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"UNITED STATES POLICY TOWARDS EUROPEAN
POLITICAL INTEGRATION"

A CASE STUDY

BY

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I. Introduction

This paper is a highly subjective approach to the question of United States policy towards European political integration. Its very subjectivity may, however, lend it a spice of interest since it is written from the standpoint of one who has long been skeptical of certain of the assumptions underlying U.S. policy.

In 1963, while a student at the Industrial College of the Armed Forces, the writer submitted a thesis entitled "United States Policy Towards European Political Integration - A Dissenting View." That thesis discussed the potential limitations of European and American identity of interest and concluded that unification was more likely to contribute to Atlantic division and discord than to the development of an Atlantic Community. It expressed the fear that a unified Europe might at some time in the distant future entail peril for the United States should it fall under the domination of aggressive and unfriendly forces. It suggested that the Economic Community should be accepted as an accomplished fact, but that the U.S. should cease to press actively for European political unity and should emphasize instead the strengthening of trans-Atlantic organizations in which it was a full participant. It finally hypothesized that the aims of U.S. policy might best be served by a relatively loose type of European bonds - confederal rather than federal. The present study is basically an updating of that 1963 effort.

Methodology

During May of 1972 the writer visited London, Rome, Paris, Bonn, The Hague, and Brussels. He interviewed approximately thirty-five non-Americans, including in each capital senior government officials, party leaders, journalists, analysts of the think-tank variety, and international civil servants. A listing of these is contained in Enclosure 1. He also spoke with twenty-eight officials in American embassies, and missions to the European Community, NATO and the OECD. In Washington he was afforded ungrudging access to official policy papers, though time did not permit as careful attention to these as would have been desirable. He spoke with fifteen officials concerned with European affairs in the Department of State, the White House, and the Treasury.

With each of the non-Americans the conversations covered roughly the following ground: the prospects for further European integration in economic, political, and military fields; the outlook, or the felt need, for the development of new European institutions or procedures or the strengthening of existing institutions; the outlook for the development of Europe-wide political parties and trade unions; and the evolving attitudes of the European public, the young in particular, towards European unity and towards the United States. Typically, the meetings ended with a discussion of the adequacy of present arrangements for liaison with the U.S. and for the development of common US-European policies.

The study will begin with a brief summary of developments since the early '60s. It will then describe current European positions, and the factors underlying them, and the current US policy and strategy. It will conclude with an assessment of the prospects for European unification and a comment on US policy.

II. The Historical Context

A brief historical sketch will set the stage for the discussion to follow.

The European Economic Community came into being on January 1, 1958, and the European Free Trade Area - organized by the British as a counterforce - in May 1960. By mid-1960, DeGaulle's opposition to the entire concept of working towards federal institutions, and his espousal of a loosely-bonded "Europe des Patries" was abundantly clear. In July, 1961, the UK finally abandoned its position of unhappy opposition to the EEC and applied for membership. Negotiations began soon thereafter.

The US Trade Expansion Act, which established broad authority for tariff negotiations with the EEC (and others), was passed in the late summer of 1962. On July 4 of the same year President Kennedy at Philadelphia issued a ringing endorsement of European unification, saying, "We see in such a Europe a partner with whom we could deal on a basis of full equality in all the great and burdensome tasks of building and defending a community of free nations."

Negotiations with the UK extended from October 1961 to January 1963. The broad outlines of a UK-EEC deal were fairly clear by October of 1962, the principal unresolved problem being the treatment to be afforded to UK agriculture. In December 1961, the Kennedy-MacMillan Agreement at Nassau provided that the US would supply Polaris missiles for UK submarines and that the missiles would be armed with British nuclear warheads. The two also agreed on the desirability of the establishment of a "NATO Multilateral Force" to include the UK Polaris submarines, some US strategic forces, the British Bomber Command and certain European tactical forces.

On January 14, 1963, DeGaulle vetoed British admission to the EEC, probably stimulated, at least in part, by the new evidence from Nassau of the "Special Relationship" existing between the US and the EEC, although the grounds that he cited for the veto were economic.

By mid-1964 the MLF proposal was dead. Motivated in part by frustration and in part by resentment at DeGaulle's unremitting rancor, President Johnson then laid down the policy that the US should henceforth refrain from further active involvement in attempts to further European integration, and that all initiative pertaining thereto should be left to the Europeans. This continues to guide US actions to this day.

In 1965 the cause of European integration suffered its most severe shock when France attempted to force through agreement on perpetuation of the right of any EEC member to veto any major decision. It demanded this as the price of its agreement in the then-deadlocked negotiations on common agricultural policy. For six months France thereupon boycotted all EEC bodies. In what emerged as a striking display of the grass roots political support that the Economic Community had already acquired in France, the French Government failed to have its own way in a formal sense, largely because the farmers and businessmen of France insisted that the Government not go to the point of jeopardizing the gains already achieved through the formation of the EEC. On the other hand, as we shall see below, it won its point in practice. The European Community Commission, which is supposed to consider the needs of the Community as a whole above and beyond those of the individual member states, has since then been held under tight rein.

In 1966, after its ostensible failure on the veto question, France withdrew from the NATO command structure, and the NATO Headquarters subsequently moved to Brussels. Late in that year came the establishment of the NATO Committee on Nuclear Affairs, which has since done much to relieve previous European resentments that the US was not giving them an adequate voice in the consideration of nuclear strategy, targeting, safeguards, etc.

In 1967, the three separate Community institutions (the EEC, the Coal and Steel Community, and EURATOM) were fused into a single body with shared institutions. In the same year the Kennedy Round of tariff negotiations were successfully concluded, and the UK again applied for membership. However, until the resignation of DeGaulle in 1969, Community affairs stagnated. The Hague Summit in December, 1969 got things decisively moving again. It approved British admission in principle, and agreed upon a common Community financing system. In 1970 the Community approved in principle a plan for the achievement of full monetary and economic union by 1980. The first stage was to consist of provision for consultation among member governments with a view to "harmonization" in the fields of taxation, budgeting, and monetary and general economic policies, and was to end by 1973, by which time further decisions would be required.

The preparation of the Community's positions for the negotiations with the British, Danes, Norwegians and Irish lasted from mid-1970 into early 1971; the negotiations themselves consumed the remainder of 1971. The agreements were signed in January, 1972, and, subject to the successful completion of the ratification process, which now seems a foregone conclusion, the Four will formally become members on January 1, 1973.

Meanwhile, in mid-1970, the Six approved the so-called Davignon proposals for the harmonization of national foreign policies through twice-yearly meetings of Foreign Ministers, and more frequent meetings of Foreign Office Directors General for Political Affairs. In mid-1971 the United States and the Community experienced their first real crunch on the issue of international monetary affairs.

At the moment of writing, the principal preoccupations concern the completion of the ratification process by the new members, the form and substance of relations with the US, and next steps towards the proposed monetary and economic union. All of these will be discussed at the Summit meeting of the Community which will take place in October, 1972.

III. The Current SituationA. Nationalism vs. Supranationalism

1. The French Position and its Effects. DeGaulle's challenge to the concept of European federalism marked a turning point in the history of the European integration movement. Since then, in a long series of specific instances, France has, with determination and consistency, insisted upon its view that fundamental decision-making powers must remain with the nation-state. Its emphasis has accordingly been on techniques for consultation, coordination, and cooperation among sovereign states, the objective being the "harmonization" of national policies, legislation and programs.

France's efforts have been of three kinds. First, as explained by an official of the French Foreign Office, the French Government has maintained that areas of collaboration not mentioned in the Rome Treaty -- such as foreign policy, defense, education, cultural affairs and science -- should not organizationally be made a part of the Brussels European Community structure. "Harmonization," he said, "must come by contacts among the individual governments. It is necessary to see integration as a series of separate blocks, each with its own institutions."

Second, it has maintained that new bodies should be physically located away from Brussels. The Director for the French Center For Foreign Policy reflected this point to the writer when he said, "It is not that the Brussels organization will decay, but that new structures will emerge and the focus will be elsewhere than Brussels."

Third, in the conduct of the business of the Community itself, France has been successful in requiring that all real decision-making power be concentrated in the Council of Ministers, which is the channel for conveying the views of national governments. It has done this by insisting not only that the unanimity rule must be followed on all vital issues, but also that it must be applied in the making of all decisions as to what issues are vital. France technically lost the 1965 struggle to embody these concepts in the permanent rules of the Community, but it won the battle in practical effect. Under the jealous eye of the French, the Commission can now involve itself only in matters specifically authorized by the Rome Treaty itself, or by a specific decision of the Council of Ministers. A German Social Democratic Party leader commented that, as a result, the Commission has increasingly tended to function in the manner of a secretariat to the Council -- trying to guess what the Council will accept before sending proposals forward.

As to the European Parliament, the French are content to have it remain a debating society with no real authority over the Commission, much less the Council of Ministers, and representing not the peoples of Europe but the national parliaments which appoint its members.

The French stand has dealt a staggering blow to one of the principal hopes of the federalists -- that supranational institutions would be endowed with ever greater decision-making powers as an outgrowth of their experience with the complex problems entrusted to them. The French have proved that this need not be, and at the moment definitely is not, the case. Morale in the Commission sharply declined after 1965. It has revived somewhat since the Hague Summit of 1969 and the subsequent intense activity began related to the enlargement of the Community and the planning for financial and economic union, but the basic situation remains unchanged.

The fundamental decision-making body is thus the Council of Ministers -- a huge room full of people who meet periodically, in a different capital each time, to ponderously deliberate with all the nimble-footedness of the Versailles Peace Conference. Certain steps have been taken, and others have been proposed, to improve the system. The Permanent Representatives of the nations concerned, resident in Brussels, meet regularly to provide continuity between meetings of the Council. The foreign ministers of member countries have, since 1970, met twice yearly -- not in Brussels -- to concert their views on foreign policy. A "Political Committee" composed of Foreign Office Directors General for Political Affairs meets every two months -- also not in Brussels -- to consider political questions. A proposal has been made for the establishment of a new stratum of full-time "State Secretaries" for the continual conduct of Council business. They would be mid-way in rank between the Permanent Representatives and the Council of Ministers and would be empowered to make decisions on matters of secondary importance. Also being considered is the establishment of a small technical secretariat (which the French say should also not be in Brussels) to assist the work of the Political Committee.

The point is that the aim of all these proposals is simply to permit the separate national governments to work together more effectively. It is not to build new organizations to serve supranational interests.

2. The British Position. The British have carefully studied this problem and decided to muddle through. In the words of one Foreign Office official, any real sacrifice of the unanimity principle is "not for this century." Prime Minister Heath has repeatedly reassured his electorate that the Community is an organization of states whose sovereignty will not be threatened by membership. The Foreign Office official said that there has been no precise British thinking on either the forms or the substance of long-term political integration and "there could be none." It will simply grow out of experience in dealing with problems as they arise.

Another Foreign Office official said that the UK was willing to go as far towards political integration as the other members of the Community could agree upon. (In short, the convoy will travel as fast as the slowest ship.) For the UK, he said, "Community institutions must by definition serve national governments. This is a matter of deep conviction." A member of the Institute of Strategic Studies, a private think-tank in London, said, "You won't find the old supranational view anywhere in Europe anymore" (which proved not quite true, though almost.)

3. The German Position. The German Government is following a formula of "converging parallel lines." Chancellor Brandt speaks of a "European Government", able to take decisions, as an eventual future objective. However, initially, the focus should be on specific fields such as economics, cultural affairs and technology. Only at the end of this decade should the Community even think of coming to grips with institutional issues. A Foreign Office official said that the Federal Republic could theoretically agree to surrender sovereignty. However, "no government is willing to do this unless it is assured that institutions exist in which decisions can be taken in a way defensible (sic) with its own systems." The FRG, he said, is still studying this problem and has reached no conclusions as yet. In his opinion the final result will be a mixture of federal and inter-governmental elements.

There are some who believe that the Germans are gradually becoming less disposed to surrender sovereignty to a supranational body as time goes on, but that they are able to conceal this fact since the French are so firm on the issue. Former Chancellor Erhard reportedly declaims loudly in public that Germany no longer has any intention of renouncing its sovereign powers, but that the Government continues nevertheless to mouth the supranational formulas of the past.

4. The Others. The Scandinavians are said to be openly opposed to the nourishment of a supranational European "monster" (as one Dutchman put it.) The Italians still strongly favor a federal Europe. They are theoretically in favor of the majority vote in the Council but believe there is no chance of this being adopted in the foreseeable future. (However, since the Italians are gloomily convinced that the British, French, and Germans will attempt to dominate the Community, they may be increasingly comforted by the thought that they, too, will have access to the veto as a last resort.)

Finally, the Dutch still favor formally-approved supranational institutions but are apparently convinced that the trend is in the opposite direction. The Director General for Political Affairs in the Foreign Office said that the Netherlands had emphasized too much the legalistic, constitution-planning approach; it should now concentrate on doing what is possible; it has learned that this is a consensus-building process, most of all with regard to political integration.

A case can accordingly be made that the outlook for the surrender of substantial sovereignty to the Community is slender.

B. Will Economic Integration Change The Picture?

In spite of the foregoing, a new version of the "functional" theory of unification is now encountered. Unless important powers are surrendered to common institutions, many say, the financial and economic union that has been approved in principle will not be achieved because it could simply not work if all governments retained their full national prerogatives. Ergo, the optimists say, the powers will gradually be surrendered, since the economic pressures to make union work will be strong. Pompidou, they note, has assured them all that he is prepared to be pragmatic, albeit always within the framework of the unanimity rule.

The pessimists say that the governments will not surrender their control over those matters which go to the very heart of the relationship between the state and its citizens -- such as taxation, the money supply, social welfare policies, development policies, etc. (If the UK proposed to devalue to solve an overseas reserves outflow and the Community thought that it should deflate instead, which course would be followed? If the French continued to favor a high rate of growth even at the cost of a substantial rate of inflation, while the Germans thought they should slow down in order to achieve monetary stability, which would prevail? A hundred such examples could be cited.) Accordingly, the pessimists believe that full monetary and economic union will not be achieved. (Almost all US officials questioned disagree with them.)

Even for the optimists, there is a built-in bind in their rationale on this. Many of them declare that, because of the political implications of economic union, democratic procedures must be developed to control the exercise of the centralized authority before the union can be launched. Proposals are accordingly being considered for direct elections to the European Parliament, increased powers for the Parliament, and reduction of the arbitrary powers of the Council of Ministers. But an overwhelming majority also say that any such major changes in institutions remain far in the future. Clearly, one side or the other must give in, or a middle ground must be found, if union is to progress.

C. Other Elements of the Equation.

A judgement as to whether Europe is on the road to political unification, and if so the speed with which it is travelling, cannot be based solely on the positions of the nations concerned, significant as they are. Also to be considered are the factors underlying these positions -- the varying national interests, goals, priorities and fears.

1. The Rivalry for Leadership. First, it should be recorded that all concerned share a weighty economic interest in integration. From that point on the situation dissolves in a kaleidoscope of differences. The British expect that they will be able to gain a measure of leadership over the Community by dint of sheer parliamentary and diplomatic skill. Through membership they hope once again to be able to play a significant role on the world stage, though precisely what they would use their leadership to accomplish is not clear.

The French tend to assume that French interests are coterminous with the interests of all of Europe. They believe that, through careful planning, energy, and tactical skill they will be the leaders and will be able to mobilize the weight of all Europe behind the aims of French foreign policy. These aims include the reestablishment of France as a global power, and the reduction of the influence of the superpowers in European affairs while avoiding both any increase in the influence of the FRG and any diminution of Western European security vis a vis the Soviet Union.

The Germans are preoccupied with the problem of relations with their fellow Germans beyond the Curtain. The main objective of the OSTPOLITIK is improvement of de facto cooperation with East Germany, their wish being to bring about a gradual evolution of East Germany towards the West. They hope to use their membership in the Community as a safe and reassuring base from which to do this without causing alarm to the Russians. (Even this much movement towards reunification frightens the French.) They see the continued military presence of the US as essential to their defense and hence place great emphasis on NATO and on the need to maintain good relations with the United States. The Germans probably believe, and with reason, that their economic strength will in the long run give them a degree of preeminence in the Community.

There will thus be three rivals for leadership, with the smaller members nervously participating in the game as best they can. A US Embassy official in Bonn most aptly stated that he viewed the European Community as a manifestation of balance of power politics in Western Europe. Thus far, key decisions have been made on the basis of deals between France and Germany on issues in which German interests have not been greatly involved. The British, as the New Boy, have tactfully kept to the sidelines. How the British will play their part when they become full members remains to be seen.

2. Defense. In the area of military security it is clear that there is not the slightest possibility of establishment of a unified European army, or even a closely knit defense union, at any foreseeable time. The French are still deeply distrustful of the Germans. Little of importance has resulted from the French-German Military Cooperation Arrangement of 1961. French forces are apparently not programmed to respond to a Soviet attack at the German eastern border but at the French border. The French are in no wise disposed to agree even to tactical nuclear weapons in German hands. (Hence, the cause of British-French cooperation in nuclear affairs is not likely to prosper, since it would agitate the issue of admitting Germany to the nuclear club.) Nor are the others more enthusiastic about a defense union. All, but especially the Germans, continue to be aware of the Communist military presence beyond the Curtain, but none are interested in undertaking a massive armaments program to counter that threat. Only the Germans could really afford such a program in any case, and almost none welcomes the idea of a unilateral German armaments effort, partly because they mistrust the Germans themselves, and partly because they wish not to alarm the Russians. Even progress on the practical matter of joint development of weapons has been slight.

For all of these reasons, all of the Ten remain convinced of the need for a major continuing US military presence in Europe for as long as possible into the future, both as a counter to the Russian threat and for the tranquilizing effect that it exerts on intra-European affairs.

3. Foreign Policy. The slender results of the attempts thus far to develop common European positions on foreign policy issues (on Bangladesh, the Arab-Israeli dispute, and the Eastern Mediterranean) have shown how parochial the Europeans are at the moment and how little inclined they are to submerge their differences to achieve common policies on matters in which they are only peripherally concerned. Europe is just not interested in playing a world role just now. A Dutch official stated it this way: The countries of Europe will only agree on matters that are of real and not just academic importance to them, matters on which the differences between them are not too great, and matters on which they are forced to agree.

4. EURATOM. Even EURATOM which was launched with such high hopes, has been a disappointment, as member nations have increasingly gone their separate ways on atomic power development.

5. European Political Parties and Trade Unions? The Socialists and Christian Democrats have gone the farthest towards the establishment of coordinating groups on a Europe-wide basis. However, all of those questioned emphasized the limited nature of the collaboration thus far. The formation of actual European parties, they said, could certainly not take place until the European Parliament had been given real powers and they would thus have a concrete reason for existence. Even then, the problems would be huge, so different are the positions of the national parties. A German SPD member said that if his party were forced to be as doctrinaire as the Italian, French or British socialists, it would lose 40% of its vote and have to surrender all hope of governing. An Italian Socialist said that each national party was totally preoccupied with national needs. Similar comments were made by Christian Democrats. In brief, while party structures would probably emerge in response to unification, the parties are not themselves a potent source of pressure towards unification.

As to the trade unions, they are deeply divided among themselves even within each country into Communist, Socialist, Catholic, Fascist and "Independent" organizations. They are said not even to have the ultimate objective of centralized European unions, even on a strictly factional basis. It is possible that there will be further development of the practice of cooperative Europe-wide collective bargaining with multi-national companies.

6. Public Opinion. In all of the continental capitals visited the opinion was repeatedly encountered that the interest of the public in "making Europe" is diminishing. An Italian Socialist, who is himself a convinced European federalist, said that the movement had lost its momentum. People are concentrating on how much they have to "pay" for integration, and are falling back on nationalist positions. An Italian private analyst said that the European public was "tired of the question." Others said that that which has been accomplished is at best taken for granted, and at worst disparaged as merely the selfish creation of the reactionary Establishment -- a sort of super-cartel.

In general, those who are still carrying forward the course of integration are in the forty-and-over group. They suffered the combined traumas of war, defeat, occupation, economic prostration and the Cold War. Their response has been to emphasize the need for growth, economic security, military security within NATO, etc. The disinterest is accordingly most pronounced among the young who did not share the experiences of the thirties and forties. Their enthusiasms point in other directions -- the environment, openings towards the Communist states, the needs of the Third World, and in general, problems which are larger than Europe.

The growing disinterest is not expected to affect the next steps towards financial and economic integration since the oldsters still have the center of the stage. However, if the attitudinal trend continues it could play an important part in the decisions of the late seventies.

* * * * *

All of these factors must be considered in arriving at a judgement on the prospects for political integration. National Security Study Memorandum Number 79 stated, in 1970, "Full political union remains a distant hope...the ideological dialogue over 'supranationalism' has become muted and the Six seem to be settling down to a determination to proceed pragmatically in furthering economic integration, political cooperation, and in organizing the institutions through which they are to be achieved."

D. But There is One Important Qualification...

In every capital, in one form or another, a single point was insisted upon, by Americans and non-Americans alike: the degree to which Europe proceeds towards integration will be very much affected by outside influences. An Italian analyst said, "Most of the factors governing integration are outside Europe, or involve relations of each of the governments to external countries." A conservative and anti-federalist Dutch Senator said, "European unity, and the forms of it, will be in the highest degree influenced by the power structure of the United States, China, Russia, and Europe." (He did not mention Japan.) Many foreign officials said that American withdrawal would have a profound impact (though there was no agreement as to what the precise effect of this would be.)

This point seems beyond challenge. The integration movement, and particularly its taming, has on many occasions been much affected by outside influences: the Czech Revolution of 1948, the Marshall Plan (which forced the first elements of integration), the Suez Crisis (which hastened the signature of the Treaty of Rome), the Blue Streak failure (which convinced the British that they could neither go it alone nor rely on the US), the Nassau Agreement on US-UK nuclear cooperation, etc. Any forecast must, accordingly, be accompanied by a deep bow to the unknowns of the future.

IV. UNITED STATES POLICY

A. Recent Formulations

One is at first tempted to assert that US policy towards Europe has not changed at all in twenty years, but closer examination suggests that this is not quite true. A succinct, recent formulation of the policy is contained in the still-uncleared draft of a Council on International Economic Policy Study Memorandum (CIEPSM) currently under preparation in the Bureau of European Affairs of the Department of State. It reads in part:

"It has been the long-standing policy of the US to support the enlargement and strengthening of the European Community as part of the overall objective of encouraging greater cohesiveness in Europe in close alliance with the United States.

The fundamental bases for this policy remain valid today and are a cornerstone of the Nixon Doctrine:

Unity in Europe is the basis for a sounder relationship with the United States within the framework of the Alliance.

Unity in Europe will enable Europe to make a greater contribution to the maintenance of world peace and prosperity.

More specifically, unity in Europe is an indispensable element in dealing with the problem of a divided Germany."

The strategic underpinning of the policy was recently restated in "Europolicy" Paper Number 3 prepared in March, 1972, also in the Bureau of European Affairs. It said: "The main long-term objective [of the US] is to see an emerging Western European entity take on a larger share of the burden of maintaining peace. Thus, our interest lies in the development of an effective decision-making entity in both the political and economic fields. In the defense field, a substantially increased Western European contribution is unlikely except in the context of greater European political unity."

In his report to the Congress on February 9, 1972, President Nixon said: "The challenge to our military and political skill is to establish a new practice in Atlantic unity -- finding common ground in a consensus of independent policies instead of in deference to American prescriptions. This essential harmony of our purposes is the enduring link between a uniting Europe and the United States. This is why we have always favored European unity and why we welcome its growth not only in geographical area but also into new spheres of policy. We continue to feel that political and defense cooperation within Europe will be the fulfillment of European unity. European and American interests in defense and East-West diplomacy are fundamentally parallel and give sufficient incentive for coordinating independent policies. Two strong powers in the West would add flexibility to Western diplomacy, and could increasingly share the responsibilities of decision."

The principal elements of the generation-old policies are still there: the hope for a greater European defense effort, the German factor, the defense-against-the-Russians factor, the economic growth factor, the presumption that US and European security interests will always be in "essential harmony," the ungrudging contemplation of European policies not identical to our own, and the concept that a unified Europe could have a "sounder relationship with the United States." (The formulation used to be that "equals can cooperate better than unequals.")

And yet, there are new elements, and major changes in tone:

The allusion to a Soviet threat is now much toned down. In President Nixon's speech quoted above he also said: "Our alliances are no longer addressed primarily to the containment of the Soviet Union and China behind an American shield. They are instead addressed to the creation with those powers of a stable world peace. That task absolutely requires the maintenance of the allied strength of the non-Communist world. Within that framework we expect and welcome a greater diversity of policy." This has a very different ring from the resounding cold-war phrases of ten years ago.

There is the first hint that European unity might not always "contribute decisively to the political cohesion...of the Atlantic Community as a whole," as the influential Bowie report to the Secretary of State stated it in 1960. The draft CIEPSM policy paper quoted elsewhere in this paper says: "Clearly, if the Community should develop in ways importantly inimical to US economic interests the political basis of the US relationship with Europe will be undermined."

There is greater emphasis on the need for the US to have a continuing influence on European affairs. The CIEPSM paper says: "The US will be vitally concerned with the policies the European Community will follow in seeking to achieve economic and monetary union....[Integration] will give the European Community greater bargaining power than in the past to resist changes which the United States desires." The EURONET Assessment says that "...especially in a period of some revamping of relations among European countries, the US must continue to play a role in the affairs in Europe. To this end...[it must] retain a capability to exercise major influence on the courses of action chosen by the West European countries, individually and collectively, in order to ensure the cohesion of the Atlantic Community." This has a flavor quite different from President Kennedy's statement in Philadelphia that: "The first order of business is for our European friends to go forward in forming the more perfect union which will someday make this partnership possible."

For the first time of which the writer is aware, there is a passing glance, if only by way of rebuttal, at the possibility that Europe might not always be democratic and friendly to the United States. After stating that "a strong stable non-Communist Western Europe is essential to the security of the US, the EURONET Assessment adds, "...US policy has accepted 'politically stable' to imply that changes in political leadership in Western Europe will not significantly alter the basis of the region's relationship with the United States." In other words, centrist or leftist or rightist regimes may come and go, but Europe's relationship to the United States will go on forever.

B. Policy on Enlargement.

For many years, a major preoccupation of US policy was the accession of the UK to the Community, even though we carefully refrained from playing an active role in the process. NSSM 79 said: "The entry of Britain is critical to the prospects of both economic and political unity in Western Europe. Without Britain's participation, German predominance in the Community would be a formidable barrier to union. With the UK membership a new balance of political forces will exist within the Community that will provide a basis for progress towards political as well as economic integration... An important intangible reason for US support for enlargement is the belief that this addition will on balance contribute to the democratic liberal and outward-looking character of the European Community." OK

C. Policy on Economic Problems.

A White House staff member aptly commented that formal US policy towards European unity "is on a very high level of generality and isn't a practical guide to action. We are approaching problems on an issue-by-issue basis and the foreign policy problems aren't as imminent as the economic ones." The principal present source of US-European tension is, indeed, the area of trade and financial relations. At all levels of the US Government, rising concern is felt over the plethora of special preferential trading arrangements between the Community and the rest of the world. The US accepted the discrimination inherent in the formation of the Common Market itself as a necessary price to pay for the political benefits expected to result. Then came the special arrangements for the former colonial territories of the Six, then for North Africa, Israel, Greece, Turkey and Spain, then for the Commonwealth countries, and now for the EFTA neutrals.

On the basis of frustration over these issues one high-level official reportedly began to question the whole US support for European integration, asking: "If some unification is good, does it follow that more unification is better?" Nevertheless, all officials approached asserted that the trade problems had not, in fact, given rise to any significant challenge to US support for European integration. The response has been limited to the hard line adopted in the defense of US economic interests. Deputy Under Secretary of State Samuels said in a speech in November, 1970, that the US would no longer trade off any short-term economic interests for possible long-term political benefits. However, the position as finally enunciated in National Security Decision Memorandum 68, dated July 3, 1970, was more qualified. It expressed US willingness to accept "some -- but not excessive -- economic costs" as a result of the expansion of the Community, or the conclusion of association arrangements with other countries. It continued: "We will assess the extent of any costs to the United States as the negotiations proceed and use this assessment as a basis for determining their acceptability to us or any consequent US Government action."

Although final decisions have not yet been made, it seems probable that the US position will include the following elements: A) trade and financial questions are related and should be considered together; B) non-tariff barriers are an even greater problem than tariffs; and C) the GATT regulations should be reviewed, particularly with regard to the rules of the road to be followed by countries moving towards economic union, or towards some form of association with an economic union.

D. Conclusion.

While the policy of favoring unification has not changed, the tone and the rhetoric have changed. More than that, it is fair to say that the seeds of policy change exist, and they will certainly sprout if the difficult economic problems that are certain continually to arise cannot be amicably resolved as the years roll by.

E. European Perceptions of US Policy.

No matter what Americans say to reassure them (and President Nixon's statement could not have been more explicit) many Europeans, extrapolating from our hard-line defense of commercial interests, believe that US policy has changed.

____ A British official who has served as a trade attache in New York said that the US business community as a whole was rapidly coming to regard the Economic Community as a monster.

____ A US official in Bonn said that the Germans believe that US economic and security considerations are linked. Ergo, when they see the US taking a strong position on economic questions with Japan and Europe they deduce that the US is willing to sacrifice political/military policies for narrow trade considerations.

____ An Italian read the President's meetings with Heath, Pompidou and Brandt last year as an indication of a change of heart towards the Community and of an intention to return to bilateral diplomacy. In his 1972 Report to the Congress President Nixon said, in fact, "There were temptations for us to make separate bilateral arrangements with selected countries in order to bring pressure on our other trading partners for a solution most economically advantageous to us. However, the political unity of the Atlantic world was of paramount importance to the United States and we had to reach a solution in a manner that fostered it."

____ The coming retirement of Ambassador Schaetzel, and what the Europeans claimed was the "eclipse" of the State Department by the Treasury in international economic policy matters, were cited by several as indications of a change in the wind.

In the world of diplomacy, actions speak louder than words.

V. THE INSTRUMENTS OF US LIAISON WITH EUROPE

In 1960 the Bowie Report said that the principal problem was how to orchestrate the collaboration of the Atlantic Community, particularly on the political plane. This is still one of the principal problems. It probably will be indefinitely, because with each new form or level of integration that arises, it will be posed anew.

A. The "One Voice" Concept

We have long emphasized that what we really wanted was for Europe to be able to speak "with one voice." There can be no minimizing the frustrations that can attend attempts to negotiate with the divided Europeans, but the "one voice" concept is fraying at the edges. At present we are strongly in favor of it when the tune to be sung is one that we want to hear. The monetary discussions of 1971, and the efforts of the Eurogroup in NATO are examples of this. However, in other circumstances we are far less enthusiastic. We are not really comfortable that the Community Foreign Ministers now meet to caucus three days before each NATO Ministerial meeting begins, or that the Community is trying to develop an independent European position on the Conference on Security and Cooperation in Europe. The fear is that sooner or later we will be disagreeably surprised by positions reached in such meetings; indeed, this has already occurred in one or two cases.

The more the one-voice concept is examined the less attractive it appears for general application. The problems are many: how is the Community to arrive at its positions; how long is it to take to do so; who is to speak for the Community; is it not almost inevitable that the Community's positions will be of the lowest-common-denominator variety; will not the Community's positions tend to be rigid and inflexible, since they will have been reached through a process of painstaking ten-sided compromise; would not this mean that the encounters between the US and Europe would be more in the nature of confrontations than negotiations? These are not negligible doubts.

B. Specific Proposals.

1. NSDM 68. National Security Decision Memorandum 68 of July 3, 1970, said the US should "seek to stimulate a European initiative to propose a US-Community consultative mechanism on issues of mutual concern. If necessary, however, we should propose it ourselves. Through the mechanism we would expect the Europeans to inform us of, and be prepared to discuss, the progress of their own negotiations and other European policies of interest to the US. We would be prepared to discuss US policies of concern to them."

2. Samuels-Dahrendorf Discussions. One of the fruits of NSDM 68 was the agreement for twice-yearly consultations between Deputy Under Secretary of State for Economic Affairs Nathaniel Samuels and Commissioner Ralf Dahrendorf of the Community. These meetings have been useful but are considered not to have fully met the need. For one thing, only economic matters can be discussed, and for another, neither side has the power to make decisions.

3. Brandt Proposal. In 1971 Chancellor Willy Brandt proposed a more sweeping arrangement -- that a new US-European bilateral forum be established, presumably entailing periodic meetings at ministerial level, at which US-European differences could actually be resolved. This will be one of the matters considered at the European Summit meeting in October, 1972.

4. Draft CIEPSM. The whole question of liaison arrangements is under consideration within the US Government at this moment. The draft CIEPSM quoted above (still preliminary) says: "The pattern of relationship [between Europe and the US] varies with the requirements of the field and with the degree of integration and the institutional arrangements in Europe. Europe as a trade and economic power center already exists; as an economic and monetary policy center it is barely emerging; in defense it doesn't exist. In all other economic aspects it is interdependent with the US."

The draft recommends that:

- the present informal relations with the Community be continued and strengthened, possibly by the formation of a joint secretariat, and other more formal arrangements;
- the US agree to joint ministerials, but only on purely bilateral US-European issues and not more often than once a year at first;
- the US make clear that it prefers to handle broader economic issues in a strengthened and revitalized OECD and other global organizations appropriate (note: presumably including the IMF and GATT.)

The above seems eminently sound. A great majority of the American officials with whom the writer discussed the liaison problem, both in Washington and Europe, believe that a new "umbrella" liaison arrangement would have more disadvantages than advantages, and that the present eclectic pattern of relations -- bilateral and multilateral, formal and informal -- is best for the present. Most of the non-Americans were of the same opinion.

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VI. THE POLICY PLANNING PROCESS

One additional point might be made. Insofar as European political and defense integration is concerned the focus of formal US policy planning has been extremely short range. The NSSMs project only about a year ahead, and the EURONET Assessment only two to three years. Our policy states that US and European positions are fundamentally parallel, ergo we favor political unification because it will make possible a common European defense policy. However, real political unification will, under the rosier of hypotheses, take fifteen years at least. Will European and US policies still be in "essential harmony" in the late eighties? Perhaps so, but there has been no organized attempt to project that far into the future, perhaps because the degree of faith in formal policy planning is limited. In this particular question, which involves the hoped-for formation of a superstate which would presumably last "forever", long-range projections might be worthwhile.

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VII. CONCLUSION

On the basis of his talks in the seven capitals with the 35 knowledgeable Europeans and the 43 knowledgeable Americans, it is the conviction of this observer that a unified and centralized European superstate is not destined to emerge from the present integration movement. (Developments outside Europe could make necessary a change in this assessment.) Many things have contributed to this conclusion: the way the Europeans feel and talk about the issues, the diversity of national circumstances, problems, interests and goals, the strength of the remaining mistrust of one another, the complexity of the economic and political problems at stake, and the apparently diminishing interest of the European public -- especially the young -- in the idea of "Europe." The enlargement of the Community has compounded the difficulties.

The integration movement has unquestionably served magnificently, thus far, many of the ends that its proponents originally proclaimed for it: the increased resistance to the Soviet threat, the heightened economic prosperity, the appeasement of ancient intra-European rivalries, and the diversion of German energies from a drive to recover her territories in the East. For ten and even fifteen years to come there is every likelihood that it will continue to do this. European energies will continue, during that period, to be absorbed in the struggle with the problems of economic integration. Since not very much will be achieved in the fields of foreign policy and defense, Europe will remain dependent on the United States for its military security, with all that this implies for the need to accommodate US-European differences. Any dangers from European unity -- such as the domination of Europe by a hostile regime -- are both distant and hypothetical, while the benefits are central to the problems of our own time.

Further important steps towards integration will undoubtedly be taken. However, for the foreseeable future -- the next generation at least -- these steps will, the writer believes, continue to add up not to the establishment of a super-state, but merely to a new and strengthened system of coordination and harmonization of the activities of still very separate and independent nations.

This prospect should be welcomed, not mourned, by the United States. While continuing to bring the immediate beneficent political and diplomatic effects of the integration movement, it will ensure a healthy degree of future flexibility and reversibility, which the writer considers desirable, and which a tight federal union would ultimately deny. Most important of all, it will tend to permit the continuation of a reasonably close US-European strategic relationship for further into the future than would probably be possible were a federal Europe to be established.

The developments of the last few years have only strengthened this observer's opinion that European integration, even of the kind under way, does not tend to strengthen Europe's ties to the US, but to erode them. However, it would be a grave mistake for the US to oppose it for this reason. The CIEPSM draft properly states: "If the US pursued a policy of trying to break up the Community, the European reaction would probably be to accelerate its unification efforts, but in a more defensive approach No US objective would thereby be advanced." The movement for European integration exists. On the economic plane it has great internal strength. We should by all means continue to give it our blessing -- particularly since the formation of a unified nation appears not to be in the cards.

ENCLOSURE 1

Consultations with Non-Americans

LONDON

John Mason -- Director, European Integration Department, Foreign and Commonwealth Office

Norman Reddaway -- Deputy Director, Western European Department, Foreign and Commonwealth Office

Gwyn Morgan -- Assistant General Secretary, Labor Party (accompanied by four other officials of the Labor Party Executive)

Joyce Quinn -- Research Department, Labour Party

David Steel, MP -- Liberal Party Whip

Graham Mason -- Director, Confederation of British Industry

Christopher Bertram -- Institute of Strategic Studies

ROME

Minister La Rocca -- Head of European Affairs Office, Ministry of Foreign Affairs

Minister Santoro -- Economic Affairs Office, Ministry of Foreign Affairs

Hon. Mario Zagari, MP -- Italian Socialist Party

Prof. Casadio -- Director, Italian Society for International Organizations

Dr. Carl Hahn -- Director, Documentation Center, European Union of Christian Democrat Parties

Dr. Gianfranco Martini -- Vice-Secretary General, Italian Association of Municipalities of the Council of Europe

Dr. Gianni Bonvicini -- Director, Institute of International Affairs

PARIS

G. Robin -- Deputy Director for European Affairs, Foreign Office

Jacques Vernant -- Director, French Center for Foreign Policy

Rene Foch -- Director, Delegation of European Communities to OECD

BONN

Dr. Per Fischer -- Special Assistant to the Chancellor for European Community Affairs

Dr. Moscawitz -- Deputy Assistant Secretary for European Community Affairs, Ministry of Economic Affairs

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BONN (cont.)

Dr. Hansen -- Director for European Political Integration Affairs,
Foreign Office

Dr. Lautenschlager -- Director, Office of European Community Trade
and Agricultural Policy, Foreign Office

Dr. Sigurd Illing -- SPD Bundestag Deputy

Hon. Herbert Kiedeman -- SPD Bundestag Deputy and member of Socialist
Group of European Parliaments

THE HAGUE

Baron van Lynden -- Director General for Political Affairs, Ministry
of Foreign Affairs

Eduard van Eekelen -- Special Assistant for European Community
Political Consultations, Ministry of Foreign Affairs

Franz Italianer -- Director, Office of European Integration,
Ministry of Foreign Affairs

Hon. H. van Riel -- Liberal Party Senator

A.J.H. Molenaar -- President, "European Movement in the Netherlands"

J.L. Heldring -- Editor, Nieuwe Rotterdamse Courant Handelsblad,

BRUSSELS

Franz Froschmaier -- Special Assistant to Vice President Haferkamp
of European Community High Commission

Max Kohnstamm -- Vice President, Action Committee for a United
States of Europe

Emmanuele Gazzo -- Editor, Agence Europe