner so as to play an effective rôle in the world. The institutionalization of co-ordination of foreign policy would be an important incentive for Europe to draw nearer to political unity and, here again, if the United Kingdom were to join the EEC, such an evolution might be greatly accelerated. In this connexion, a Netherlands participant said that it would perhaps be unfortunate in present circumstances if the Six were to agree on foreign policy since such a unified viewpoint would probably be the wrong one.

A French participant said that Europe as imagined 10 or 20 years ago, a supranational Europe, was impossible in the immediate future. It implied no rejection of European construction to say that this could not take place on the basis of those principles which dominated its original founders. We had to be very pragmatic and to proceed stage by stage. It was impossible to have immediate integration but we could have growing co-ordination between governments of the Six first and this could gradually be extended to other governments. Such co-ordination could be followed by closer co-operation, conceivably leading to confederation. A Europe of this kind, he said, should be harmonious, sovereign and open: geographically Europe included not only the Eastern countries but also some others which did not belong to the Common Market but which were nevertheless European, e.g., Great Britain.

There had, he said, been an evolution in British governmental circles and in British public opinion and the need for Great Britain to belong to Europe was now more clearly appreciated. Britain, however, had to make a choice and he cited a British speaker who had said that Britain could not belong to Europe economically while preserving special links with the United States in other spheres and special links with certain European countries or dominions. Britain had a global choice before it and its spontaneous and voluntary participation in Europe called for serious thought.

His comments were taken up by a Belgian participant who contended that the idea of starting the construction of European entity by defining a joint European policy in fact represented a dead-end—strikingly exemplified by the French speaker's statement that the United Kingdom would be welcomed in the EEC providing it adopted a standpoint vis-à-vis the United States similar

to that of France. This was not possible: all the other members of the EEC had views differing from those of France. Europe must start from what existed in the Common Market—i.e., a system based on the majority view. If it were necessary to choose between an extension of the Common Market and the maintenance of the partition of Europe the first alternative should prevail.

The French participant's remarks were also taken up by a second Belgian speaker who pointed out that the Six did not represent Europe in its entirety but merely formed an embryo. That Europe would expand as other democratic countries joined in. He asked why we should query the intentions of states which clearly specified that they were ready to accept the Rome Treaty in form and substance. If smaller countries did not brush aside their obsolete past, he said, they would become parochial and would never be regarded either by America or the USSR as equal partners.

Another French speaker observed that the previous day's discussions had clearly revealed that technological problems could only be solved within a wider framework and suggested that other problems could find no solution in excessively narrow national frameworks or even a narrow European framework. Solutions would have to be sought outside the European framework and should aim at a European construction based on United States support. The structure should be open so as to welcome Britain and the very process involved in this should be general enough to apply later to other countries so as to enable Europe to include even some of the satellite countries.

The need to be clear as to what European unity in fact meant was stressed by a British speaker who said that many people believed that if we started with political federation all the rest would follow. This was contrary to all historical experience and amounted to a confusion of the desirable with the attainable. His views were supported by an international official who expressed doubt as to whether economic union inevitably led to political union. On the contrary, he inclined to believe that the failure of political progress might disrupt economic consolidation.

Stating that Britain hoped to see the Common Market extended, a participant from that country said that the United Kingdom felt that this should not mean a dilution of the Common Market nor that the accession of Britain should mean a change in the Market's present character.

A German participant stressed Germany's desire to belong to NATO and to Europe. An Italian speaker agreed that a distinction should be drawn between the "NATO" factor and the concept of "Europe". The two not only involved different time elements but were different as to substance. A solution valid for one of the entities was not necessarily valid for the other. In this connexion, the speaker recalled the discouraging experience of institutions

proposed on this dual basis—e.g., the European Defence Community, the MLF, etc.

Turning to the future prospects, a number of speakers discussed the question of NATO's geographical area of responsibility. A Portuguese participant urged that the basic philosophy behind NATO should be revised and NATO goals reappraised, and that the Organization should not be seen as an instrument to deal with European-American relations as though Europe and the United States were isolated from the rest of the world and had no common concern outside the NATO area. The geographical area of NATO should be enlarged so as to include all areas threatened and political consultations should take place within the NATO Council so as to try and achieve co-ordinated policies on fundamental questions vital to the Allies. The enlargement of NATO's geographical area, he stressed, did not mean that all Allies should automatically go to war in outlying areas because of a particular conflict involving any one of them but should mean that NATO would consider as its legitimate concern events and developments in outlying areas.

The international official already mentioned agreed that Portugal had problems which deserved deep attention and understanding and the view of the Portuguese speaker was also echoed by a British speaker who said that it was quite unrealistic in the present circumstances to look at the problems of one area in isolation. A fellow countryman, however, thought that there was little prospect of achieving an integrated policy among NATO members outside the NATO area. The problem would be to reconcile integration in Europe with independence of action outside the NATO territory.

Various participants made the point that for the future the purely military defensive aspect of the Alliance should not be overstressed. As an Italian speaker put it, the goal today should be to achieve a certain type of peace involving vast tasks to provide mankind with new wealth and to redistribute this wealth while raising democratic and political levels in all countries. Members, he said, should give greater priority to the general aims of the Alliance. The military sector should be only one of the instruments of action and an increasingly technical one.

This viewpoint was taken up by a United States speaker who said that a purely or even primarily military mission for NATO would no longer find the necessary political support because a new generation was emerging which had no remembrance of the issues which originally shaped the purposes of the Alliance. This new generation was concerned not simply with saving what existed but with building a new order and it was essential, therefore, that NATO acquire a constructive political orientation.

Similarly, a Netherlands speaker said he did not believe that the younger generation in Western Europe would retain faith in NATO so long as NATO remained a purely military organization, while a United States participant with a military background urged that governments should not concentrate exclusively on military forces but should think in terms of creating a better atmosphere and providing a better substitute for force. This contention was supported by a Finnish speaker who contended that arms alone could not solve the European situation and by a German who said it would be wrong and even dangerous if NATO were restricted to military matters.

Within the same context, a Greek participant suggested that the type of developments now underway gave increased emphasis to non-military forms of solidarity among NATO members. Atlantic co-operation now represented a community of nations sharing common principles. Those principles were exposed to the test of the adequacy of the system as a whole in coping with problems confronting the less developed countries and especially the so-called peripheral European countries in the Alliance. Inadequate performance in the non-military fields, he said, was a real threat and advanced countries should recognize this. The important thing was to emphasize the feeling that effective solidarity among members of the Atlantic Community did exist and that the principles on which it stood were adequate to meet the problems of its developing members.

A British participant likewise proposed that the Atlantic Alliance, while retaining its military defensive rôle, should advance the joint economic and political interests of the free world in a way which would mobilize the enthusiasm of the younger generation, while an American present urged that the West make a massive effort to assist the developing countries. Finally, a Belgian speaker said that Europe's interest in the Atlantic Community was overriding and necessitated the maintenance and broadening of the Alliance not merely as a military and defensive association but as one which had political and economic interests as well.

An American speaker, however, expressed the view that the Alliance should remain a purely military one and should not be transmogrified into an all-embracing Atlantic Community designed to generate solutions to economic, financial and other problems.

Another United States participant pointed out that NATO was not necessarily the only forum for discussions between the Allies. He stressed the part OECD could play in this connexion.

Various speakers emphasized the importance of better political consultations within the Alliance but the Portuguese speaker already mentioned expressed his doubts. Speaking from a vast personal experience insofar as NATO

meetings were concerned, this speaker submitted that real political consultation hardly existed. There were no debates and no desire to reach a common policy because members wanted to remain free to pursue their national policies, often not even refraining from openly attacking other members.

The case for re-negotiation of NATO, said a Canadian speaker, lay in the fact that the Alliance was simply too important to its members and to the world to allow it to be unnecessarily handicapped by a treaty, certain of the articles of which had become obsolete or anachronistic or irrelevant. Article 10, he suggested, concerning the admission of new members, could be re-worded so as to extend a warmer and more generous invitation to states not at present members of the Pact. He had in mind more especially the "newly independent" countries of Eastern Europe. Secondly, he went on to say, Article 6 defining the Treaty area was surely outmoded while Article 2 should be revised so as to pledge members not only to improve their own common economic and political relations but also to improve the lot of underdeveloped countries.

There was a very good reason for not following this suggestion, according to a British participant. Nothing should be done unless one was sure that something better would emerge and he could think of no worse move than to encourage the entry of East European nations at this time. Everyone paid tribute to NATO in defending Europe against Soviet armed aggression but some had gone on to argue that precisely because it had been so successful it was no longer necessary. For his own part, he did not feel confident of the logic of this premise and he agreed with an earlier American speaker that excessive analysis and self-criticism were to be deplored.

The question of individual initiatives was raised by some participants, amongst them a British speaker who said that independent action was more likely to be dangerous than concerted action, although a fellow countryman said it should not be felt that individual initiatives *per se* endangered the unity of the Alliance. We could afford a degree of national independence in action precisely because we had a common culture and common interests. It was essential to relax a bit and not insist on an excessive rigidity in the Alliance since this would either lead to unity snapping under the strain or to the most disastrous outcome of all, namely, a sort of schizophrenia not only in the Alliance itself but also within national governments. This remark impelled a third British participant to ask whether NATO Air Defence Ground Environment might not perhaps offer an indication of how in fact NATO could be reorganized on basic essentials so that the French position was not incompatible with that of the Six and the position of the Six not incompatible with an effective Atlantic Alliance.

Two United States speakers displayed concern in pointing to the difficulty

which American public opinion would have in accepting a basic change in the premises on which American attitudes towards the European problem might develop. The goals set for Europe by the author of the first working paper, one of them said, were to be approached by a gradual evolution, the final control of which would be European rather than American. He considered this a major change in the approach towards European questions and urged that it was important that American public opinion should be prepared to accept this point of view and for this to happen he considered that an enunciation of this approach in readily understood terms was urgent.

Another American issued a plea for continued recollection of the importance of our old and continuing dreams of a better world after World War II. We seemed to be faced with an erosion of those dreams and a rationalization of that erosion with not much of a replacement for what seemed to be slipping from us.

In an earlier intervention a United States participant had mentioned new designs which could be pursued: acceptance of further disintegration, duopoly and a more general concept which would accept European autonomy, make for a loosening Europe where the United States would maintain its part, with elements of supranationality and integration.

It was apparent from the discussion, said an American speaker, that almost everyone agreed the Alliance should be re-examined in the light of a world situation which had radically changed since 1949. The study of the future of the Alliance started by Belgian and Canadian initiatives in recent years should become an occasion to impress on the younger generation the need for allied solidarity, it should devise a strategy for negotiating the *détente*, it should consider aid to less developed countries and the responsibilities of the Alliance outside Europe. The malaise of the Alliance should be cured by strengthening the Alliance not by dismantling it. Its political influence should be improved at the same time as its deterrent strength was maintained. Any such reform should take account of the fact that the countries of Europe had now recovered from the shocks of war and decolonization and might wish to take a more active and continuous share in the process of decision-making.

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The international participant who had undertaken to sum up the discussions described the debate as a fascinating one.

He went on to refer to the wide range of conflicting opinions which had

been put forward but nonetheless stressed that there were three areas of definite agreement. In the first place, all speakers had concurred in feeling that the Alliance and NATO had been outstandingly successful and that current difficulties stemmed precisely from that success. Secondly, it was agreed that the Alliance was still necessary. This did not imply that there had not been serious disagreement on what kind of alliance and also on what it still meant since there were those who thought that the Alliance was a passing phase which must eventually come to an end while others considered that it represented the beginning of a new and lasting structure; nevertheless, no one had recommended that the state of the world be left to the United States and the Soviet Union to determine nor that a purely European balance of power should be built up. The third area of agreement was all the more remarkable in that it was based on an orthodox Marxist proposition, namely that military alliances did not create a basic structure in themselves whereas economic alliances, unions or communities did do so.

Turning to the areas of disagreement, he said that the first of these concerned the question of the context in which the Atlantic Alliance today was actually operating. There had been no agreement as to the reality of the *détente* and there were those who were profoundly sceptical and wondered whether anything had really changed. Assuming, however, that a *détente* did exist, there were many different opinions as to how it should be defined. What was its objective? To maintain peace? Or to lead to the reunification of Europe? What was the relationship between the *détente*, the status quo and peaceful change? No agreement had been forthcoming on these points.

The second area of disagreement concerned the objectives of the Alliance. Was it necessary to reformulate these? There were those who thought that defence by itself sufficed as an objective while others very clearly stated that something more than a mere military alliance was needed. Did management of the *détente* constitute an adequate objective for the Alliance? If so, we were thrown back on the differences of opinion concerning the nature of the *détente*. If the objective was to create a new order, what kind of a new order was involved?

Again, there was a wide measure of disagreement concerning the means available although there was some agreement within the disagreement as far as it was recognized that there were enormous political pressures to reduce military resources and budgets. Extensive disagreements, however, had been revealed as to the emphasis which should be placed on the composition of both political and military means, on national action on the one hand and Alliance action on the other.

Extensive disagreement had also been apparent concerning such concrete

issues as disengagement. Should there be any form of disengagement at all and, if so, how far should it go? Should it be limited to conventional weapons or should it include nuclear arms? Should it be carried out only in agreement or in parallel with the Soviet Union or should it be considered a unilateral first step designed to obtain a corresponding Soviet reaction? A second concrete point of disagreement related to the question of whether the Alliance should be for Europe or for the world? Some speakers felt that Europe was not yet ready to act on a world basis while others replied that it was impossible to believe that America could remain interested in Europe if Europe itself was not interested in America's problems elsewhere.

There had been substantial agreement in respect of Germany insofar as no one had questioned that German reunification was an absolute necessity nor that it could only come about at the end of a long process. Conversely, there had been significantly less agreement on the question of how this should be achieved. Should it consist of a loosening of structures and mainly national action or should it, on the contrary, consist of a tightening of structures?

Pronounced disagreement had been apparent in respect of the non-proliferation treaty. There were those who considered it a second Yalta and those who considered it essential. One important element of agreement on the treaty was that the way in which it had been handled was not the way in which to keep an alliance going.

Varying concepts of the Atlantic Alliance had been voiced. There were those who considered that the Alliance was and should remain military. It had worked very well, the situation had not fundamentally changed and there was no reason to "tinker" with the Alliance. Another group held that it was not only a military alliance but that this was not the time to make any sweeping reforms. We should join together to manage the *détente* and thus move towards peace. Finally, there was the third group which insisted on the necessity of keeping the Alliance alive thus presupposing the emergence of some form of European entity. The differences arose in connexion with this latter group. The first thing which divided them was the question of what kind of European structure was desirable. The second point concerned the kind of relations with the United States which were required. Within the group, there were those who were deeply preoccupied by the questions of structural change not only in the Alliance but in international relations as such and this sub-group considered that the European Community was an idea in expansion and that building on that idea the Alliance itself should change its structure in the direction of partnership. Others, however, believed that a change in the structure of the Alliance was required but had less confidence in a lasting change

in the structure of international relations, regarding Europe not so much as an idea in expansion but as a new and larger nation-state.

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Earlier in the discussion a United States participant who had to leave the meeting early had expressed the gratitude of the American group to His Royal Highness and all the other persons who had contributed to the great success of this meeting.

Before declaring the meeting closed, the Prince conveyed the warmest thanks of all those who were present to the British hosts and the Master and Fellows of St. John's College for the admirable arrangements which had been made, to the writers of the excellent introductory papers, the linguistic service and the members of the Secretariat.