

PROTOCOL

Welcome

Billington

I would like to begin the proceedings by welcoming you all here to the Wilson Center, which is the nation's official memorial to President Wilson. It is one of three national institutions created by a special act of Congress to perform a national and indeed, in our case, an international mission here in the nation's capital within the general umbrella of the Smithsonian Institution in this old and historic building. This is not only a memorial to Wilson, it is also the building in which other presidents have been: Abraham Lincoln, for instance, got news of the Battle of Manassas from the top of this tower, which was at that time the best observation point in Washington. There is much history around us, and in this building in the center of a great cultural complex it is a particular pleasure to welcome this distinguished international body.

We are a small institute for advanced study with a mixed public/private board and a special commission from the Congress to strengthen and symbolize the fruitful interaction between the world of learning and the world of practical affairs. Such an interaction was characteristic of the Founding Fathers, of Woodrow Wilson himself, and is one which the living memorial is designed to perpetuate. We feel happy and privileged to have in our midst this distinguished body that exemplifies our mission so well. We hope that you will enjoy the surroundings in which we are meeting. I am particularly happy to welcome the founder of the "Bergedorfer Gesprächskreis", the man who is the author of this important experiment in international dialogue and understanding, the man who has kept it going and who will begin the formal proceedings here today. May I now introduce Dr. Körber.

Körber

This is the first time that the "Bergedorfer Gesprächskreis" (Bergedorf Round Table Discussions) has met in the United States of America, although we have met in many different countries of Europe during the past 20 years. Our aim is not only to stabilize and further the development of free industrial societies but also to reduce existing conflicts between different social systems.

I would like to extend a hearty welcome to you all and I hope that our present discussion will contribute fresh knowledge and information to the political decision-makers on both sides of the Atlantic. In so doing our conference could help to cope with the crises facing us in the 80`s.

It wasn`t just by chance that we set the date for our Round Table discussion at the same time that Chancellor Helmut Schmidt is visiting President Reagan - and we are very pleased that the Chancellor will be able to take part in our discussions. We would also like to make a contribution towards the cementing of joint European-American interests. These common interests are of vital importance for our alliance - there is no doubt about it. If we are to solve present and future crises we cannot afford to have any instability on an international scale in this alliance.

An easing of conflicts can be achieved only if Europe continues to accept the fact that the USA must play a leading role in our alliance. A stabilization of our mutual interests is therefore of prime importance.

When examining the development of America`s international policy on the one hand and that of the Europeans, especially of the Federal Republic of Germany, on the other, it is not difficult to see that during the past two decades the USA and Europe have followed paths that do not run parallel to each other because there has been a lack of common interests, thus endangering our alliance.

Our alliance which is of such importance for our freedom and security must win back more of the character of a federation of Western democracies. In earlier times this federation could be called the "West Block" which stood opposed to the "East Block". Today the perspective is more difficult, but it is not less demanding: this federation has, to a certain extent, become the political profile of the Western "System".

This system which is based upon certain value concepts bears the economic and cultural responsibility for the civilization of the world. And by responsibility I don`t mean just the developing countries but almost even more the world`s industrialized nations which are in a state of change so that they will not be able to complete it successfully as mere national states: this holds true for international economic policy as well as for cultural relationships.

The question of the federative relationships in our alliance thus is an especially important one because they are much more comprehensive than are the obligations of specific military aid which are, of course, imperative for us.

There are many variations - economic, military and diplomatic - to the extensive tasks of the USA as a leading Western power. This can easily be seen in all those regions of the world in which the USA exercises its responsibility. The worldwide challenges and confusion of today compel us to make a tremendous effort and thus demand a more active role for Europe.

In our alliance, as far as international questions are concerned, there is no way to avoid having intensive consultation with each other at all times. Europe, however, is not prepared to play a role in such a distribution of tasks; wherever an attempt is made to play such a role, the United States shows a lack of understanding for European interests. Because the relationship between Europe and America is under such great pressure we have added to the theme of this conference the question of new forms of cooperation.

It is the aim of our discussion to throw light upon European interests for the Americans as well as upon American interests for Europeans and at the same time to point out certain perspectives for the future.

And by perspectives I mean those presented to us by one of America`s presidents who on the 25th of June, 1963 during his visit to Germany spoke in Frankfurt`s Paulskirche. John F. Kennedy`s words were directed to all of us-Americans as well as Europeans: "It is not to be said of this Atlantic generation that we left ideals and visions to the past on purpose and determination to our adversaries."

In the light of what I have just said, I hope that our conference will provide us with a fruitful discussion.

I am grateful to both Mr. Stanley Hoffmann and Mr. Ralf Dahrendorf for their readiness to plot the course of our discussion with their introductory papers. I would also like to thank Mr. Kaiser who is going to preside over the discussion.

And I am sure that Mr. Kaiser will see to it that our discussion will not lose its thread and become entangled in the many considerations of detail.

But before I entrust him with the proceedings, I must express my gratitude to Mr. Billington for making it possible for us to be here at the Wilson Centre to make our contribution to a strengthening of relationships within the alliance.

Kaiser

All of us here can probably agree that the present international situation contains numerous elements of a crisis. The first task of the meeting should be to define them. If we succeed in doing that, it will already have been worth our efforts.

In a crisis it is particularly important that we become aware of the foundations, values, interests, and policies which we have in common. That should be the second task of this meeting. If, thirdly, we can come up with some answers on how to cooperate in the future, I think we will have very well served the purpose of this "Gesprächskreis" which, for quite a number of years, has tried to perform that task in critical areas of international relations and domestic politics.

Hoffmann

I imagine that I am supposed to introduce our topic from the American side - whatever that means. I am half-European; I am not particularly in sympathy with the current American administration, but I will do my best anyhow.

The title of our discussion contains a reference to the fundamental reasons for continuing cooperation in the 1980's. I am not going to spend too much time on these, because they seem to me both obvious and really so lasting that I doubt very much that they will have disappeared by the end of the decade. The prospect is not that the foundations or the fundamental reasons will disappear, the problem is one of cracks, divergences, drift, rather than a radical reversal in an alliance that has been maintained longer than practically any other in history.

Certainly, we cannot always count on the Soviets playing the role of bully to keep the various allies together. There are moments when the Soviets are particularly irritating because they exercise restraint - and it is always during such restraint that the divergences among the allies grow. Nevertheless there are a number of fundamental reasons for the European/American alliance that are worth listing.

Firstly, in the security area, we have the evolution of Soviet military power. I mean, in particular, the Soviet ability to project this power in new ways, e.g. through new Soviet theatre nuclear weapons in Europe, and their remarkable sea- and air-lift capabilities. This is going to remain a very dominant factor in the 1980's. It will have a tendency to unify the world strategically. The kind of fragmentation of crises and of areas which one was almost always able to count on in the 50's and 60's as a factor for peace may not be with us any more. Since in the Third World, in particular, Europeans and Americans have very deep interests of all sorts, this obviously calls for a common examination and response.

Secondly, there seems no particular reason to believe that the world economy will treat us any more kindly in the 80's than it has since the late 1960's, and in particular since 1973. The various cracks which have appeared both in West-West relations and in North-South relations in recent years will probably continue to be here, and sometimes to grow. I don't think that the gap between the rich and the poor is going to get any narrower. Even if the price of oil should not increase dramatically in the next few years, international financial institutions will continue to be on the brink of an abyss, and many countries on the verge of bankruptcy. The various problems associated with inflation and unemployment, at a time when economic science doesn't seem to have any answers and in fact looks more than ever like an exercise in theology will continue to plague both sides of the Atlantic.

Thirdly, especially in the Third World, there will be a continuance of all those internal and regional conflicts which are likely to be the main threats to international stability. Many of the states of this world exist as such only through a legal fiction. They are wracked by very deep internal troubles, and this will continue to be the case. As in the past many of them will tend to conceal or compensate for their domestic weaknesses with policies of expansion or of accumulating arms. These can lead to fairly disastrous results. Even though in recent months there has been very little talk about problems of

weapons proliferation - whether conventional or nuclear - they will doubtless soon be appearing again as major items on the international agenda. And there will not be unanimity among Western powers on how to cope with them.

These are all fundamental reasons for cooperation.

I should now like to turn to the most important issue, the present obstacles to European/American cooperation. These have indeed been growing; we are all familiar with them. My aim here is just to list them, especially in the foreign policy field. I do not entirely subscribe to the thesis of my friend Charles Kindleberger, who has written that in a sense the international system is always in trouble - the international economy in particular - when there is no single dominant economic power in the world. If this were the case, we would probably be looking for shelter; but I don't think it is quite so simple.

What is clear is that a very dangerous discrepancy exists at present. On the one hand, the United States no longer has the kind of power it had immediately after the war, for a variety of reasons. Some stem from domestic policies and mistakes, and some quite obviously stem from the diffusion of power; among the beneficiaries there are the two former enemy countries which the United States itself had wanted to revive. To complicate matters further, the United States does not perhaps always realize the extent to which this diffusion of power has taken place. One of the reasons for this is, of course, the fact that American power in every respect remains formidable. On the other side of the ocean the scope of Europe's interests has considerably increased and it would be even more mistaken today than it was a few years ago to say that Europe has only regional interests. Nevertheless Europe is not a world power. Therein lies the discrepancy.

So what are the obstacles to American/European cooperation? I see them in quite a number of areas. The most obvious today is the different evolution of public opinions on the two sides of the Atlantic. It is a difficult subject to deal with because there is no such thing as Western Europe as an entity. However, in the United States at present one sees in the public at large and in the leadership, a new mood of self-assertion, to some extent of nationalism, which sharply conflicts with tendencies in European public opinion.

It's not that European public opinion as a whole is turning anti-American. There have been many exaggerations in this country, about both the nature and scope of the so-called pacifist or neutralist tendencies. But there is a double difference here, if one looks at the evolution of public opinion. One is that the United States, especially since last year, is again stressing the primacy of foreign policy. This Administration gained power because of economic difficulties in the United States, and has put the new economic plan at the top of its legislative program. Nevertheless this is an Administration which has made an increase in American power abroad the "priority of priorities". This is quite obvious when one looks at the defense budget. No Western European country - not even those whose governments sometimes sound the way Mr. Reagan sounds and acts - can afford to do this, as for instance, recent cuts in the British defense budget have shown. I think something of the kind is likely to be apparent in France under the new regime.

Secondly, in the United States a willingness exists not only to give this priority to military affairs but also to envisage the actual use, or threat, of force as a way of coping with international challenges. In Western Europe at present, public opinion is neither facing the prospect nor willing to do so. Much of the opposition to the future deployment of what is, after all, a limited quantity of "theatre nuclear weapons" is based on the fact that all too often these weapons have been presented as something more than a contribution to deterrence. Just when the latter has been seriously weakened by the new Soviet arsenal, PD-59 - the new presidential strategic doctrine - was published, and they have come to be seen as an element of an actual war-fighting strategy. While many Americans consider that there may come a moment when at least a limited nuclear conflict may have to be fought, there are very few people in Western Europe who could either say so in public or are really willing to take this view.

That brings me to the second area of differences which is likely to persist. These concern interpretations of Soviet behavior, and views about the appropriate policies toward the Soviet Union. One has to be careful because Western Europe is not speaking entirely with one voice. Almost everybody on both sides of the Atlantic recognizes the growth in Soviet military power, and acknowledges the innovation - to use a mild word - represented by the Soviet invasion of Afghanistan. If anything, the West Europeans are even more sensitive than the Americans, except perhaps the Polish-Americans, to the Polish powder keg. In other words, we are not faced with the spectacle of a "Finlandized" Europe or of a more farsighted America. That doesn't mean that the gap is any less serious.

There are different interpretations, particularly on security and economic matters. There is more of an emphasis in this country on the way in which the growth of the Soviet arsenal may make it easier for the Soviet Union to resort to aggression. By contrast, Europeans tend to be more impressed or depressed by the way in which the growth of the Soviet arsenal may make it easier for the Soviet Union to engage in the political exploitation of its opportunities in the Third World. So both sides recognize that there are new threats, but the emphasis is not quite on the same sort of threat, nor therefore on the same kind of response.

Similarly there is a considerable reaction in the United States against what are seen as the past illusions of the arms-control theory. The Europeans still believe that an unlimited military rivalry is not a good thing at all. In recent weeks there have been signs that the American Administration wishes to humor West European misgivings. Nevertheless, I have very mixed feelings about the degree to which this is substantial, and the degree to which it is just style - or public relations. I note that the fundamental negotiation - on strategic arms-control - has certainly not been resumed by the United States. There hasn't been very much thought about how to proceed. The one negotiation to which the Administration has agreed - on European theatre nuclear forces - is very difficult to separate from the other one, and it is also one on which most Americans really believe that there is extremely little to negotiate. This may not always be the European view. The recent agreement in Rome looks like a kind of rapprochement - but I have my doubts.

The same thing is true of the whole sphere of East-West economic relations. On the whole, there are still many Europeans who believe that this is a realm offering mutual gains, and not one-sided dependence but a fruitful interdependence. This is not the prevalent view in this country. I wouldn't be surprised if this became a very large bone of contention between the West Europeans and the Americans in years to come.

A third obstacle has to do with very different interpretations of events in the Third World. Here again, one is dealing with a double phenomenon. In the first place there is the tendency of the new Administration to look at the world essentially in bipolar terms. In some of its policies on Central America and Southern Africa and on the Middle East, the East-West aspects of every regional conflict tend to be given precedence over the purely local factors of conflict. This could mean a collision course with many or most Europeans.

The latter could even be aggravated by the recent switch in France. This is, in fact, a very serious problem.

Of course, to use my favorite proverb: "The worst isn't always sure!" It may be that after a few months of thrashing around and listening to what other countries have to say, the Administration will come back to what could be called a centrist position, in which East-West aspects will not be given almost exclusive priority. It may become clear that very often the best way of facilitating Soviet exploitation of favorable trends is to neglect the local and regional causes of conflict. But this has not happened yet.

The other serious problem is the general American attitude of being fed up with the Third World. This has something in common with new American attitudes on arms-control. People are fed up with the developing countries' endless demands not only because these seem to require a transfer of resources which is certainly unacceptable to the American Congress, but also because many of them are couched in a kind of collectivistic language. This latter clashes with the Administration's belief that the sane way of development on an international scale is through free enterprise methods. One reason for this is a conviction - not limited to this particular team of officials - that the Third World countries have spent much too much time in what could be called international demagoguery and not enough in coping with their own problems. I personally do not endorse any of these positions, but one has to face the truth: this is by now a very widespread belief.

The next set of obstacles has to do with the general problems of the world economy. It seems to me that here we will have two formidable sets of problems in the 1980's. One is constituted by the very strong protectionist pressures evident in all countries, which are sometimes adopted by governments of the Left, and sometimes by governments of the Right. We are faced by the industrialization of a number of countries in the Third World, and the current difficulties all the advanced countries are having, and their need to export more. We are faced, in particular, by this very uncomfortable situation of many European countries, including Germany, squeezed between the new industrializing countries, and Japan and the United States in those areas of high technology where those two countries are ahead. Nobody really has too much of a remedy. Since a government's life depends on domestic votes, it is very hard to envisage a perfectly rational solution in political terms.

The other area of likely conflict has to do with energy. I, for one, am not entirely convinced that the United States has a coherent energy policy. At present, many Western European countries, with their backs to the wall, are trying to draft such a policy. They are finding it very difficult, if only because of frequent domestic opposition to peaceful as well as military uses of nuclear energy. This is one area where the best is not always sure, and where I don't think we have made many advances since the establishment of the International Energy Agency.

Then comes the institutional obstacle: the lack at present of any one particularly effective forum in which issues like these can be discussed. The economic summits are frail boats which would sink, if one overloaded them even further; NATO is not the most appropriate mechanism, because of both its geographical limitation, and its membership: it is composed of a single big power and a number of not so big ones. So the appropriate mechanism is still missing. International phone calls between national leaders leave a great deal to be desired, even if there isn't classical music in the background.

Finally, there is what I might call a kind of general psychological obstacle. Almost continually, over the last 30 years, the United States has developed very strongly ingrained habits of unilateralism. These grew in the days of superior American power and persisted even in the days of power diffusion, simply because there was nobody else wanting to share the burdens of decision. For their part, over the last 35 years the West Europeans have grown accustomed to what I might call the "comforts of dependency". That means the luxury of criticism when United States decisions do not please the Europeans, yet without any particularly visible enthusiasm for stepping in, or for putting their forces and their money where their words are. So, the power gap is matched by a kind of psychological gap which, like so many sets of attitudes, has become almost second nature.

Let me end up with some remarks about the need for new forms of cooperation. The recent report of the four directors of our Councils on Foreign Relations - Karl Kaiser was one of the signatories - made some very useful suggestions. I think there is indeed a need for an integrated strategy, not just for sharing burdens but for defining what those burdens should be, for defining the integration of military, economic and diplomatic means of coping with this enormous number of issues. Whether one calls it a "directory" or something else, I do believe that a new body is needed.

For all kinds of reasons, especially the resistance - quite fierce - from smaller European powers to being left out of such a directory, I think that this kind of more rational division of labour and definition of policies really presupposes a renewed West European willingness to make progress in West European political cooperation. And in that respect, looking ahead, I can't say I am terribly optimistic. There has been a great deal of progress on a European foreign policy. But it is because so little progress has been made on many domestic problems of the European Community, that each time there is a European summit, foreign policy cooperation in a sense becomes the one common bond.

Moreover, this very often consists essentially of joint statements of complaint or intent, which is not quite the same thing as joint policy. If one wants to have a real division of responsibility, one needs a genuine European Community, not one in which foreign policy cooperation is way ahead of the internal community-building tasks, and not one in which foreign policy cooperation only takes the form of trying to say something slightly different from what the superpowers are saying. Nor, ultimately, should foreign policy cooperation be divorced from considerations of joint West European defense.

At this point, it is utterly Utopian to speak of greater West European efforts in the defense area while defense is essentially a NATO function; in the long run this remains a very serious drawback for European cooperation. There ought to be much more of an effort in this direction. It would be sensible, for instance, for West Europeans to concentrate more on the defense of Western Europe, rather than to disperse their efforts militarily between Western Europe - where they would always remain somewhat at the mercy of sudden American decisions - and the Middle East, where they cannot accomplish very much.

This is a debate which has not taken place seriously either in the United States or in Western Europe. It might ultimately lead (by the year 2030!) to a reform of NATO, but in the last resort I do not believe that one can separate the defense and foreign policy from the domestic policy functions of the European Community.

On regional or functional issues, finally, I would endorse the idea that here again one needs ad hoc groupings. But I don't believe that the smaller countries are going to let themselves be excluded without a vote - that is, unless West European cooperation increases so that they do feel themselves genuinely represented by each other, or by the greater European powers in such bodies. These are all problems for the distant future.

Dahrendorf

The first thing I would like to say, is that I honestly believe that these much discussed differences and conflicts between Europe and the United States are nowhere near as serious as we are made to believe by those who like to talk about them. It is quite clear that something has gone awry in the relations between Europe and the United States and perhaps more particularly in those between Germany and the United States. It is by no means clear why this should have happened. For example, let me remind you that the Prime Minister of Britain, who is probably quite popular in this country, promised not to send a British team to the Olympic Games; however, she was unable to "deliver" on that. Now she is involved in a debate about cuts in defense expenditure. One sometimes wonders about the close ties which are said to exist between Britain and the United States.

Well, the Federal Republic increased its defense expenditure in the 1970's - and almost annually by three or four per cent - something which was not true of this country or most other countries of the Western Alliance. So one is rather surprised to hear a debate about the Federal Republic not pulling its weight in the Western Alliance at this particular time. I, for one, would be eager indeed to hear some of the French participants express their views on the odd fact that Americans and Britons have consistently found it difficult to understand what precisely the role of France is in this free world of ours, and indeed how much France contributes to keeping it free.

So there is a lot of confusion about this question of European-American relations and perhaps a serious lack of information.

My second point in this connection is that if there are differences between Europeans and Americans, let us not forget either that there are certain fundamental assumptions behind the alliance - socially, politically and economically - which we share beyond any doubt at all. Neither side has doubted we have these in common: we believe in open societies; we think that's the way decent and civilized life should be organized. We believe that they should be defended against all attacks from wherever they come, especially against attacks by Communist countries. We are essentially committed to dealing with issues by cooperation, and in that sense we believe in working together.

We accept that there are differences between free societies, and that these differences are not a reason to be dismayed. I think this is very much a part of living in a free world, and one could make a similar point about internal conditions in free societies. There is agreement on the crucial role which the United States of America plays in preserving and maintaining liberty in the world. This agreement clearly includes France.

These common beliefs are so fundamental that the differences mentioned by Stanley Hoffmann seem to be of almost secondary importance by comparison.

What I want to do now, is to highlight two developments. The first of these is that since the beginning of the 1970's we have come to live in conditions of very considerable uncertainty - for a start, in international terms. I still think that the 15th of August, 1971 is a crucial date in the recent history of the free world, and that we haven't managed to put together again what fell apart at that time and in the years which followed it. Certainly the whole system of international organizations created in 1944/45/46 which had since made so great a contribution to prosperity and peace in the free world somehow began to fall apart. We do not nowadays have a system in which there is the same kind of confidence. And in more domestic terms great uncertainty arises. Doubts abound in the possibilities for economic growth and for resolving issues by adopting positive, sound policies. In domestic terms, too, uncertainties prevail: on growth, inflation, and unemployment, subjects which dominate so much of the political debate in all our countries.

Now these uncertainties have led to a tendency, both in the United States and in European countries, to look inwards rather than to consider possibilities of cooperation. The most worrying point in the world today is this almost universal tendency - at any rate in the OECD world - to turn away from the systems of cooperation which have served us so well, and to look to one's own interests first. This is bound to lead to different conclusions in this country and in Europe. For if Americans look to their own interests first, the international and national consequences are bound to be different from those if the French or the Germans or the British do so. To some extent our difficulties today arise from the divergent and contradictory consequences of insistence on one's own interests.

I am not totally sure that I would agree that in the United States there is a great revival of confidence and strength. For one thing, people talk about the kind of self-confidence which is not coupled with a sense of responsibility for others but primarily with an insistence on what is being done in one particular country. For another thing, the jury is still out on the question.

To come back to 1971 again, it does sound sometimes as if statements made at the time are now becoming reality. One is now talking about an America which is regaining its confidence by perhaps defining itself to some extent out of its international responsibilities, which are nevertheless so crucial. I wouldn't dare here to embark on debate over the nice question of the Europeanization of the risk and its connection with the present discussions about nuclear forces and disarmament talks. But it would be quite useful to revert to the subject. I wonder whether we might not reach the conclusion that the present debate has something to do with an America which is as inward-looking - and this I want to underline - as European countries are. And it is a great pity, this. Indeed, it is increasingly leading to quite serious and dramatic consequences in trade and elsewhere, but it is a fact that Europe, too, has become inward looking; that is to say that the countries of Europe have become inward-looking.

Nationalism may not be the term, nevertheless many of us are now worried whether even the Customs Union, which is so much a part of the European Economic Community, will survive. Many of us are worried that protectionism may turn into national protectionism. We ask ourselves whether there isn't a sort of ostrich attitude in European countries which is their response to uncertainty. This is very different in its international effects from the American response, but not very different in its origins. It is the same sort of thing translated into countries which are not superpowers, and which therefore find turning inwards very much the same as turning away from the alliance on which they ultimately depend.

If I may make one other comment on Stanley Hoffmann's points, I wouldn't be too sure about Europe and the Third World. I am reminded of Nairobi where, after all, the United States was by no means alone in its views. I am reminded of the debate about the Common Fund and commodity agreements. Then there were the debates about the Brandt Report. This bore a distinguished European name and has sold plenty of copies in a number of European countries. Yet I assure you that not many European governments are likely to go to Cancun and take a view very different from that of the Americans. It may be expressed in slightly different language, but is going to be much the same in substance. In other words, this inward-looking attitude is something pretty universal, but one of our problems is that the same cause - this turning inward in the face of uncertainty - has different consequences in different circumstances.

The second development which I would like to highlight has to do with the role of the state, with changing attitudes in many countries - not in all - to its role in our lives. I am struck, whenever I come to this country, by its enormous social and economic strength, by its enormous capacity to mobilize individual initiative at a time when many of us in Europe feel that decades of government intervention have made this virtually impossible. I should not be particularly surprised if a degree of economic revival is going to begin here in this country, because - to take one of the most crucial aspects of economic revival, namely new startups - I have very little doubt that this is a country in which one is likely to see much more initiative than in most European countries.

What happens in Europe in the face of an attempt to roll back the boundaries of state activity is something quite different from what happens in this country. It is not a revival of initiative. In the first instance it is the kind of protest which is now going round the cities of Europe and will continue for quite a long time to come. It is a protest which is made, but it is not likely to lead awfully far, though it may strengthen certain political groups at both ends of the spectrum.

I wonder whether it is not the European expression of a concern, of a problem with respect to which this country is fortunate enough to have other prospects. Perhaps this is one of the cultural and political differences which it is not easy to bridge. It is of relevance in all European countries in my view.

I am worried about what we might be able to do and what the next steps are. We are talking about issues of a different level of seriousness and of immense social and political importance. I don't see the primary problem in relations between governments. Gladstone had a case when he made those long speeches about distant places to his constituents. He sometimes, perhaps, bored them, but he did explain to them what was going on in other parts of the world. It would be nice to think that he enjoyed a degree of success in these attempts to explain that the world is a complicated place. One cannot find simple emotional answers to what happens in distant places - one has to try and understand what goes on there. I would like to see rather more explanation, especially by those who can and should know, rather than by those who cannot be blamed for not knowing.

In face of fundamental social and political trends in Europe and America, there may well be a case for considering what we are doing in the Third World, as well as our relations with each other, with respect to multilateral organizations, etc., with a view to defining somewhat different tasks for different parts of

the Alliance and perhaps some division of labour. In this connection, I am not even particularly upset if Europe speaks with more than one voice.

However, my last point is one of total agreement with Stanley Hoffmann. I think that what there is of a European foreign policy so far doesn't amount to an awful lot. I personally wouldn't mind if foreign and economic policy remained the two themes of European cooperation. This is not yet happening on a tremendous scale, however, and I think one would have to be optimistic to predict that there will be major changes in these next few years. But that there is a need for such changes and that there is such a thing as a European interest I, for one, have no doubt at all.

Kaiser

I suggest that we proceed in such a way that we leave the policy questions until later and begin with a diagnosis of what the central problems are. In doing so, we should confine ourselves to those subjects which are concerned with the analysis of the state of our societies and the world in which we live.

What differences exist in the assessment of Soviet power? How deep do they go? Shouldn't we make a distinction between different groups in Europe - isn't this the problem? The establishments, with the exception of certain divergences, in essence share a common assessment. But there are new groups which no longer share this assessment, and one of the reasons why the "obvious answers", as you call them, are not swallowed any more in Europe is because the obvious rationale is not followed within these groups.

Hoffmann

Just on one point, concerning the change in attitudes on the role of the state. Firstly, I think there is indeed here a general difference between the United States and Western Europe. For several years now there has been a reaction in the United States against what is felt to be an excessive role of the state. The state had always been seen as essentially an instrument at the service of a dominant society, but large elements now see the state as having become much too powerful and too commanding. It seems to me that even in those countries in Europe where the failures of incumbents have led to a turnaround in public opinion - for instance, in England two years ago - there is no similar reaction against what could be called the primacy of the state.

Secondly, I would like to comment on some of the phenomena which puzzle Americans; let us say, the turning inward in part of the British Labour Party or some of the tendencies which have been described with considerable puzzlement by the American press in places like Denmark, or Germany, or Holland. Here, my impression is that we should be very careful and not lump them all together; each one really reacts very much to domestic circumstances and even though, from a distance of three thousand miles, it looks like the same trend, I don't quite see it this way. I see it much more as a series of - I don't want to use the word "neuroses" because that is a value judgement - responses to the local situation.

I'd like to point out that two of the countries which Americans in the past have been used to considering as the perpetual problem children of Western Europe, by which I mean Italy and France, have been singularly free of some of those manifestations. So there I would suggest that we need a slightly more refined analysis than that we sometimes get in the American and perhaps even in the European press. I say also in the European press because each European country, starting needless to say with France, has a tendency to generalize from its own experience.

Joffe

I think Ralf Dahrendorf said some very tantalizing things, especially when he said that societies on both sides of the Atlantic are turning inward. In Europe, there is indeed a trend towards what the Germans call "ohne mich", where the motto seems to be "let's protect our island of détente against the increasing storms on the global sea". Germany is shutting out demands from the outside, such as on defense.

Yet in the United States, the opposite seems to be happening. It's the trend towards rearmament which is the most dramatic one; it seems to foreshadow a return to classical imperial global role, at least rhetorically.

I think there is a contradiction here and I was wondering whether I could press you on that.

Dahrendorf

Paradox is very much what I had in mind and I think Joe Joffe has spelled it out exactly as I wanted it to be understood. If you are strong and turn inward, it does not mean that you will say "I don't want to be seen or heard". If, on the other hand, you are a middle or small power and turn inward then the consequences are quite different - this is precisely what I was trying to say.

Not to be seen in the international arena is one thing; to accept a rather complicated set of responsibilities, which are often invisible is quite a different thing. And to be seen in the international arena may well be one form of turning inward. I was trying to find some answer to the rather bewildering fact that despite the obvious common interests, the obvious community of political and social and, in general, economic concerns, there is this strange sense that something has gone wrong.

Kaiser

You mentioned "Europe being weak and turning inward". That is happening at the very moment when its objective interests are to look outside because the Europeans can no longer define their security in terms of what goes on at the central front in Europe. They have to look outside!

Ellsworth

The first point that I think it is necessary to focus on is concerned with differences in the Middle East. There are very sharp differences - in degrees of dependency; in the ability to deploy meaningful military forces to the extent that they may or may not be required in the area; and there are differences between Europeans and the Americans on how to deal with all parties in the region. While at this moment there may not be very heated splits between the Europeans and the Americans it is again one of the things that can be a very big bomb and probably will be before very much longer.

Another thing that I am sure is afflicting us all is this question of financial and economic policy. In the United States at the moment we are having a raging battle among the various elements of the Congress, the Administration, the Federal Reserve, and the financial community in New York over a lot of technical questions ranging from the rate to future Social Security benefit growth and so forth and so on.

Those things clearly cause all kinds of very severe problems between the United States and Europe, because what we do in that battle has enormous effects upon Europe. Again it seems that there are no real good institutions for dealing with those problems in any kind of muscular way, much less really discussing them intelligently.

Novak

I was struck by the fact that Mr. Hoffmann highlighted better the European sentiment at the moment than the American. It is also clear in his remarks that he is out of sympathy with the new Administration, and I think with a very large part of the American public.

That brings to light one of the key differences between Europe and America, namely the role of religion in the United States. Religion here is so extraordinarily fertile a soil of ideas and of public opinion and of new leadership, in a way which is not paralleled in Europe. It is commonly said that the United States is the most religious of the advanced countries, and I think that's an important political fact.

Secondly, elites in Europe - especially intellectual and professional elites - play a role which is in the United States rather more moderated by the force of public opinion and common ordinary people in very large numbers. The new Administration represents a kind of rebellion against elites, both professional and intellectual. And the source of the strength of the new Administration lies in other segments of the American people, who themselves were poor not 30-40 years ago and who in the South and the West have come into a new form of power and education and so forth.

This leads me then to suggest that the reinterpretation in the United States of Soviet power has, to a remarkable extent, been sensed first by the American people as a whole. The rise in the curve of public opinion in the United States expressing concern with Soviet power led the attention of intellectuals and of professional elites in some important senses and created a political effect.

Perhaps, though a Democrat, I am more in sympathy with the new Administration, and I feel there is a sense of purpose, of international reach and of a new morale. There are two senses of the expression "looking inward". You can look inward out of a selfish and protectionist impulse, and you can look inward to rediscover the sources of your own strength. I think we are engaging in an experiment on whether America can rediscover the latter. On the immediate question, I do want to emphasize that a

changed perception in public opinion in the United States about the relative power of the Soviet Union has become a very important political fact.

Wells, Jr.

I think that the difference between Europe and America in terms of the assessment of the Soviet threat is not as much between respective military organizations, where assessments may be roughly comparable, as between the assessments of political leaders, and what those political leaders are prepared to do about it. The large majority of political people in this country are fundamentally concerned with the long-range trends of Soviet power. They take a quite different and more jaundiced view of the purposes of the Soviet build-up, and they are prepared to do quite a lot more about meeting it in military terms, as Stanley Hoffmann mentioned. I think that the extent to which the new Administration in this country is committed to that point of view is a very significant problem for us.

Kaiser

There are so many Americans who are almost appalled by the way Europeans look at the Soviet Union, and they don't understand why Europeans do not share their assessment. The other way round there are lots of Europeans who think that the American assessment of the Soviet Union insufficiently takes into account internal differences and the real interests of the various European countries.

Stern

I would like to make two historical observations: one directly on the point that the United States and the Europeans have a different perception of the USSR. It is simply a fact that the perceptions of the USSR since 1917 have gone through the most extraordinary fluctuations, which have been very much greater among Europeans than among Americans. When the United States makes up its mind about the Soviet Union, whether it is the "Uncle Joe-ism" of the 1940's or the Cold War, the Americans expect the Europeans to have similar views. There has been a continuity of alternating, basic views of the Soviet Union that has characterized the West since 1917.

As a parenthetical remark, I would say that in the last few years the European "Left" has been cured of much of its naive sympathy for the Soviet Union to an extraordinary extent.

Now a parallel example, and one which would be very hard to over-estimate - the impact of Poland. Whatever happens - one way or the other - the impact will be enormous and will in a fundamental way prove to have been a turning point in the post-war period.

The other point - which is also to some extent historical - is on the question of "inward-lookingness". Historically that is basically what nations do. They are preoccupied with themselves - except in periods of imperial expansion, which are not necessarily the norm. Whereas the great powers struggling for supremacy are outward-looking the rest are domestically oriented. It is to some extent the return to what in America in the 1920's was called "normalcy" and which in many ways this country would like to go through in another phase of normalcy.

Perhaps this "inward-lookingness" has deeper psychological reasons. Ralf Dahrendorf referred to the unrest in various European cities. There are many symptoms of the kind of anxieties of a psychological, economic and social nature which should focus our attention inward, more so than in the 40's and 50's where you had the great liberating sense that you had overcome one of the great external dangers and that everything was well.

Joffe

Fritz, I think you are right, there is a fundamental transformation in the European Left, which no longer regards the Soviet Union as a model to be emulated. However, and that's where I disagree with you, something else has also profoundly changed. In the foreign policy field the democratic Left no longer regards the Soviet Union as an enemy, but as an amiable, reasonable power dedicated to the status quo and to European understanding. At the same time, there is a tendency on the Left to regard the United States as the more threatening power in the international system. That is a very profound transformation.

Hoffmann

I really disagree with the view that what is happening in the United States now is a kind of populist surge. It seems to me that the change of opinion on the Soviet Union has been prepared by very

systematic work done by small elite groups like the Committee on the Present Danger, and by a large number of magazines which did not particularly come from below. I would put the relation between the elite and the public in Europe and in the United States exactly in reverse of what Mr. Novak has said.

My second point has to do with the different interpretations of Soviet threats. I would like to propose the following three differences: first of all, a disagreement on the degree to which the Soviet Union is indeed the main problem in world affairs; secondly, if it is the main problem, whether it is primarily a military issue; and thirdly, how to cope with the Soviet Union in the long run.

Sonnenfeldt

I think we have got to be very careful in using terms like "inward-looking" because this is a very mixed and complex picture. In the United States, for example, it is quite wrong to use terms like "neo-isolationism" and evoke the attitudes of the 1920's or the pre-World-War I attitudes. There is no mood of withdrawal in the United States. On the contrary there is a keen sense of being part of the world.

There is also, under present circumstances, a keen sense that we have some very important domestic problems with which we must deal. The President reflects that very strongly in the priorities he has given to this Administration in the first several months and I would guess will continue to give depending on the world outside. It was also reflected in the basic constituency that elected this President. But, with all that, there is a sense of responsibility and of interest in world affairs in the United States, otherwise you would not get the commitment to a defense budget that involves substantial sacrifices at a time of major curtailments in our domestic expenditure.

Now I do think that there is at present in the American mood a sense that if particular tasks and responsibilities cannot be met jointly with others, then the United States may have to meet them by itself. The United States is in a mood - after some considerable introspection which to some extent still goes on - of redefining and reasserting its interests. It is extremely important at this time to talk with our friends and allies about interests and how we define them. But we Americans are in the mood to act ourselves if that kind of discourse doesn't seem to be very productive. So we should not use the imagery of isolationism or inward pre-occupation in the case of the United States.

My second point relates to the differing conclusions that seem to be drawn in Europe and in the United States with respect to various kinds of threats and vulnerabilities and in particular with respect to the Soviet Union. The mood in the United States - and this has something to do with the traditions of this society - is to be prepared to strike out on new paths when new dangers and new challenges are sensed. In the case of the Soviet Union, the predominant mood in this country is that the threat must be resisted and that consequently the necessary means have to be found. A somewhat similar mood exists with respect to the dangers, for example, to the oil supply - admittedly this country does not have the same vulnerabilities as Japan or Europe does.

In Europe the difference is not so much in the particular assessment of the dangers posed by the Soviet Union. We don't even disagree very much about this curious mixture of strength and weakness we see in the Soviet Union that makes it so difficult and dangerous at present. But there is a distinctly different mood as to how to cope with it. That is not a homogeneous difference, because there are obviously cross currents on both sides of the Atlantic. The dominant mood here is to resist and to stand up and not to be pushed around or perhaps even to roll back.

In Europe the predominant mood not surprisingly, tends to be that, whereas this danger should be stood up to, there also needs to be more emphasis on attempting to compose the differences and deal with them through negotiation and the various things that have been so actively pursued in the last decade. Here we tend to see the last decade now as having passed, and we are now in a new decade. In Europe to a considerable extent the mood and the attitudes still cling very much to the means and devices and instrumentalities of the last decade.

Smyser

I don't think that there is a major difference between the European and the American assessments of Soviet weakness. There is, however, a major difference in what they interpret that weakness to mean. Some of the people in leading roles in the American Government say that a weak Soviet Union - economically, politically, and even ideologically weak - will focus more on the military side of its policy. We think this means possibly greater Soviet adventurism. The Europeans think that the Soviets will be more likely to want to negotiate out differences. In that sense only is there a genuine difference between ourselves and the Europeans.

My second remark is about the question of the United States redefining its policies, and what this means. Over the long run, a United States which is following a stronger defense policy and a policy intended more vigorously to correct its economic difficulties is all to the advantage of the Europeans and of the European-American relationship. We are now facing the problems of mutual adjustment to each other while the United States is pursuing new policies. But, over the long run, such U.S. policies should be to the advantage of the alliance as a whole.

Craig

I was struck by what Mr. Novak said when he reminded us we must not forget that the United States is a very religious country. My first reaction to that was one of fright because I remember a comment of one European some time back that what we had over here was not a country but a great big church.

On the other hand, I do think that this comment throws some light on the question of "Innerlichkeit" or inwardness; and I agree with Mr. Sonnenfeldt that this is a term that we have to be very careful with. But I see no signs that this country is picking up its dishes and going home. We have had historically a tendency, when we get fussed, to retreat from actual problems and actual solutions to the high level of moral principle. That kind of a return to a basic feeling that we are rather better than other people and our instincts are rather sounder, and that we know sin for what it is, could cause trouble.

The other reaction, which is a historical reaction and also a troublesome one, is that impatience mentioned by Mr. Sonnenfeldt. It's the feeling that we can't sit around consulting all of the time, and that it is better to apply our own solutions.

Billington

With regard to the necessity of dialogue between the political classes, I think this dialogue must be expanded to include all of the United States. Historically, the North Atlantic dialogue has been rather restricted in both its geographic and ideological and conceptual focus.

Secondly, this dialogue has to be expanded generationally because there is a need to involve a whole new set of mentalities that are to some extent generational as well as regional.

Thirdly, we need to realize that the East-West problem is serious not only because of the continuing growth of Soviet power, but also because of the leadership change which may very well bring generational change in the Soviet Union. However you interpret the way the dynamics of internal economic weakness will work out on foreign policy, it's very clear that at times of leadership transition, the tendency to rally round the tomb, and rally round the flag, tend to be very much accentuated in systems without stable modes of transition. I think we are going to enter a very dangerous period because of the political dynamics of the other system.

My final point is that we have a dangerous ignorance about what is going on in the Soviet Union. I think that one of the great weaknesses of the détente era has been that contact and discussion with the Soviet Union have been channeled through a relatively narrow set of funnels. And there is a great need simply to find out more of what is going on.

Shils

In my opinion the combination of openness and constraint is one of the major problems of all Western societies. Can our demand for openness go so far that it will destroy the constraints which are necessary for its continued existence? It might go so far that it will call forth with accentuated force the tendencies towards constraint which always exist in all traditions and in nearly all individuals.

This raises the problem of finding the right balance. At present in most Western societies we are pressing hard against this balance. One of the forces pressing against this balance is the demand for "emancipation". Another contradictory but generically closely connected force, pressing against the necessary balance of openness and constraint, is the set of demands for governmental provision of goods and services in the name of welfare and justice. Some of this demand has been put forward by those who are to be its beneficiaries but it has also been put forward and argued for by several generations of intellectuals who have at the same time been very severe critics of authority in general and of the authority of government in particular.

We therefore have in Western societies but above all in the United States a demand for the extension of the powers of government to the point of omnipotence, omniscience, omnicompetence and omnipotence, to the point where it is the monopolist of initiative and prescription. Concurrently with this, we have a demand for emancipation from the constraints of authority and tradition and a profound

distrust of all authority and tradition. Finally, and closely connected with the first two, both the means and the conditions of that emancipation are to be provided by government and paid for through the taxing power of government.

Can these things be brought into balance? It is certainly necessary. Our societies are endangered by these conflicting forces which threaten to disintegrate our social order by imposing on governments, tasks which are beyond their powers. Such tasks can discredit governmental authority by showing its impotence, by further disintegrating the constraints to which many persons still adhere and which they affirm in principle and at the same time forcing our economies to the breaking point through inflation and by allowing our capital equipment to fall into ruin through neglect.

It is important that European intellectuals understand this situation. It is one which is in various ways being approached in their own countries but which is being held in check by the strength of traditions which are not understood or perceived and insofar as they are perceived, are disparaged.

It seems to me that one of the difficulties facing those who are concerned with the relations between Western Europe and the United States derives from an old prejudice, especially common in the educated classes both in Europe and in the United States. There has been for a very long time a belief in Europe that the United States is a reactionary country. This view is shared by many intellectuals in the United States not only regarding administrations of Republican presidents but those of Democratic presidents as well. The United States is seen as the country where capitalism is best entrenched and least restrained. According to this view, for both American and European intellectuals who have benefitted so much from capitalism and whose fellow-intellectuals have suffered so much under communist regimes, capitalism is inherently a bad thing. The United States is not only capitalist and reactionary; it is also given to hysteria. The interpretation of the religiosity of the American people often runs in the direction of a belief in the hysterical character of the American people, their simplistic dogmatism, their flightiness and, correspondingly, a perception of the American elites as being frivolous, hyper-excitabile, and rigid - a very odd combination of things that do not seem to fit together very well.

The new administration in the United States is certainly regarded by a great many of the literary and academic intellectuals in this country as being a reactionary government - which wants to restore the United States to a condition, not just of the "normalcy" of the 1920's, but a condition reminiscent of the "age of the robber barons" of the 1880's and '90's, a time at which there was no concern for the well-being of the lower classes or of the mass of the population. There is a widely accepted notion which you can see when you read The New York Times that the present administration is determined to wipe out all of the "social gains" of the last 40 years - namely, all of the things which have been gained since the beginning of the New Deal. Now, that is simply not so. On the contrary it is intending to consolidate some of the fundamental achievements of the past 40 or 50 years and to link them with the traditions of the open society, which first took root in the United States practically from the foundation of the American republic.

The present government is trying to link what is worthwhile in the achievements of the past half century with the older traditions of the open society.

But even more, it is trying to overcome some of the incrustations and the excesses of moving from a liberal welfare state to an omnipotent, omniscient, omniprovident, collectivist liberal state. And above all, it wants to try to reaffirm a few traditional virtues such as, to use a German phrase, those of the "Leistungsgesellschaft". The United States has accomplished a great deal by creating a society open to the "Leistungsprinzip" and that is the aim of the government today.

It is important that this be understood in Europe by publicists, academics and politicians and that they should not be deceived by anti-American currents which are, alas, never very far from the surface in large sectors of the European intellectual class.

Kaiser

I would like to remind us of one problem that might be worth exploring, namely the differences in the disagreements that exist within Western Europe but which do not exist in that form here.

Rovan

I feel that what has been said on European attitudes does not apply to France.

Firstly, there is in France no real opposition against an increasing defense effort. There is no really organized movement against this effort.

Secondly, the discussion on the subject of the strategies that are to be carried out is dividing all the parties both on the left and on the right and it is not specific to the left.

Thirdly, there is a very broad and deep feeling in more or less all parts of public opinion that the Alliance of the Free World is necessary, but that it calls for a different type of relationship between the members of the Alliance, for example, in the specific role of European countries in regions like the Middle East or Africa.

Finally, on Stanley Hoffmann's point of a general European trend towards State intervention, our last election has shown that there are two trends: one for more State intervention and one for more free enterprise. Both of them are important, even if the first has won the elections, but with a relatively small majority.

In my country the new American Administration has met with extremely different reactions not only on the left but also on the right. There has been a great deal of satisfaction with the likelihood that there will be a clear and strong American position.

Schmidt

I am struck by the fact that you are distinguishing between Americans and Europeans as if the Europeans did share just one and the same opinion. That's a great mistake.

There are many different trends of thought whether in Scandinavia, or England, or Italy, or the Benelux countries, or in my own country. What seems to be missing nowadays is enough consideration for the public-opinion process, or the public process of political decision-making in different countries, which certainly could be influenced by other countries.

What is lacking is a sort of integrated political class. It is something which should be created by a joint effort. I seem to remember when I see Paul Doty sitting here that we were members of the same international defense community 20 to 25 years ago. It was a rather small group of people who dealt with each other. Today there are no acknowledged groups who exchange their views, let us say, about black Africa, or about the Arab northern part of Africa. If such groups do exist, they are far away from governments, and far away from politics, maybe in some universities. The network of contacts between political analysts of the different countries ought to be closer. And it needs a decided effort to bring this about.

Secondly, I would like to stress the necessity to cultivate the consciousness of continuity. We have 15 members in the Western Alliance, for instance, most of whom have sequences of electing a new president every four years or five years, and a parliament every four years. Some elect a president and a parliament in the same year, like France this year. That makes about three or four elections a year. We cannot have a basic change of policies in a group of 15 three times a year. So you may find that if there is a change in the United States, it matters much more than if there is one in Iceland - and this must be right.

Nevertheless, public opinion in other countries must feel assured to some degree that they can rest upon continuity, meaning predictability for one's friends and partners. This is necessary not only for the big countries but also for the medium-sized countries, and for the smaller ones. The smaller ones depend even more on predictability of the medium and the bigger countries. Here I mean continuity as regards the broad lines of foreign policy, of grand strategy and of international economics, for instance.

The third remark I want to make is that if the 1980's are going to be much more difficult than the 1970's were - and I happen to believe that this will be the case - possibly the greatest amount of difficulties will stem from an economic mess which is not being understood by governments and legislators and public opinion.

Even since the first oil price explosion broke, we have had no new John Maynard Keynes to stand up and supply the world with a general theory of the situation - a situation quite different from that of the early or middle thirties. Some people are talking about a new economic order which is necessary - I don't understand what they mean by those phrases. Others are saying: What does it mean? Nothing, it's just phraseology and we will stick to what we have always believed! Well, both are wrong! Nobody really has an understanding of what has happened in the economic fabric of the world. What we need is an international class of political economists who deal not only with statistics, comparing statistical data, but who should also deal with the structural problems of this interdependent network of some 140 or 150 national economies.

The economic summits which have taken place during the past six or seven years were not so bad insofar as they helped to avoid greater mistakes, such as lapsing into beggar-thy-neighbour policies, whether in trade, monetary policy or other fields. They were more or less avoided due to these summits. In a positive way they didn't achieve much - they achieved something in avoiding grave mistakes, but they didn't cure other mistakes, they didn't create new lines.

I would just like to add a footnote on Soviet dangers. I have listened to some gentlemen who seem to think that Soviet dangers are more correctly perceived in the United States, at least nowadays even if not six months ago, than in the United States before that time. In this field, too, I would look for a little bit of continuity on either side of the Atlantic. It would be nice if our American friends took note of the fact that right now in peacetime the German forces make up the bulk of any NATO forces in Europe, and in wartime within 72 hours we would have 1.2 million soldiers available - all of them well-trained because we never abandoned the draft, and all of them well-equipped. It is really quite a simple fact.

I do not believe that in the first instance you need to spend deutschmarks or whatever to defend your country. In the first instance, you need men. Secondly you need motivation in these men. Thirdly, you need training in these men. And in the fourth place, you also need some deutschmarks for these men in order to buy boots for them, and guns, and what have you.

Kaiser

I would suggest that we spend a moment on the subject of the international economy and also devote some discussion to the argument concerning the dangers of protectionism. For all of our economies, with the recession being there, with the future oil price situation being, at least, uncertain. How long can the system deal with imbalances in the financial situation in the system? Can the system avoid the collapse of some of its members? Can we pick it up, contain it, or will this threat to the system maintain its hold on it?

Gutowski

The Chancellor asked for a new John Maynard Keynes. The question was raised by Mr. Hoffmann that the economists really do not have any answer to the questions arising today. I do not believe that it was really only economic questions which were concerned when Keynes came up with his theories and devised a new system which was good even if not stable. He gave us some recipes, and he gave us the ideas of demand management that we have been using since then. For example, Prof. Schiller understood this perfectly when he was Minister of Economics during the crisis period of 1966/67. We know that this wouldn't work now. The problem is that we do not know for sure whether the so-called supply-oriented economic policies will work sufficiently well.

At the root of our economic problems is the question of income distribution. I strongly believe that the basic essential is the general consensus of opinion on the social order within a country. That means that we have to solve the problem of income distribution. In a market economic system the solution would probably be a scheme in which capital and labour share profit and risk of investment. And the turning inward, mentioned by Mr. Dahrendorf, has to concentrate on the realization that such basic domestic problems have to be solved first before we can solve the problems of the international order. I feel that the international system has worked quite well under those conditions of uncertainty about national economic developments and that we can expect that the necessary capital transfer will take place and the recycling of oil money will function in '81 and also in '82. But I don't know how we shall goon beyond that point if we have not solved our domestic problems by then.

Kaiser

You would argue that even though the disparity between the accumulated wealth and the conflicting role of interests will become so much greater...

Gutowski

It might become greater indeed, if the gloomy outlook for the 80's in terms of growth and perhaps of inflation, and unemployment, proves to be correct, but the more our domestic policies succeed in making investment profitable again, the better we will solve the problem of the capital market.

Dahrendorf

... but not necessarily the one of unemployment! There is a tremendous difference between the technical issues where economists can do a lot and where solutions are possible and may even be

possible along traditional lines, and issues which I would not describe as technical. I think unemployment is no longer, in that sense, a technical economic problem.

Gutowski

I agree that it is not just a technical economic problem, but the more investment becomes profitable again, the easier it will be to deal with these other problems. If this huge amount of capital is put to work by way of investment we will have a better situation, also with regard to employment.

Schiller

I agree completely and I think we are now in a phase of structural change in the whole of the world economy. We are trying out some new policies. On the one side, in the fight against inflation we are applying monetary policies which have existed to a degree since about 1974 or 1975. Now in America and sometimes also in Europe, we are trying to do some sort of supply policy, which means that we don't apply and use instruments of a Keynes, but we try all these middle-sized instruments of motivation for private investment.

I believe that's the right way - it's more or less a matter of monetary policies. I can only predict that if the monetary restrictions continue and add to each other in different countries we will have a severe international recession, which is now not taking place. We have a recession of minus 2 per cent and world trade reduction threatens. But if, in addition to all these restrictive measures in different countries, there were to be a really severe recession changing into a depression I am quite certain that we would all go over to a new type of Keynesian policy.

Schmidt

At what rate of inflation?

Schiller

I believe that if we had a lasting depression we would have a summit conference about some internationally coordinated measures in the direction of Keynes. That should be combined with financial measures which are preventing inflation.

Kaiser

Do you think that such a policy, which is to some extent a policy of recycling financial resources which are now in one group, is possible within the existing international system? There is no record of sharing international responsibilities with the new centers of wealth. There are elements of it and smaller versions in international financial institutions. The kind of effect that you are describing, the vast global effort, means that those who have to resolve this must come together, but the institutional set-up does not make provision for this.

Schiller

We are doing a lot of things for this purpose, and also for the purpose of recycling, and for a revival of the international financial system. We are doing many things to facilitate the circumstances for people to cooperate with each other. That is being done within the framework of the World Bank, and especially in the framework of the International Monetary Fund. There is a possibility that other countries could, at some future date, join the Group of Ten.

Schmidt

Let us assume that your answer is meant for industrialized countries, like Western Europe, the United States, and so on. What are you then going to do in the circumstances that you described in the case of Latin America, for example? Can you help them just by telling them to apply the principles of deficit spending?

Schiller

I do not favor spending programs at this moment. Only under conditions of a real worldwide depression should we resort to that - otherwise we should avoid it.

On the other hand we should keep a certain level of real economic activity in the industrialized world. If we regain some real growth in our own activity in the industrialized world, we also create demand for the products of the Third World.

Gutowski

I believe that the change in the international set-up is not so small as you said it was. Take the International Monetary Fund, for example. They are going up with their credits for a single country to 600 per cent of its quota, which is tremendous. Take, for example, the World Bank with its new structural credits, and all that. But the main point is that the credits have to be granted on a different set of conditions and that the debtor countries must not resort to Keynesian policies. The policies must be supply-oriented. Let us look, for example, at what is going on in Brazil. I know that developments there are very uncertain and risky, but on the other hand they have done quite well so far in spite of the fact that they had been hit particularly hard by the oil price explosion.

What is going on there in the field of oil substitution is remarkable. With the right type of loans - credits of longer run than they used to be and different in type from those which the World Bank used to give - there is a chance to continue without a breakdown. And there is no choice but to go that way. The private banks and the commercial banks will probably not be able to play the same role they have played during the last decade. They will have to be supported by the international institutions, and I feel that, therefore, the international institutions will have to be made stronger.

Dahrendorf

I do not disagree, but Robert McNamara said in his last report that by the end of the century 600 million people will be living at the very margins of life, and that is probably an optimistic statement. I don't think that either supply-side-economics or deficit spending will help them at all.

Secondly, it will be quite interesting to see how President Mitterrand creates the 215,000 jobs, what measures he takes, how expensive it is, how far he gets. All of this in view of the fact that there are 1.6 million unemployed in France.

Thirdly, I think we are really faced with a new task. I agree with what Chancellor Schmidt said about the politician's tasks, which will include the job of the political economist as well. That is really what the politician's task these days should be about, namely being equipped to deal not only with defense but also with economic affairs.

Kaiser

Could I take up one subject that you raised: instability is likely to grow. Do the facts that you just mentioned corroborate this? What does that mean, since we are talking about Alliance relations? Is the instability of that growth going to affect the instability of the rest of the world as well, or only insofar as the East and West could be somewhere at strategically important points?

Sonnenfeldt

It's obviously another one of those questions about which one shouldn't generalize, because there is going to be instability. Some of it presumably will be contained within the areas where it occurs, but some of it could be quite serious without in the first instance involving an East-West problem. It could be serious in an area where we and other countries have heavy dependence and economic ties.

But because of the possibility of Soviet involvement in various places - in Africa, even in this hemisphere, and in other parts of the world - these must be matters to be dealt with among the Allies in some fashion. If NATO does talk about them, it can't do anything about them "qua" NATO. It can form individual clusters of countries that might join together in diplomatic and economic and, if necessary, in military actions, as we have seen in various instances. From the American standpoint, some of those instabilities are bound to be looked at in a geo-political sense, and as affecting the overall world balance-of-power, because of the possibility or reality of Soviet involvement in them. It seems to me that we cannot be paralysed by the fact that NATO as an alliance has no jurisdiction here.

The Allies as allies certainly have interests, and therefore this is another area where communication has to be continuous and active, and where forums have to be found if they don't exist. In general, I'm not much of an advocate of new forums. Bureaucrats and others become so fascinated by the creation of new forums that they often forget the substance. So we have to be inventive and use what we have got. That is a very important problem.

At the moment the Persian Gulf - and the Middle East in general - is one such problem area, where there are differences among us in America, and between ourselves and Europeans, and among Europeans. We have been wrestling with it as allies and as individual countries. There has been talk of division of labor - I am in favor of division of labor provided that isn't camouflage or a code word for "division". If we divide labor we ought to try to do it wherever possible for common purposes, and understand why we are doing things differently in accordance with our particular capabilities and also with our particular concerns and vulnerabilities.

So the basic answer to your question is: yes, there is a danger that these instabilities, by whatever reason, can spill over, and indeed there is a danger that they can become involved in the West-East conflict. These are matters that we as allies and friends and as members of common institutions have to deal with together. I think that's much preferable to our dealing with them separately.

Kaiser

So far there are no agreed common procedures for what is now the second most important area of Western security in Europe. Do you foresee a situation where the Europeans make a genuine move in dealing with the problem and the United States genuinely share in it? And by genuinely share I mean that decisions will be made jointly.

Sonnenfeldt

If the Europeans don't make a genuine move, the chances that decisions will not be made jointly are much greater than if the Europeans do.

Schmidt

The Europeans have not been invited yet!

Sonnenfeldt

I'm sure that there are hesitations and shortcomings on both sides of the Atlantic. This is true in the military area. If the prevailing opinion in Europe were to be that any physical threats in the Persian Gulf would essentially be a matter for the United States to take care of, then the Americans would handle the contingencies and provide the means by which to deal with them. But to the extent that these matters are a subject of joint consultation - even if it doesn't necessarily mean direct European military involvement - I think the European voice will be very much listened to and indeed sought. I don't know anyone in this country in authority or of any significant political resonance who has any desire to approach the problems of the Persian Gulf on a collision course with the Europeans.

The overwhelming preference in this country is to seek to deal with these problems, at least not at cross-purposes and, wherever possible, in harmony. The extent to which European views are heard and acted upon, and European interests are weighed and understood, depends on the degree to which the Europeans want to be involved. I agree with you, the Americans are open to European involvement.

Just one final point on this: there has been an unnecessary dissonance in regard to the Arab-Israeli matter. There is a general sense in this country that the Europeans went off on their own with their so-called European initiative. The matter has been exaggerated. In Europe there is an impression that the Americans are unduly influenced by a part of the American electorate in dealing with the problems of the Arab-Israeli dispute - namely by the Jewish vote. In fact, that is not as much the case as is frequently thought in Europe. In general, it is not constructive for the Americans and the Europeans - and in this case the Europeans collectively - to be on a different wavelength on the matter of the post-Camp David process in the Middle East. I would hope that we will do much better so that, at least in public, we don't have the kinds of dissonance and discords that we have seen in the last several months.

Rovan

There wouldn't be a strong public opinion in France against intervention activities in the Middle East or in Africa, as long as this did not result in a breach of understanding with our allies.

The instabilities of Western European countries are not only due to material and economic questions. But we are pushing away the experience of having lived under dictatorship and are forgetting the spirit of our past resistance to totalitarianism. This is partly an effect of the change of generations, but we must try, as long as we can exercise some influence as public opinion, to explain why resistance

becomes necessary and how the spirit of Munich leads into the choice between "collaboration" and resistance.

Hoffmann

If I may put on my half-European hat for a minute, I found Mr. Sonnenfeldt's reply perfectly exasperating. I had the impression that he was saying that Europeans will be highly welcome and will be consulted as long as they agree with American policy. He gave us the example of the so-called European initiative. One of the most important advantages this Alliance has is that it is pluralistic. From time to time if one member of the Alliance thinks that another one is brilliantly engaged in a dead-end, or makes a mistake, it should feel free to say so. Incidentally, the United States always felt very free to tell some of its European allies in the 1950's that they were making dreadful mistakes in their handling of colonial issues. I think this was perfectly right.

And in an area which is even more important to Europe than to the United States - as the Americans constantly reiterate - why should the Europeans refrain from making suggestions which are to a very large extent complementary of what the United States is doing? Every American official involved in the secrets of Camp David realizes that the thing is, if not dead, at least paralysed for quite a while. I think it is very bad for both sides if each time the Europeans take an initiative which consists not merely of criticism, they are told that they are interfering with the supreme guide. And I think it is not the best way of repairing the Alliance if the Europeans are taken into account only on condition that they put their money exactly where the United States wants them to put it, in other words as long as they accept the main thrust of American policy.

You said in the first part of your statement that clearly when there is an area of instability in the Third World which threatens to spill over, the United States will look at it geo-politically. I am tempted to say "amen". But the word geopolitical, which has become a kind of passe-partout, can be used in different ways. Just because in certain areas - let's invent an area, let's call it Namibia - the Europeans differ from the American approach, this doesn't mean that the Europeans don't have geo-political concerns too. They don't think that the United States has found the best way of handling what we call geo-political issues, which might be exploited by the Soviets.

So I don't think that it is as easy as you suggested to settle the issue which we all have been discussing in innumerable US/European meetings, namely how best to organize the division of labor.

Sonnenfeldt

There is a certain element of caricature under this half-European hat.

I take it that the American Government at the time was not particularly enthusiastic about the so-called European initiative in regard to the Arab-Israeli matters. I think the Chancellor obviously knows a lot more about the status of this particular operation than I do.

Schmidt

I am really safe on that point!

Sonnenfeldt

Other concerns seem to have made that initiative perhaps a less vigorous one than it was last fall. Plainly the United States is going to be happiest when it finds that its European allies and partners agree with it. And the European allies and partners, to the extent they have a common position, would be happiest when the Americans agree with them in certain respects. That's why I said we have to find means to talk to each other about this in ways where we can, at least, understand our disagreements and not operate at cross purposes.

You mentioned Namibia. There is, in this new American Government, a somewhat different view concerning the best way to proceed. The same applies to the South African problem. That is, in part, a reflection of substantial American public opinion on this matter - at least the public opinion from which this Administration draws its support. European political currents, in some places at least, run in different directions in regard to South Africa, and also in regard to whether you proceed to the UN-ordained elections in Namibia, or whether you first attempt to achieve certain guarantees of minority rights in Namibia. That seems to me a soluble issue, if government officials with authority get together and attempt to work it out. This need not result in unilateralism.

I hope this is also true for the Middle East issues, be they Arab-Israeli ones or the security issues in the Persian Gulf. In fact, there has been a division of labor between Americans and Europeans on many aspects of Persian Gulf problems, and this has on the whole been valuable. Some of the Europeans have been able to deal with the Iraqis in the last six months, and this has been constructive and positive for all our interests. We were not in a position to do that, even if we judged intellectually and politically that that was the way to go.

So I see no point in attempting to sharpen this particular issue by saying that the Americans will consult only if everyone falls in with the American view. That obviously isn't the purpose of consultations. On the other hand the same ought to apply to the Europeans individually and collectively.

Kaiser

I think the days are gone when we had arguments in the Alliance about strategy, troop stationing, and such things.

Sonnenfeldt

We still have those arguments.

Kaiser

Yes, but the subject of the Alliance is one of extreme importance in Europe and you know it puts a load on the capacity of the people to deal with it.

Schmidt

As regards consultation concerning the Gulf, I would like to point to the fact that just as Saudi Arabia and others living in that region, we Europeans learned of Camp David by radio. It was, of course, under the previous Administration, but to speak of consultation would be rather a caricature!

Nevertheless, when we saw the situation in Iran, Iraq, Afghanistan we Europeans, at least we Germans, did something which we thought was essential: we put great lots of money into Turkey in order to help them economically and we also sent quite a bit of aid to Pakistan, more than others.

Now I would like to give you a case outside the Middle East, where I think the United States should put its money. I was rather dissatisfied with the remarks of Professor Gutowski and Professor Schiller and their economic recipes for the Least Developed Countries for instance, or as for the whole of Latin America.

On the other hand you may well be right that in order to avoid deep depression in the industrialized parts of the world we might have to get back to a previous policy situation. What would it help in Uruguay or Paraguay or Chile? What would it help in countries of Central America? This is another region which is bound to become dangerous for us and for the USA. If we cannot help to give them some economic and social outlook for the future, some expectations with a degree of reality to them, it is an area in which Communism might easily become stronger and Soviet influence might easily become greater.

I believe in regionalism, politically and economically. Why not set up a little Marshall Plan for those countries south of Mexico and north of Venezuela?

Sonnenfeldt

We have one for El Salvador!

Schmidt

Yes, not just for El Salvador, but for the whole Caribbean and the countries in Central America. There are not so many people living there, 20 or 25 million. Some of them are not too badly off and don't need too much help. Others need some help. Why don't you give them help together with Mexico and Venezuela? Let these two countries supply them with a little oil cheaper than on the world market, which they would be willing to do, I guess. Give them a little Marshall Plan but only on one condition: that they do not accept weapons from the Soviet Union or from Cuba. Thereby you show the Third World that you have an understanding for their wish for independence, for non-alignment, and that you nevertheless wish to help them economically and thereby perhaps create a little zone of some 14 or

15 little states. Give them the feeling that there is a prospect for them economically and you might save a crucial region of the world from the spread of communism, and that means Soviet influence, in the future.

As regards the Gulf, I think it's not so easy to shield the Gulf States or other states in that region as long they themselves do not want to be shielded. It is more complicated than it seems to be.

Sonnenfeldt

With regard to the Caribbean and Central America, I have long been an advocate of what the Chancellor said. The United States and Canada have particular interests in the area, and so do Mexico and indeed the Europeans, and would be willing to participate in a variety of economic and other programs in the area. There is a great deal of disenchantment with foreign aid, but this isn't a mean-spiritedness on the part of the American public. There is a real perplexity about what foreign aid in all its manifestations has contributed to stability or peaceful change or development in many countries.

There are legitimate questions about the efficacy of the kinds of foreign aid programs that all of us have been conducting - in our case since the Point-4-Program in 1948 which started the Third World programs. It is a real political problem in this country to advocate Marshall-Plan-type operations even of relatively small magnitude in a region such as Central America and the Caribbean.

It's proven possible for political reasons for the new Administration to do something for Jamaica. That's a good example of what is feasible in the American public mood at this point. There was a political shift in Jamaica that enabled the United States to participate in economic programs and has made it possible for the Jamaicans to work out their relationship with the international financial institutions.

As a general matter, I would say this is not a season in which Marshall Plans are going to get very far in the American body politic.

I make only one additional comment: not all American economic technical assistance programs should be judged by our foreign aid programs. Our Export-Import Bank still has the largest exposures in Latin America, and our private investment in certain of these countries is very considerable - indeed so much so that our banks are in serious trouble because of the indebtedness of certain of these countries like Brazil and some of the others in Latin America. There is, in fact, a considerable transfer of funds and wealth by American private institutions going on even though the public climate and the Congressional climate is not receptive to these kinds of programs at the moment.

Kaiser

Has the "Europeanization" of America, which has been taking place since the New Deal, stopped? Has that trend reversed itself in a way that is more than transitory? In other words, are we adding to the list of divergencies between Europe and the United States the possibility that we maybe following different models of how to organize our societies?

The subject has a consequence on foreign policy - may I remind you of a remark made during this Administration: if the Europeans are going to have trouble with their defense expenditure, then they might as well do something about their welfare system, and shift resources from welfare to defense.

Smyser

It is an historic truth that in the United States, Government is always regarded with more suspicion than it is in Europe; this is part of the American tradition. American heroes are always labelled as being anti-state, unlike the villains, who are usually with the State. That is a fundamental difference.

The other part of it is a matter of phasing. There are different phases which countries have gone through and I have had the impression, when travelling in Europe over the past few years, that there are many people there - as in the United States - who think that the role of the state should be reduced. In the United States right now we have a very strong shift in favour of reducing the role of the state in certain functions. I am not predicting that this kind of shift will be followed automatically in all European countries, but it would not surprise me.

Doty

The model of US political society is one in which perhaps half of the electorate moves back and forth, attracted by one minority wing or the other. The coalition put together by Roosevelt succeeded in

grabbing the mobile center for nearly fifty years. He did that by coalition-building on a grand scale. What is absent at the beginning of the new Administration is the emphasis on coalition-building, and instead, an emphasis on introducing a new loyal regime. I presume the new Administration expects that its performance over four years will win enough of the electorate to have the same outcome. So its success in these next three years is crucial because it is not doing coalition-building in the Roosevelt sense at all.

Shils

It must be said that all of the Western societies have moved towards greater "governmentalization" - towards the enhancement of the central power which has achieved a great deal but which has not been wholly successful in promoting economic growth and full employment. It has been these two objectives which have been used to justify this growth of governmental powers. The third objective of the concentration of power in government has been social justice or equity and it is for their failure in this respect that governments have been bitterly criticized. Thus even the proponents of the concentration of power in the centralized collectivistic liberal state have not been pleased with it.

In all of these societies- perhaps a bit more pronouncedly in the United States recently - there has also been a movement against the central power. The present British government also tries to move in this direction, perhaps not very effectively so far. The election of the present Conservative government in Great Britain was evidence of dissatisfaction with the concentration of power in government. The dissatisfaction is very widespread. In the electorate at large there is increased dissatisfaction with the costliness and burdensomeness of the concentration of power in government; much of the electorate still believes in the desirability of such a concentration and many intellectuals would have more of it.

Before we started this present session, Mr. Kaiser said that there was a difference between Europe and the United States. In Europe there is contestation, and contestation is evidence that there is a disrespect for governmental institutions, and disbelief in the adequacy of government, and in the moral reliability of government. But this is exactly what we see in the United States.

Even in West Germany where you have attained a fairly high standard of integrity, reliability, and responsibility in the government, there is a considerable amount of demonstrative opposition. This is not as wild as it was a decade and a half ago but it really exists and it acts through usually lawful manifestations showing lack of confidence in the efficacy and good will of the government. For the time being the "Green" party has drawn together many of these discontents.

There is a great contradiction here. All of those who are protesting against governmental power expect government to use its powers even more. That is a striking and fundamental antinomy throughout all Western societies: to desire omnipotence by governments and at the same time to denounce them. It is characteristic of the American educated class, and it is true also for the British and the Germans. It reaches out everywhere. An idyllic utopianism is proposed not as an alternative to governmental power but to be realized through the use of governmental power to collect revenues and to redistribute income. Emancipation from the bonds of tradition and family, the location of the center of each individual's existence in his own desires and pleasures and in his own conscience is combined with a desire to see a strong government regulating the economy, collecting revenue, redistributing goods and services. Most politicians are caught between these extremes of public and intellectual opinion and for reasons of tactical prudence or because they share these opinions, they attempt to gratify the demands. But the demands cannot be gratified because governments are not omniscient and resources are scarce and traditional values of family, country, work and religious belief are still strong.

The United States has recently been attempting to moderate the pressure of the collectivistic liberal, governmentally centralized and emancipationist demands. There is a similar trend in the European countries, too. It is true that there is some divergence between the United States and Europe but this is not as great as the distortion and deformation propagated by progressivistic anti-Americanism in Europe.

Dahrendorf

I would like to find out a little more about this so-called great change in this country. Is it really as great as some people have said here? A quarter of the adult population have elected a president who is lawfully governing the country, and another quarter have decided not to vote for him, and nearly half haven't voted at all. There are great shifts in the composition of Congress. But all these statements about fundamental changes are not, in themselves, terribly impressive to someone who has watched this country over the last two or three decades.

I agree with those who say that the question of the role of the state, and in particular of public expenditure, is exceedingly important in a number of European countries as well. Probably not in France, but certainly in Britain. In the last German election campaign the opposition forced the subject on the Social Democrats and the Free Democrats, and turned it into one which continues to be discussed very widely. Government feels on the defensive and somewhat apologetic if it cannot prove that it actually changes the direction in which it deals with public expenditure.

So this is a very widespread tendency, but there is one important difference between the United States and the European countries and of course that's part of the British problem - and that is the character of the social entitlements. The fact is that you cannot really touch most of the fundamental entitlements, and you suddenly discover that this kind of social policy is a stimulus to the economy. In the meantime it costs you eight billion pounds a year for unemployment benefits because nobody could touch that particular entitlement. So the entire income which Government gets from North Sea oil actually goes into unemployment benefits, which is a comment on the kind of welfare state which European countries have. I may be wrong, but I have a feeling that this sense of entitlement is not quite as widespread in the USA.

My second point is: here we have an area of real conflict if the view should prevail that readiness to participate in the common defense effort is to be expressed primarily in terms of more public expenditure. That was an exceedingly important statement which the Chancellor made when he said that in the first instance you need soldiers, and they have to be trained and so on, and money comes right at the end. The reasons for these statements are quite clear and I would agree with it at this point. But it is not a problem we have resolved, and it is one where we are going to run into the most enormous difficulties. It is just not possible for governments to embark on a systematic process of cutting public expenditure and at the same time to avoid reducing many of the basic social entitlements and yet to increase defense expenditure. I believe that is likely to be the most explosive issue on the agenda of Western discussions in the next few years.

Hoffmann

I just want to reinforce what Ralf has just said. First of all in the case of the United States, to talk about the omnipotence of the state is going a little bit far. When it comes to social services the United States still has a long way to go by comparison with Europe. In all of the West European countries, whether their governments are conservative or not, it is impossible to cut out the heart of the welfare system. In the United States it is a fact that considerable amounts of social programs can be cut and are being cut with the consent of Congress. While there are some protests of liberals, it doesn't exactly provoke a major revulsion in the country for even a minute. Everybody seems to be saying: well, maybe one should even try to cut more. There is this marvellous mood of unanimity in a sense.

No government in Western Europe could even begin to suggest anything comparable. France, for instance, has had a rather conservative majority in power for the last twenty-three years. And yet if you look at the figures, the weight of the state has increased, the amount of state expenditure has risen. During the recent relative French recession, the development was exactly the same as Ralf described for England, with an enormous growth of unemployment and other forms of compensation, and no government could cut these. Needless to say, the new one isn't very likely even to try. In this respect there is quite a major difference with the United States.

Craig

Talking about attitudes toward the state is always awkward in this country. There was in St. Louis in the 1860's a Hegelian Society that was founded presumably to spread the popularity of the concept of the state here, but it didn't get very far.

Beloff

I am afraid that we have run into the usual danger of confusing two quite separate issues: the strength of the state on the one hand, and the growth in the state on the other. Any suggestion that the British State is a strong state is complete nonsense. At the present moment it is an extremely weak state in the sense that power is vested - as current events during the last two years have shown - in the enormous corporate organizations of producers. This means that group solidarity is so great that the state can only manoeuvre in theory and without putting its authority to the acid test.

The difference to the United States is that there is not the same degree of corporate solidarity among Americans. The language of the United States is an individualist language in a sense in which the language of the United Kingdom - and I suspect that is also true of most West European countries - is

a collectivist language. Therefore the American State is a much stronger State than that of the United Kingdom or most of Western Europe. For example, the attempts of President Reagan to change the balance of the budget, and the other measures against social welfare would be really impossible for a British Conservative Government even with a party majority.

Stern

On the question of the reduction of entitlement in America we must remember that the results are not in yet. That is to say, a budget has been partially passed but the effects are not yet clear. What will happen when those results hit large groups of population, including millions of students? It could have any number of effects. I am not entirely persuaded that there is all this great mood of confidence in our country, though there may be a mood of assertiveness in international relations. I am not at all persuaded that the general confidence in economic matters here is any stronger than it is in Europe.

Kaiser

In talking about the role of the welfare system and of its potential relationship to defense, there is one very important difference. In Germany the question of social security and welfare is seen in an East-West context which does not exist here.

Sonnenfeldt

You see everything in an East-West context over there!

Kaiser

In a country like the Federal Republic, with the element of competition between systems, the question of unemployment or cutting social services has a very different meaning compared with a country that is far distant from the other system. The issue of unemployment in Germany is becoming increasingly important and has taken on a dimension that would not be possible in the USA or Great Britain or France. We could not have a Communist Party the size of that in France without implying a deep political crisis in our country.

Schwarz

It was mentioned that our highly-developed legal system of entitlements in Germany is much more inflexible than in the American case. The scholarly discussion on alternatives to the present social security system is much less developed than in America.

In my opinion the main reason is the Party System. In Germany there is a system of two blocks of parties, all more or less centrist parties, center right or center left. All these parties give merit to the idea of the Welfare State and, in addition, there is an electorate with turnouts of 80 - 85 per cent at elections. This makes the real difference, because given an electorate which votes in such great numbers, all the millions who have vested interests in the welfare system are decisive. With these small margins between the two blocks you can't move much. Thus the laziness of the American electorate is a blessing in this respect, whereas our very good electorate is an obstacle to all deep change.

Novak

Even if we were all Americans at this table I would argue that we lack a theory about ourselves. We still tend to understand ourselves in European terms. That is all the more marked in this discussion. The minute we raised the question of the state, the minds of everyone automatically turned to welfare in quite dramatically socialist images.

I would dispute, for example, a sentence by Lord Beloff about Americans perceiving themselves in individualist terms. On the contrary, I think the terms in which we understand ourselves are neither individualist nor collectiv-ist. I would use the word "associative". We are extraordinary joiners. Almost all of us work for corporations of one sort or another. Only something like ten per cent of the workforce is self-employed. And, typically, Americans meet in committees. We spend so many hours in committees, that some people have ventured we work at two different jobs: one, the job we work at, the other, the meetings we attend independently of those jobs. So we are an extraordinarily corporate people, but not in the images of socialism.

Secondly, we talked about grievances against government. I think they are not so much directed against the welfare functions of government, but against a central authority which makes decisions over a large continental range, of vast variation. These variations are regional, demographic and cultural.

There is also great mobility. About twenty per cent of the American people move every year or every two years. (Incidentally, when you talk about our voting rate, you must count that in. A great many Americans in any given election simply are not eligible to vote. And this is precisely among the class most likely to vote - they tend to be the most mobile.)

The antagonism towards the Government is very largely due to the fact that so many decisions are made in a centralized forum. These regulations may sound absurd or crazy the minute you get to Iowa or Louisiana or Wyoming or some other place. The circumstances culturally, regionally and occupationally, in weather and everything else, are so much different. It is the absurdity of government that bothers people, not its compassion, its goodness, its "safety nets". In fact, you will see great passion in this country for those benefits which people are glad that their parents have - social security, medicare and the rest.

So much of the worry about illegality, cheating, and so forth, has to do with the highly mobile population. People don't live in the same neighbourhood, the same house, for a very long period of their lives, and all kinds of people could come in and out of a welfare system with none of the ordinary ways of preventing abuse. Our continental variation complicates the task of government; so does our mobility.

Finally, in talking about the nature of the present "revolution", I would like to venture what perhaps sounds like a strange theory: President Reagan has put together Franklin Roosevelt's coalition, or is in the process of doing so. He is putting together a coalition of Southerners, Catholics and Jews. There are three fundamental insights here which he is building on: firstly he is in favor of growth - that is an old Democratic Party idea. (You have to remember he was a Democrat.) Secondly, he favors individual merit rather than group entitlements. We have experimented with group entitlements for the last fifteen years and a growing number of people think that individual merit is better. That used to be an old Democratic Party issue too, and is very important to Catholics and Jews, in particular. Thirdly, he believes that US military power is a crucial element in establishing world peace and justice, rather than being a menace to them. And a significant wing of the Democratic Party believes the latter.

Joffe

No less a luminary of the Democratic establishment than Tom Hayden has complained that the Reaganites have stolen the main "flags" of the Democrats: economic growth, patriotism and military strength. It's true.

Siebert

Mr. Dahrendorf and Mr. Sonnenfeldt spoke of the new mood, a real conservative trend in the United States. I do not believe it. The Americans are too pragmatic. They are fed up after three years of double-digit and ten years of a nearly eight per cent average inflation rate. Many profited from the inflation, and they tried for too long to avoid belt-tightening. Now they want fast solutions. That is the reason why they have changed horses. Just put in another team: give it a chance. I bet there will be another change in three and a half years if the rate of inflation is still ten per cent, and the Russians are still in Afghanistan. Look at last Tuesday's election when Mr. Hoyer, a Democrat in Maryland, won big because many people are already thinking twice about the cuts in social services and the magnitude of budget deficits which still exists.

Mosbacher

I would like to emphasize that there is nothing monolithic about the United States - neither geographic nor in ideals. There are those who are giving the Reagan Administration a chance simply because they thought that there was a tremendous need for a change; there are those who were true believers. As you go West you can see that the population is more individualistic and certainly not monolithic. It is more optimistic, more positive about the future, although I think the whole country has changed from the innerlooking trend - that is generally something of the past. It may come again in the future, perhaps it should.

The country in general has a more positive attitude and there is a building-up of a feeling of confidence and of potential leadership. The priorities of budget and inflation cloud the idea of

international concern. I think that is as true in Texas and Colorado and California as it is in the East. But there is, without doubt, a strong feeling that the United States is totally committed to world involvement.

Schiller

Professor Kaiser said that social questions are part of the East-West debate in Europe. They are not at all here in America. The most striking thing here is that you have all kinds of contacts between different social groups, between different people in leading positions in industry, in military fields, diplomats, but you would have a hard time finding real contacts to workers' movements. It was perhaps two years ago that the word "codetermination" was first mentioned; some people were interested in it, but not really. Then came the time when Chrysler was in great trouble, which it still is, and the President of the United Automobile Workers' Union, Frazer, was moved up to a chair on the Board of Directors, a fact which has only been noticed in small circles in this country. But I doubt that the majority of workers are so much interested in having these kinds of changes as are German workers, or European workers in general. Social structure in Europe is a consequence of ideological findings since the late nineteenth century, as everybody knows.

Americans do not like to be structured in a way the state would prescribe. They are adjusting to new conditions, mostly in a way they would not like to recognize. Everybody says today: "We have too much state." I have just come back from Texas, where there is an influx of millions of illegal Mexican workers, and nobody can deal with them. The State Court of Texas, at the same time, states that the children of illegal aliens have the right to public education. This is a contradiction: on the one hand, nobody likes to bother with this problem, on the other hand there are forceful adjustments made by the courts and by other offices.

So we have to look very carefully at what happens in this country and have some patience. I do not believe we are terribly drifting apart, which indeed would be the biggest problem for the Alliance if it happened.

Shils

The organizations of the labour movement in the United States might be relatively more isolated from the rest of American society than they used to be, but they are not all that isolated. The organized trade union movement embraces only about one fifth of the gainfully employed population and their traditional adherents in the industrial or manual working class are relatively a smaller proportion of the population than they used to be. Nevertheless, the trade unions still enjoy much loyalty and they have much influence. The intellectuals do not care as much about them as they used to and they are therefore not as favorably treated on press and television as the "minorities". Still they have a powerful role in the economic life and in the political life of the country. They have a big lobby here in Washington and they are a very important locus of anti-Communist, anti-Soviet sentiment. George Meany, the President of the CIO/AFL followed these ideas faithfully and so does his successor, Mr. Lane Kirkland.

Smyser

I have often stressed to Europeans who ask me what they should do when they come to the United States: "For heaven's sake, get on the other side of the Alleghenies and Appalachians!" There are many attitudes beyond the East Coast which are very different and which, particularly as our population is shifting, will become politically more relevant to relationships within the Alliance. I have spent the last six months dealing with very large programs in which many Americans are involved. They reflect what Mr. Novak described as the "associated state": their churches, their communities, and the like. The amount of volunteer work that people perform in this country - especially but not exclusively beyond the Alleghenies and the Appalachians - is absolutely astonishing. This is not, incidentally, contrary to what one says about individualism.

Dahrendorf

It is individualism!

Smyser

That's right. People feel they are in an association of equals. It is not necessarily reconcilable with the desire to be run by the state. And it is fundamental to American attitudes.

There is one final point I'd like to discuss. We have to make a distinction between two elements that came out of the 1980 election: one is indeed the question about the role of the state, and on this it can well be, as some here have argued, that there are going to be disputes. But another important element that came out of that election was the desire to increase American defense readiness. And on that particular point there is wide agreement across the board within many elements of the American political spectrum.

Joffe

Michael Novak raised a very important point for comparing the societal trends in Europe and the U.S. in the 1980's. The point about the associative culture is particularly relevant. It is not actually a very new one - that's what struck Alexis de Tocqueville when he came here. It means that in this country, society has always been and remains stronger than the state whereas, for instance, in Germany it seems the other way round.

Let me give you an example. Something like a "Reaganite revolution" does not run a very good chance in Europe or at least in Germany, precisely because society there is not strong enough to break the heavy grip of the state on institutions which in the U.S. would be quasi-private. Take universities, for instance: it is impossible to "destatify" or to take out of the state's hand even a small part of higher education. It is impossible to establish a competing private university system in Germany.

Another point is a paradoxical one. Take the surge in citizens initiatives in Germany: society seems to be getting more active. But these groups, in trying to protest against what the state is doing, end up by strengthening the state. What do they do? First of all, their claims are generally addressed to the state, and what they ask is not "less state" but the intervention of the state for this or that end. Secondly, how do they do it? They go to the courts to press their claims. That, in the end, makes courts the arbiters, and the courts are, after all, part of the state. The state, as a result of both strategies, is strengthened.

Dahrendorf

I should perhaps say to Mr. Joffe that we not only have the founder principal of a private university in Britain with us in the person of Lord Beloff. Also my own institution, which was ten per cent private when I came seven years ago, is now fifty-two per cent private through Government policy.

Joffe

I was referring to Germany.

Rovan

The point has repeatedly been made that it is difficult to speak on common terms in Europe. I felt that Germany and the United States are much nearer to each other than to France. In France for the large majority of the nation, the state is still an object of veneration and of fear and is certainly seen as an entity entirely different from society.

I may cite an example which is quite enlightening: one of the first things Mitterrand did after being elected was to change the way in which the Marseillaise is played at official meetings. Giscard had switched over to a new way of playing the Marseillaise and Mitterrand made the decision to come back to the Berlioz version.

But coming back to a more important point I would say also that nobody in France thinks of state in terms of welfare, but rather in terms of planning and direction of the whole of public life. And this viewpoint is quite different from that in Western Germany or in the United States. There are certainly forces in France which have tried to think up quite another scheme but I don't think that they will have much success.

There is certainly neither in Germany nor in the United States any institution like the E.N.A., a single school which not only dominates all the main positions in the public Administration but also plays a major role in the Government and in all the phases of responsibility for all the public non-state economic services and even more and more in the direction of private economy. If you study the list of the new Government you will certainly find more graduates of the E.N.A. than were in the former Government. This is something you have neither in the Federal Republic of Germany nor in the United States of America.

So when speaking of the relations between state and society and of the possibility of making other policies, it is certain that even the president of France cannot do everything here, but he can do more than any other government in Western Europe, and perhaps he can do even more in some fields than the American president could do. If there is a common problem it would be: how can common consent be gained for government actions in a free society, whatever the powers and competences of government may be, broad or narrow.

Kaiser

We have left over an important subject, namely the attitude of those - notably in the younger generation - who no longer share basic assumptions with the administrative and governmental elites who deal with foreign policy. I am referring to certain movements of pacifism, withdrawal, and protest that go beyond purely domestic issues. We should examine the origins and the differences in different European countries. Why is it that these movements do not exist in the United States in this form? What are the implications for the Alliance, in particular with regard to the central issues of East-West relations? This is related to the nuclear weapons issues, to arms control, etc.

Craig

Somebody said that one current weakness of European governments was that they were opposed by the young people, particularly of the university generation. This is less so in this country at the present time. There has been a strong reaction against the mood that we found back in the sixties. It's interesting that at present there is among the students I see out in California a much greater interest in studying about government, particularly about international relations, and actually in seeking jobs in government. This was simply something that did not exist ten or twenty years ago.

Stern

You are quite right that the students are much more open to government jobs, and indeed to all sorts of economic opportunities, for pragmatic reasons. That is very different from training a political class, so to speak. We are not doing this because of a certain "déformation professionnelle" as far as academic disciplines are concerned. The way we define subjects or even education generally makes it harder for us to promote even the idea of a political class. The other reason is that the whole culture, in a sense, shies away from that kind of thing.

Schmückle

I think America is giving at least the impression of self-confidence. In Europe on the other hand I see an increasing lack of self-confidence in many countries, particularly in Denmark, Holland, Belgium and also in Germany. That is a matter of concern because without self-confidence deterrents cannot work effectively. Self-confidence is a very important element in our peace-keeping system. The reason for this situation, as I see it, is that there is not enough confidence in national defense, because our defense measures are, in some countries, insufficient and there is not enough public understanding of the functioning of NATO.

Secondly, there is a credibility gap between the political leadership and many sectors of the youth in European countries. These young people in Germany, for instance, are looking for new kinds of policy-making with trends towards one-sided disarmament, peace without arms, and neutralism combined with a certain anti-Americanism. I would call it left-wing nationalism, which is a kind of separatism. That does not mean reunification in the classical style, it's more the idea that West Germany should loosen its links to America, and that East Germany should loosen its links to Moscow and then in the center of Europe we would have an island of freedom without arms - a real democracy.

You will say, and with good reason, that is all Utopian, but this is an element of politics in Western Europe. It is very cleverly exploited, as I see it, by Soviet propaganda to misdirect these idealistic feelings of young people, to take advantage of this peace movement, with the aim of manoeuvring America slowly, step by step, out of the Western European security system, and of replacing American influence with an increasing Soviet influence.

What can we do about this? I think on both sides of the Atlantic, we should avoid misleading arguments in our policy, for example, the American idea of an offensive strategy. We cannot sell this word to the public in Germany or in Western Europe. We must stick to deterrent strategy. It is clear that we military men have to prepare for a war-fighting strategy, too, but I believe that in America too much is said about this too often, with a disastrous effect on public opinion in Western Europe.

Secondly, we should honestly start to take a more rigorous attitude towards arms-control proposals. I see the difficulties for the Americans in trying to return to a strong defense posture and to combine this with arms-control proposals. But we did exactly this in NATO in December, 1979. It was the first step in the right direction. We said to the Russians: "If you eliminate your SS-20 potential in Europe, we need not have any Pershing or cruise missiles; if you reduce your program we will reduce our program; if you stick to your program we must execute our program." And we said: "At the moment, you have a superiority of one to six with a trend toward one to eight. When we have installed our Pershing 2 and cruise missiles you will still have a superiority of one to three!" This was a very fair offer in my opinion.

But we totally failed to convince the public that this would be a first step in the right direction and that they should support our governments in pressing the Russians to similar actions, that means preannouncing new weaponry before it is installed, and giving the lay-out of the weapons they have in mind. This could be a policy pursued by both sides. We missed a big chance for motivating public opinion in favour of this first step in the right direction - in all our countries. The result is that now in Germany, public opinion is not condemning the Russians for having installed 200 SS-20 rockets, but it is condemning the Chancellor and the Government for seeking an answer to this new threat.

A short time ago German union leaders told me that when they discuss these problems with young people, the young people are excellently armed with arguments against our policy of mutual balance and that they, the union leaders, do not have enough arguments. Here I see a real failure in our information policy. This should be changed. We must talk much more with the people, and we must give the right information to key people in politics.

I see another negative point in the last period: to a greater and greater extent Americans and Germans tended to enter into bilateral negotiations. Therefore differences came into direct conflict and were presented as quarrels to the public. This gives the impression that there is more trouble in NATO than harmony. I believe we must come back to using NATO as an ideal body to harmonize different interests. I agree with Stanley Hoffmann when he said that the mechanisms in NATO for this purpose are not good enough. Therefore I would propose crisis management bodies which can change in their composition from time to time. In any case the permanent members should be America, England, France, Germany and Italy, and the smaller countries should be represented by one spokesman, not more. Then we can make decisions in time, we can settle our differences, and we can avoid creating the impression that NATO is in a permanent state of internal crisis.

Adams

I would like to point out an even stronger sentiment among German youth. The basic question in the context of this debate is whether this magnitude of defense expenditures is really necessary. When we are told that two hundred or three hundred Pershing missiles are to be deployed in Europe, the question immediately arises: why not fifty, why not five hundred? What is militarily necessary? The job of explanation, persuasion and opinion-shaping has by no means been done well enough in West Germany. That holds true for the journalists as well as for the leading politicians.

The average German student has no realistic conception of how a major military conflict could break out in Europe. Their ideas are shaped by what they learned about the Second World War and maybe to some degree by the Vietnam War, where there was a clearly defined aggressor with territorial ambitions. They do not see that type of situation in Central Europe today. That is why they think the whole argument about the size of the military arsenal is somewhat irrelevant.

The second point I would like to address, is the issue of authority and credibility of "die da oben", the establishment. It is obvious that the period 1933-45 has had long-range social-psychological consequences. In Germany, thank God, the phase of "Vergangenheitsbewältigung", of coming to terms with the past, has by no means ended. "Holocaust" has just been shown on German television; Joachim Fest's film on Hitler came out only two years ago, and so on. Naturally, a young German has a much more negative image of his country's past than does an American. In intellectual history we speak of the "founding myth", which often accompanies and glorifies the political founding of a nation state. The average young American has internalized a very positive founding myth and a strong belief in the "American dream" of a free and just society. Exactly the reverse is true for Germany. The founding of the Federal Republic of Germany, however, invites a more skeptical than naively enthusiastic view of politics and human nature.

But a negative image of the past of one's own country has certain positive aspects. Practically the whole generation that was born after 1950, is composed of individuals who are not nationalists in the

classical sense of the term. These young people have a more global perspective, their idealism and sense of justice does not stop at the national borders.

My third point: the perception of the United States as a superpower naturally is a potential source of anti-Americanism. I keep trying to explain to my American friends that declaring good intentions is not enough. The United States may be damned by its sheer size and unintended influence on the rest of the world. But an elephant may behave more or less intelligently, he need not trample on his fellow creatures` sensibilities. An illustration of unnecessary clumsiness is yesterday`s vote by the representative of the United States government together only with Tchad and Bangladesh against the World Health Organization code that would have recommended the control of advertising for baby formula. This vote is one more example for the insensitivity of the superpower to world opinion. I think that the American government has a great deal to do to improve the image which its policies project abroad.

Mr. Novak mentioned American "associationalism". In Germany the situation is different. The young German is left to himself and his family to a far greater extent. He is less integrated in all sorts of associations. For student life this means that the radically left student organizations compete with far fewer middle-of-the-road and a-political organizations than they do in America. There is practically no student housing in Germany. The whole campus life that helps to socialize young Americans and to integrate them into society does not exist in Germany.

My final point is the issue of inter-generational injustice. One`s chances in life are to a certain extent determined by the generation of which one is a part. Many of my students say, "well, I won`t get a good job anyhow". As a consequence they simply serve their time without much personal engagement or sense of direction and purpose. Much more needs to be done to integrate these young people in our societies by offering them meaningful jobs. That would have a profound influence on their whole attitude toward governmental and other authorities.

Billington

It seems to me that the problem of youth is, in many ways, the Europeanization of a problem that America, to some extent, invented. So I would suggest that it is a common problem that binds us rather than separates us. We have a kind of common culture here, that television and jet flights and youth-fares and various other things have created. We are going to have to deal with this jointly. It also occurs to me as I listen to the elegant analyses of these problems that sometimes the explanations are much more simple. In brutal terms, they are all spoiled. And this is a problem we, as parents, now have to face!

The most profound change that has occurred in the educational system is the one that the critics of the young talk about only very inarticulately, and those who are educating the young prefer not to talk about at all. And that is that the educational system in America, which once had a very strong component of imparting not only cerebral technique but inherited values and tradition, has simply renounced that function without realizing it or even acknowledging it. Most of the educational institutions were founded by religious bodies and have had a strong sense of imparting a particular version of the Western Tradition, of shared values.

What has happened is that when the American establishment diagnosed the crisis of the sixties, they wanted just to end the crisis rather than to solve any of the root problems involved. They therefore hired a large number of crisis-managers to run universities, whose techniques were in labor negotiation or in various forms of sophisticated economic analysis. As a result, you do not have central role-figures in any of these educational institutions, anyone who basically views their function as imparting shared values. You have management rather than leadership, which is a problem not only in federal but in university bureaucracies, and this is a deep problem for the students, both here and in Europe. The problems and the opportunities are common ones and will persist unless our educational system can find some ways of validating and standing for some kind of shared values.

I would submit that one of the important messages that the last two US elections have been triggering to the American establishment, is that this is a fundamental neglect. In various inarticulate but unmistakable ways, the American people has a value system totally different from that of the university/media complex. A recent survey indicates that there is a cognitive dissidence, a lack of communication here, and the American public knows how to trigger its message only through awkward forms of protest. These are almost always misinterpreted abroad, after being patronized and misinterpreted by much of the American intellectual establishment.

So I think we have a very serious problem. To a large extent, it is a shared problem because the crisis is not one ultimately of weapons or even of economics, it is one of belief and will. And both belief and will have eroded from the great North Atlantic establishment - on both sides of the Atlantic. Until we are willing to talk honestly and openly, not only about tactical questions, but about what we really believe and what we are willing to do and what we are willing to sacrifice in order to do it - which are the real questions of will - I think we are going to have great difficulty with a dialogue of this kind. We will simply risk recycling our confusion with ever-increasing elegance and with ever-decreasing resolve.

Schwarz

In Germany one must be aware of the fact that since the early 1950's neutralism has always been a very strong tendency. Since 1951 we have been conducting polls on this question. As you know, Germany is on the border of two military blocks, the Eastern Block and the Western Block. Some people think that due to the exposed position of Germany, it would be better to stay neutral like Switzerland instead of belonging to the Western Alliance.

In the past year, the question has been modified somewhat to: "Would it be better to have good relations with the United States or with Russia or to stay neutral?" The number of those who opt for the Russians has always been negligible. But since 1951 there have been two strong camps; one giving the answer: "We are in favour of a strong alliance with the United States," and another calling for neutralism of some sort.

I don't wish to bore you with figures, but it is quite important to realize that neutralism, since the very beginning of the Federal Republic, has been one of the main currents of our political culture. For example in 1951, at the height of the Cold War, the pro-American sentiments in the polls were 39 per cent compared to 48 per cent of Germans favouring neutralism. In 1961, when the Berlin-Wall was erected, we had some 55 per cent pro-Americans compared to 42 per cent neutralists. There was no great difference between young Germans and the electorate as a whole.

In 1967 after the race riots in the United States and during the Vietnam War, the neutralists got 57 per cent compared to 42 per cent pro-Americans. And today - after Afghanistan - there is an overwhelming majority of pro-American sentiment. According to the last poll I know, taken in the fall of 1981, the pro-Americans went up to 56 per cent compared to 34 per cent calling for a sort of neutral stance in East-West relations.

All these figures are debatable on methodological grounds but there is a certain tendency. First, in the electorate at large, there is considerable instability with respect to this fundamental orientation in East-West relations, and the entire Soviet attitude is very strong indeed. But those who are opposed to the Soviet Union are not quite clear whether they should opt for a strong pro-American attitude or for some neutralist position. The second observation one can draw from these polls is that the changing moods are due to the policies of the United States and of the Soviet Union. And the third conclusion is that the leadership exerted or not exerted by the German Government is all important.

Let me just add another result of more recent polls taken in the fall of 1981, nine months after the Soviet intervention in Afghanistan, which show a quite paradoxical attitude on the part of the German public. 80 per cent were in favour of strengthening the alliance with the United States, only four per cent opposed that. At the same time, 78 per cent were strongly convinced that it would be equally important to pursue détente with the Soviet Union. In the same poll, 56 per cent were in favour of a neutral position in case of a confrontation between the United States and the Soviet Union. This is quite paradoxical but it may have some truth in it.

You may remember that in the late 1960's Willy Brandt used to remark that Germany is an economic giant, but a political dwarf. Today, the German public at large has become much more modest with respect to economic giantism. But confronted with the dangers of the 1980's, the Germans, for better or for worse, show a strong inclination not to behave like the great powers, not even like France and Britain, who happen to have their own deterrents, but rather like dwarfs with somewhat paradoxical attitude toward superpower confrontations.

Hoffmann

What is happening now in parts of mainly northern Europe is not unique. If one looks at post-war history, one finds that there have been recurrent movements of this sort in different places at different times. One thing these times have in common is a sudden mix of security and insecurity. People who had felt, perhaps foolishly, secure suddenly become aware of a new element of insecurity, and

certainly very often this is due, I must say, to sudden American proclamations that the heavens are falling.

In this respect, I wish that Americans were sometimes more aware of the way in which ventriloquy sets in. If Americans go around the world repeating something which may be very useful in political battles in the United States, such as: "we are suddenly getting very, very weak", this may be accepted outside with completely different effects from the ones that were expected.

One can look at three episodes. The first was a kind of fling of neutralist sentiment. By sentiment I don't just mean a reservoir of neutralist feeling but rather a situation in which this reservoir turns into a political expression or force. This happened in France in the late 1940's at the time when the Atlantic Alliance was being discussed. These were the days, very long ago, when "Le Monde" was the expression of French neutralism.

There was a second episode among American students in the early 1960's. Before the student involvement in the Civil Rights Movement there was a kind of "Peacenik" Movement. It arose just at the time when the new Kennedy Administration talked about a missile gap, and explained that there was an urgent need for American re-armament. It did provoke, at least among a small part of the student body, if not an outright rejection, at least a reaction that this was the wrong solution to the problem.

I think there is now a third very big wave. There was, of course, the Nuclear Disarmament Movement in England and now there is a comparable wave. So it shouldn't be seen so exclusively as a kind of German disease. In the European case, geography makes an enormous difference. It is a terrible mistake for any discussion of European security to switch from the emphasis on deterrence to the emphasis on fighting a war, as General Schmückle has stated. For the Europeans, war under any form, whether it is conventional, or tactical nuclear, or strategic nuclear, mainly means destruction.

There is at present one country in which one doesn't find these signs of neutralism, France. French discussions of strategy in recent years, even when the Government (as around 1975-76) seemed to be shifting its policy a little bit, have always remained faithful to a doctrine of deterrence. When Giscard at one point seemed to be moving in the direction of discussions of defense, he retreated very promptly, and even though some measures were taken in that direction, the public discussion remained centered on the most effective forms of deterrence. I think this has to be taken into account.

There is another factor. The French have been saying, with typical arrogance - but sometimes they are right - that one of the reasons why there has been so little softness or neutralism in France, is that, on the whole, they have had their own strategy. And I can't help feeling that one of the effects of the structure of NATO, after 30 years, is to give people quite wrongly the impression that NATO is essentially an American institution, that the decisions are in the hands of the Americans; in fact, even the new missiles which are going to be deployed will ultimately depend on an American finger on the trigger. Especially in the smaller countries, but also in Germany, there is a feeling that things are out of their hands altogether. This is a bad thing.

The old Gaullist argument that a nation will be responsible only if it feels that it has something to say about its own defense is a very important point. Even if the French nuclear force is partly fake, this is not, in fact, the issue. Whether it's fake or not, we will discover only on doomsday, by which time it will be a bit late to write articles about it. But in the meantime there is a certain sense of national responsibility in the discussions, and if there is, particularly in countries like Denmark or Holland or Belgium, a sense of wanting to opt out, it is connected with the feeling that, after all, these matters are not decided by us anyhow.

There is an American responsibility, not just on the public relations level but on a substantive level, in taking seriously into account the kind of European compromise of 1979. It is only if the United States gives the impression that it still believes both in the strength of deterrence and in the need for arms-control that the crisis can be resolved. I know that there have been misgivings about arms-control, but for the average European it means a chance for restraint in what is indeed an absolutely senseless arms race from the viewpoint of resources and everything else. It has become clear after 35 years that the arms race always ends up with the same kind of balance being restored, only at a much higher level of expenditures and waste.

The American policy at present - and this is something quite important if one is situated in Europe - gives the impression of not having the foggiest long-term conception of relations with the Soviet Union - except perpetual containment and perpetual confrontation. This is an element in this kind of partial West European-American divorce. There is a need for a long-term view, and there is a need for statesmen on both sides of the Atlantic to be rather candid about what they see as this long-term view.

But if the only conception that seems to be coming from this side is perpetual containment, no more dialogue with the Soviet Union than is necessary to keep European Chiefs of State who are shaky on their thrones happy, and no real prospects of arms-control, then we are going to hear much more of this wave.

Rovan

In France, in the last twenty years, democratic life has twice been exposed to total subversion: in 1958 and 1968. So the weakness of the systems and of the values by which we live is evident to everyone. I think the problem is not that we have a protesting and dissenting youth minority, but the fact that there are no contending majorities. The problem is not so much that many young people are in a kind of permanent insurrection against the adult world, but the absence of certitude and conviction among the adults.

When I think back to 1968, I am aware that something enormous happened then and the whole establishment has been trying to forget it or to pretend that it didn't happen. But it did and it may happen again quite suddenly and when it does the result will be, after some convulsions, a solid and quite traditional dictatorship from the right or from the left - this wouldn't make then a big difference.

With regard to young people we are now dealing with the third generation after the war, with people who have no personal experience either with Hitler, or with Stalin, or with war. I recently read a statement by a young girl saying: "For me and people of my age the experience of injustice is not in Auschwitz, it is in Vietnam and in Palestine". This shows a tremendous amount of ignorance and an absence of any element of comparative history, because Vietnam and Palestine are difficult and important things but of another type than Auschwitz. This generation has no personal experience and we must confess that in many cases we are not able to translate to them our experience. We can tell them what happened but they don't believe it.

On the contrary, in France and in Germany, many of the younger people are more or less occupied in trying to find out how and where they may avoid what their fathers and grandfathers did. And this preoccupation of not repeating the errors of the past, together with an ignorance of history, will allow them to make the same errors, thinking that they are avoiding them.

Secondly, in this generation there is a growing apocalyptic fear, not entirely but to a large extent without roots in reality, of war and atomic dangers - the fear that they and the persons they like may be destroyed. But all this is the consequence of some developments we must consider if we wish to find solutions. First is certainly the dislocation of traditional Christian or post-Christian attitudes and behaviours towards family, work, fatherland, liberty, saving, the exercise of one's own responsibilities, being one's own master in life. This is connected to the fact that young people come in contact with more and more experiences which are not direct but second-hand. You learn a lot of things about Japan, but you never have the slightest possibility of coming into direct contact with Japan. The whole world is much too big, and it is not a world in which reality can be experienced. For a large majority of young people this must necessarily engender a spirit of resignation, of non-authenticity, of irresponsibility.

Another point is the voluntary end of the teaching of history. The growing fact, and I see it every day with German and with French students, is that they are not in a position to make comparisons between what we are living now and what has been before. There are no standards, no references, no examples, and in a world without the dimension of history there are no real choices.

There is, finally, too, the mixture of rejection and of irrational outbreaks of activism without a plan and project as is developing between a minority of youth. The problem is not too little but too much information, too much non-integrated, non-internalized experience and opportunities. The main question is how a voluntary acceptance of what, in the old society, had been the result of external pressure and of common belief may, in the broad masses of young people in our societies, be restored or re-established in new forms and ways. If we are not able to replace the old external morals by internal ones, then certainly very soon, the external pressure will be restored - at least in Western European societies. I have the deepest fears about the viability of democratic life in Western Europe, if this question is not answered. This means too that plurality and pluralism are possible only as long as the number of possibilities and choices is not too big, is not too confusing.

One final remark: in a recent opinion research poll in France people were asked: "What shall we do in France if Western Germany is occupied by the Soviets?" And almost everybody, 98 per cent, I think, answered: "Nothing!" The other question was: "What should we do if a part of France is occupied by

the Soviets?" And then 65 per cent answered: "We should try to negotiate with them!" This shows that in a democracy you must never ask people what they think, but ask them only to elect representatives.

Beloff

I think it will be very difficult to separate youth opinion in Britain from the general divisions of opinion. There are new youth problems particularly with rising youth unemployment but their political impact and their social impact has yet to be discerned. But they do not come under the heading of a rejection of the legitimacy of our governmental organization.

In Britain we have something quite different compared with other countries. Everyone is aware of what they are doing. You have people who consciously wish to preserve and adapt and if necessary defend an existing social order. And you have those who are determined, and have been for years, to alter this. Therefore, it is very difficult to separate, for instance, the opposition to cruise missiles in Britain from all sorts of other desires for a political upheaval. What you have at the moment is the fruition of twenty or thirty years of quite active concern to instil not neutralism but an alternative set of values in the broader sense, if you like the values of revolutionary socialism. It is curious, in a sense, that it is in the name of Trotsky, that Stalin is posthumously making gains in Britain.

This is the reason for the revival, after twenty years, of the Campaign for Nuclear Disarmament, with many of the same people. It is a revival which is quite clearly and quite consciously being exploited for the purpose of advancing the Soviet preference for an overwhelming superiority in armaments in Europe. This takes the form of the leaders of this movement saying: "Well, we are part of an international movement, we would wish to see, and we expect to see, similar demonstrations, public opinion polls, and so forth, take place in the Soviet Union." There is a deliberate obfuscation by people like E. P. Thompson, the leader of the movement, of the nature of the Soviet Union, and the nature of its leadership, and the constraints which exist upon the expression of opinion there. There is, in other words, a quite deliberate attempt to obscure the fact that the world is a divided one.

Neither the movement for nuclear disarmament, nor these other revolutionary movements are to be seen outside of a perfectly definite political and social context. They feed into the political arena. At the moment there is a deep line of fissure which runs in a rather zigzag way down the center of the Labour Party. This is of great political consequence to Britain's allies because, were it to be successful, it would mean a major "reversal of alliances" in the 18th century phrase. But it is quite different from any sort of opting out. In other words, there is an acceptance of a traditional way of looking at things in that people with the most extreme views are still attempting to use, and to some extent are successfully using the political institutions that they have inherited. And in that sense, Britain does seem to me to be rather different from the other countries we are discussing.

Bettiza

I should like to comment on the situation in Italy to Western defense problems. Many people were surprised when the Italian government in 1980 made the proposal which was adopted by the Italian parliament for the installation of cruise missiles and Pershings on Italian territory. They were all the more surprised because Italy has the biggest Communist party in Western Europe, and has also had a series of Socialist and Leftist movements. But the psychological situation in Italy is different to that in other European countries. Italian youth, for example, is not neutralistic. Instead of this we have a very picturesque, dynamic, small radical group - Panella's Group - that is more similar to the American liberal than to the traditional Marxist European movement.

Another very interesting phenomenon in Italy is the Socialist Party. The proposal of the Cossiga Government in 1980 was adopted because of the Socialist abstention, which was very important for the adoption of the Italian NATO decision. The Socialist movement in Italy is growing. The new General Secretary of the Party, Bettino Craxi, is one of the most important political personalities in our country. At the same time we have had a very ambiguous Communist Party. Berlinguer openly said: "For us Italian Communists the NATO shield is much better than the Warsaw Pact shield. We can develop a Socialist Europe or a Communist Europe much better with NATO than with the Warsaw Pact."

Altogether, the ambiguity of the Communist Party, the Europeanization of the Socialist Party and the non-existence of a youth neutralistic movement, made it very easy for the Italian Parliament to adopt the resolution in favour of the missile installation on Italian territory.

What is the situation in the European Community? Since 1976 I have been a European Parliamentarian. I belong to the liberal group where we have many Giscardians. I noticed that there is

a shift in the French policy towards defense problems - this contrasts with a certain German neutrality, a certain German perplexity. I don't know what will happen now with Mitterrand, but at the end of the Giscard regime we had the sure impression that the French are changing with respect to the most fundamental European defense problems. There was a very interesting proposal put on the table by a French parliamentarian, d'Ormesson, who belongs to the Christian Democrat group: to set up a European Community Navy to protect the oil routes and transportation within the Community seas. The proposal is being examined at present by the European Parliament.

So we can see that some traditional NATO-loyal countries like Germany are becoming perplexed in defense matters, while others like Italy are becoming less and less perplexed. The European Community as a whole will have to face - in a new spirit of responsibility - the problem of credibility and cooperation, the general problem of Western defense.

Hoffmann

Let me comment on what we have heard from Mr. Bettiza. I would attach no significance whatsoever to Mr. d'Ormesson. In any case there is a French position that a defense debate by the European Parliament would be a violation of the Treaty of Rome, which does not include defense in the orbit of the Assembly. The Christian Democrats have always had a certain nostalgia for European defense formulas. It is rather more significant that while Giscard was President, he at least kept Giscardian Members of the UDF out of making such proposals. I doubt very much that the new regime, whatever its inclinations may be, will really go in that direction - even if within a few months or years it should end in a centrist position.

Dahrendorf

First of all I am a little worried about the picture of German public and political opinion that seems to emerge from some of the previous statements. I think the word neutralism is used rather too easily and I wonder whether neutralism really describes what is happening.

The main point I want to make is that we have to distinguish between waves of public opinion, especially among the young, and relevant political opinion, especially in parliament. I have no doubt that there are waves of public opinion among the young, and in wider groups, which involve a considerable degree of scepticism about defense postures and perhaps about relations with superpowers, about the Third World, and similar issues. But I would like to claim, at any rate, that this is something quite different from the kind of problem Chancellor Schmidt is faced with in his own party. It is not my impression that he is faced there with neutralist revolt or that the prevailing view there is one of "peace without arms".

In this connection there are three questions which are particularly important but very difficult to answer. Firstly: Are we not sufficiently armed? Is there, in other words, any need for additional armament? In this morning's New York Times McGeorge Bundy makes a very powerful case by saying that President Reagan has no reason to continue along the lines of the mistakes of his predecessors and would be well advised to go back on the 1979 decision. This is an argument which has appeal in the West German government parties, not only in the SPD but in the FDP as well.

Secondly: Are we not facing a rather significant change in strategy? Are we not talking about "Europeanization of the risk", and doesn't this have certain implications for the ways in which European countries are involved in the decision-making process, which have not been openly discussed? My own impression is, that if there was a way of answering this particular point, there might be much more support for these policies in Europe.

Thirdly, and this must be said in all brutality: is everybody honest when it comes to the other half of the "double decision"? Or are there reasons to believe that some of those who were involved in it were not honest about their desire to enter into serious arms-control negotiations at an early date? Are we, in other words, talking about a public-relations exercise on an international basis?

I, for one, am convinced that if there are plausible answers to these three questions, there is no reason to believe that the German Government will have any difficulty in carrying Parliament to the kind of policy which allies agree on. But if there are no such answers, then indeed a new mood may spread and there may be an increasing link between parliamentary opinion and wider public opinion as described.

Craig

I think it was implicit in the remarks of Mr. Adams and General Schmückte that the gap between the generations on some of these important questions is probably the fault of the older generation, the people who are in authority and have the positions of influence, that we perhaps are not getting through to the young. I don't quite agree with Mr. Rovon, that the current situation is an unhealthy one. My general impression of the younger generation is that it is often ignorant, but it is very clever. It is shrewd, it learns fast, and it is sceptical; and on important questions, I don't think that it is easily persuaded by floods of figures that are not accompanied by interpretation or by parliamentary rhetoric.

Another point is that many of the young people feel vulnerable. If you are going to ask them for sacrifices, you are going to have to explain why they should make them. And in this connection the question raised by Mr. Dahrendorf is very important: "Are we not sufficiently armed?" The first large demonstration on the Stanford campus since the late 1960's took place a few weeks ago. It was against the Reagan military budget, and the question was posed: why these expenditures and not money for other things? I would suggest that perhaps there will be more of these.

Mosbacher

For the first time in 1976 there are indications in some polls which showed that youth at university level voted for the Republican candidate. This indicates that they are to a great degree backing the Establishment. They are more pragmatic, perhaps a little less idealistic than they used to be, certainly less passionate about their beliefs in general. But youth, if they did as the polls indicate, vote along with their senior brethren for the Reagan Administration, just fell into line with the rest of the country.

There is no doubt that the Reagan constituency calls for greater defense spending, and this is in line with Mr. Dahrendorf's question, "Are we armed enough?" I would say that the majority attitude among Americans at this time is that we are not on a level comparable to the Russians. This is a major change of the past decade that has been brought into focus by specific events such as Afghanistan, and the discussion about prerequisites for the SALT talks.

I think that the American public, by and large, has been convinced that we are not in proper armed balance with the Soviet Union. I realize, however, that in a broader sense a balance of power goes way beyond strictly arms. But for the average American it is primarily a balance of arms and obviously a balance of attitudes and purpose, and a sense of self which this country is just re-emerging with. Thus before the SALT talks can go forward, the American public has to feel that we are dealing from a position of greater relative strength and all these other issues need to be brought into line. Anyone who does not feel that this is a majority view as of now in this nation is missing a very strong real feeling that permeates our country.

Kaiser

Mr. Mosbacher is somebody who is exposed a great deal to thinking in the South and in the West of this country. Particularly the Europeans here would probably be interested in what you think will be the reaction to the kinds of issues that we have been discussing here. What does one think in those parts of the United States about Europeans tormented by doubts about deterrence, nuclear weapons, modernization, etc.? Or is that something that has much more of an impact only on the East Coast?

Mosbacher

Unfortunately, the people in the South-West, the West and perhaps the Middle West are relatively uninformed in these areas. Perhaps this has something to do with the lack of broad and international coverage in our newspapers and media. But in these areas our country has now moved past the stage of self-doubt. It may, however, re-emerge.

An old expression I have not heard in years: "better red than dead!" and those sorts of attitudes I hear a little in this room, in much more sophisticated terms. It is obviously once again Europe, and particularly Germany, where there is a much more vulnerable position. It can easily behave us to speak in grandiloquent terms about what is morally right and what needs to be done. The gunbarrel is not right between our eyes. But despite that, this country has moved much further towards standing up for what it believes to be the moral values, and not allowing the Soviet Union to continue to broaden its influence, particularly in our hemisphere.

Gasteyger

Stanley Hoffmann reminded us quite correctly that a number of features in today's anti-nuclear movement have been seen before. In fact, there were or are three "generations" of such movements

over the last twenty-five years. First, we had the anti-nuclear movement of the mid- and late fifties: it was hardly anti-establishment. Then we experienced the protest movement of the later sixties and early seventies: it was most certainly anti-establishment by presenting a radical alternative to the existing system, however unrealistic it may have seemed. Today, we are faced with a vociferous minority of unspecified origins: it is undoubtedly anti-nuclear but it does not seem to have developed anything like a clearly defined socio-political alternative.

Following from this, we have to differentiate between the situation in countries like the Federal Republic of Germany, the Netherlands, Scandinavia and possibly Belgium on the one hand; and the situation in Britain, and again the situation as we find it in France or Italy on the other hand. Curiously enough, there is hardly a defence debate in the two latter countries, in sharp contrast then to the pacifist, or neutralist, or anti-armament debate in Northwestern Europe. So once more: Europe, as always, is more complex and less "monolithic", that some of us and certainly many Americans tend to believe.

This leads me to my second point. It concerns the often quoted term "Europeanization of risks". I am not quite sure what it means. One explanation could be that Europeans are becoming more aware of risks that are specific to them and have to be dealt with by Europeans in common and on their own.

In principle, I have nothing against a growing and common European awareness of risks and a shared determination to deal with them. I see, however, a danger where such Europeanization is taken for, or even aimed at, what we have come to call "de-coupling". In other words, if we favour such Europeanization of risks and common European approaches to cope with them, then we must be aware that this is bound to influence transatlantic relations. It almost certainly contains an element of separation between Europe and the United States.

If there is such Europeanization of risks, why has it become so difficult to deal jointly with these risks? It is due to a number of developments: first, defence and foreign policies are being pursued from a rapidly narrowing domestic basis. It is increasingly difficult to find a consensus for many important decisions in these two fields. This is a relatively new phenomenon. It is, secondly, combined with a decreasing faith in US leadership or its credibility and consistency. And thirdly, we see that even if there is a European awareness of risks there are no common institutions to deal with them.

General Schmiickle mentioned that we should look for smaller, more flexible mechanisms, better capable of dealing with common security problems. The implication was that there should be institutions for crisis management composed basically of the big four - the US, Britain, France and the Federal Republic -, possibly Italy and/or a small country representing the other European allies. While I sympathise with a plea for more flexibility I must warn about the way it is proposed: if we do want to attain a greater share of European responsibility in dealing with security issues - and that also means a more active involvement of public opinion and particularly young people in a re-definition of strategy and defense efforts - then we must give the population of all countries concerned, small or big, the feeling that all of them are directly concerned and have to assume a proportionate share of responsibilities.

In other words, we should deal with these issues either within a European framework with the corresponding European institutions, or adopt a flexible ad hoc approach involving each time those countries which are directly concerned with the particular issue at stake. Otherwise we promote precisely the kind of political absenteeism, if not irresponsibility, which we rightly deplore today. It will run against our effort to generate greater and more concerted European participation in facing common risks and threats.

Sonnenfeldt

Professor Rovnan made the observation that the younger generation in Europe has no memory of Auschwitz or the Second World War. I think it is worth reflecting that there are several million Americans, a whole generation of people born between 1945 and 55 roughly, who have a very vivid memory of a very miserable war.

Of course, by standards of European and modern war only fifty thousand of them died and perhaps six times that number were physically wounded. But we are talking about five to eight million people over a ten-year period that went through that process of the Vietnam War either in Vietnam itself or in somewhere associated with Vietnam. We did have half a million troops there at one point in 1969, and they came back to the United States not as heroes but with a large part of their intellectual and political establishment very dubious about the war they had been involved in. Some of them were very bitter.

There were no parades and there were no special efforts made to repay them as a nation similar to those after the First and Second World Wars, and even the Korean War.

This group which is now getting on in age, and their juniors as well, have begun making themselves heard in regard to the Reagan Administration's effort to recast our priorities. It is interesting to note that protest occurred not when the students loans were being cut, nor when some of the rather questionable unemployment compensation arrangements that we have were challenged; the most violent opposition occurred when the well-being of their parents and grandparents in the Social Security programs was called into question. They have not, as a group, resisted the increase in defense budgets that is being advocated and enacted by our Congress. I think it's an important phenomenon that this generation now going into the professions or working life ranges in its reaction from acquiescence to support.

Now a general comment on American/European relations and, in particular, military policy. The United States committed itself in the late 1940's early 1950's to the defense of Europe. It did so for very concrete and pragmatic reasons but also for reasons of value and the sense of affinity to the Europeans. This intangible element is not nearly as much present with respect to other places where we have commitments like the Persian Gulf Area and so on. But the defense of Europe involved a very special requirement which militarily has always been under challenge; that was the forward defense in the center of Europe. Not yielding German territory imposes very special military problems and costs.

As soon as the Soviets began systematically undermining the premises of the forward defense which involved the use of nuclear weapons in case of need, we faced a crisis in our strategic approach. If there is the kind of opinion in Germany and elsewhere that neutralism is a more secure defense of Germany and Europe, then the forward strategy - the only strategy we are able to pursue in this Alliance - is going to be in serious difficulty. Such an attitude soon will find a reflection in the USA because the financial and military costs of a "Europe-first" strategy are such that they will not be long sustained in the Body Politic of the United States. You are bound to have a political backlash in America because the United States has other interests.

Therefore, when Ralf Dahrendorf and others ask: "Are we really insufficiently armed?", the question that they really ought to ask is: "Are we adequately armed to pursue a rational strategy?" That is a question that isn't answered by charts, numbers and comparisons of the kind that you find in "Stern" and other publications. We have a special strategic problem imposed upon us by Soviet power, and the special circumstance that parts of our Alliance territory are immediately adjacent to the "power sphere" of the Soviet Union.

We cannot change the fundamentals of this strategy unless we want to have a major revolution in our Alliance relationships. To opt for a defense in depth, this would be the real Europeanization of the strategic issues. The Europeans and the Germans in particular need to face this much more than we do. We have faced it, we broke with our tradition and we distorted our entire military posture in the post-war period in order to have a "Europe first" defense. That is an issue that the Europeans need to address, and I hope Americans can be sympathetically and constructively helpful in dealing with these issues. This is really what we face when we get neutralization polls or arguments about whether TNF is or isn't necessary, or what the relative weight should be between negotiation and armament. The question that has to be asked with respect to negotiations, is not whether you oppose them or favour them, but whether they can contribute to your security.

It is all very well to keep pressing the Americans to commit themselves to the second half of the double decision; (and I wish incidentally the commitment to the first half were as strong as is sometimes implied) but the Americans have to bear the burden of conducting negotiations that make it feasible for us to maintain a viable strategy in Europe.

That really answers your third question about the matter of honesty. There may be people in the Reagan Administration who oppose negotiations with the Soviets as a matter of principle, but the real issue is how to turn those negotiations into a contributory factor to sensible, viable military strategies. That tends to be an issue for technicians. It's too bad, because it is an issue of life or death for our Body Politic. We haven't begun to talk to our people with a degree of candor and of clarity and, if necessary, simplification that is needed in order to cope with this set of issues. Now, you may come to the conclusion that it is not possible to do these things, and that you have no solution except neutralism. I happen to think that isn't the solution. But I wish that the debates were conducted in these terms rather than in terms of whether somebody is walking away from the double decision and whether some one is really being honest.

I find it very important to deal with the question of Europeanization of risk. There is a debate taking place in Europe and despite everything that has been said, I think we still have to probe a bit further to find out what is really behind it. Professor Schwarz pointed out a paradox: on the one hand public opinion supports strengthening the alliance with the United States; on the other hand, it calls for neutrality in case of a conflict between the two Powers. This suggests how these issues are not sorted out.

Do we really understand what is behind this paradox? What are the motives in Europe behind it? We should explore how these developments interact with the United States and opinion here. What is meant by backlash? Do those who indulge in backlash really understand the European situation and the dilemmas of Europe? What is the strength of the political forces in this country reacting to these developments in Europe? Moreover we should examine to what extent the American posture reinforces these trends in Europe.

Sonnenfeldt

The word "backlash" has a punitive connotation. I am more concerned here, not about actions to punish the Germans and the Europeans, but about whether you can maintain a consensus behind a strategy and the economic implications of that strategy that raise serious problems of priority and distortion for the United States.

Joffe

Ralf Dahrendorf raised the very important question: "Do we need more weapons?" My answer would be a clear yes, especially in the TNF field. What is now called "Nachrüstung", in other words an increase in theater nuclear forces following a Russian build-up, used to be quite properly called, about five or six years ago, "modernization". And in those days, the Alliance was about as unanimous as you can ever get about the need for "modernization". This meant that in the TNF field, we had an array of weapons in Europe - the famous seven thousand "tactical" nuclear weapons - which were no longer up to the task of deterrence.

The two most important factors contributing to deterrence are survivability and penetrability, yet neither was any longer assured. We were in possession of weapons rapidly approaching obsolescence. The load was being carried by medium-range bombers or fighter-bombers which were first built in the late 1950's. It was no longer clear that these weapons would withstand a pre-emptive attack, and it was no longer clear, given the build-up of anti-aircraft defenses in the Warsaw Pact, whether they could get through if they survived.

This leads directly to the issue that Stanley Hoffmann has raised: "Aren't we talking too much about fighting a war, and isn't this a very frightening thing?" It is very frightening, but we should not forget that any weapon which is designed to deter must also be usable. This is a very sad paradox of deterrence: if you supply yourself with weapons that you cannot use, they will not deter. Precisely because you want to deter, i.e. prevent a war from breaking out, you must have weapons with which you can fight a war.

And those weapons are getting ever scarcer on the Continent. On the one hand, there is an obsolescent TNF hardware which cannot really survive a determined preemptive attack - and if it does, it will not be able to "penetrate" Warsaw Pact air defenses, the densest in the world. On the other hand, there are the megaton monsters in the US strategic arsenal which contribute mainly to "self-deterrence" because they forever confront us with the deadly alternative of doing nothing at all or jumping all the way to the very top of the escalation ladder: strategic war.

The second question was about the "Europeanization" of the nuclear risk. It seems to me that if we have weapons on the Continent which satisfy the criteria of survivability and penetrability, we could confront the Soviet Union with an entirely different ball game. As long as we don't have them, the Soviets can indeed hope to afford a limited European war, because they could launch a pre-emptive strike and then confront the United States with a fateful choice: do nothing or escalate to the strategic level. This is precisely what we call "decoupling" or "Europeanization" of the nuclear risk - a nuclear strike which could be confined to the Continent.

Yet if the Soviets were to face an array of invulnerable TNF forces, weapons which could not be destroyed in a first strike, the fateful choice would be theirs: do nothing or attack the entire retaliatory arsenal of the United States. Once Pershing II or cruise missiles, launched in response to a Soviet attack on Europe, hit targets in the Soviet Union, they are "strategic" weapons of the United States. And then Soviet commanders won't be able to make nice distinctions between European- and US-

based weapons. They'll have to attack both. In other words, the Soviets would have to contemplate the fateful step toward strategic escalation, not the West. This is an awesome burden which contributes mightily to Soviet self-deterrence. Moreover, instead of "decoupling", we would achieve the very opposite: the homogeneity of deterrence across the Atlantic.

Thirdly, are we honest? This is a very painful question. My suspicion is that neither side in the TNF debate has been totally honest. There are those who believe that we might get away with arms-control negotiations and thus circumvent the need for modernization. And there may be just as many who think: let's use negotiations (which will fail) as an alibi for TNF build-up.

I personally think that our approach to arms-control is intellectually dishonest because we have to modernize no matter what. Yet for reasons which are deeply rooted in our domestic system we have latched onto the most dramatic Soviet threat - the SS-20 and the Backfire - and pretended that all our troubles will vanish if we succeed in negotiating them away. Yet we won't be able to negotiate away the vulnerability and obsolescence of our present TNF systems, and we won't be able to negotiate away Soviet frontal aviation or their second generation of so-called short-range missiles - the high-precision, highly-mobile, hard-to-takeout SS-21, SS-22, SS-23. They have ranges up to 1000 kilometers. If you put them into a forward position in the GDR or CSSR, they can pretty much cover an arc from Birmingham to Bari, and that is where about 60 or 70 percent of all worthwhile NATO targets lie.

To sum up: even though I am well aware of our terrible domestic dilemmas which have forced us into the "two-track" approach, the Brussels decision is and continues to be an intellectually dishonest approach because it does not address itself to the dire strategic problems of the West in the 1980's. Therefore, I heartily agree with Helmut Sonnenfeldt: arms-control should not be a pathway toward detente, or a process for its own sake, it should always address the question: "How does it affect our security?"

Ritter

Josef Joffe said earlier in describing the mood in Europe that the Soviet Union is no longer seen as the enemy but rather as a responsible world power, while the Americans are unsettling the international system by striving for superiority. There is something to this, but I think he went a bit too far. The problem is much more subtle.

My first observation is that the assessment of the threat in Europe, especially in Germany, takes on a kind of dialectical quality. By that I mean the following: even those in Germany who still insist that there is a balance of power and that the NATO decision might upset this balance and is somehow threatening to the Soviets are in fact aware that we are already in a kind of hostage position. This is a result of the Soviets' general strategy and of the fact that we are pushed to the wall of nuclear decision by their conventional superiority. Therefore, we can only be rescued by a nuclear doctrine, which, however, is a very precarious matter. In addition there is all this confusion, this fuzziness about extended deterrence and war-fighting capabilities.

The whole trouble emerged at the time when all these paradoxes of nuclear deterrence were fed into the public discussion in very badly digested form. There have been many misreadings. It's easy to understand that the Americans, in order to keep the momentum for a restoration of the military balance, should emphasize this issue strongly. This again is easily misread by Europeans as an American attempt to achieve superiority in all areas. A similar divergence of views applies to the question of credibility with respect to the second part of the NATO decision as well. The criticism of the dual-track approach was heavily influenced by those who are even more sceptical of the effectiveness of arms-control than I am. Mechttersheimer, Afheldt and others are very sceptical, if not cynical, about arms-control. This is one element of the problem.

The other element is that the rationale of a restoration of the balance has often been poorly presented, leading to a complete misunderstanding of the issues. The crux of the matter is whether or how extended deterrence - given the peculiar asymmetries of the military balance - can function and which specific elements have to be provided for that. I doubt that there is anyone here who would say that the Americans are not dealing seriously with these problems. Thus they understand that any attempt to start with more or less isolated negotiations on TNF to achieve a better balance is bound to fail. Even the Russians understand very well that this has to be seen and evaluated in the context of the overall balance. But the Americans are only beginning to work on the problem of assessing the whole strategic setting - what systems are needed for which options and so on. Before the criteria for this overarching issue are elaborated, real negotiations - I don't mean talks - cannot begin.

My second observation is that the concept of détente has a different meaning in Europe, especially in Germany, than in the United States. Americans are inclined to view détente as a policy to be applied or not applied according to how the Soviets behave, whether there is a willingness and preparedness for cooperation, whether they are pushing expansionism or not.

In Europe détente can hardly be seen as something which can or should be switched on or off. There is a basic feeling that a totalitarian system such as the Soviet Union should be dealt with by means of a more complex strategy, not just by military containment. In earlier times, under Adenauer and shortly thereafter, Germany tried to keep open the option of German reunification through the so-called "Junctim"-policy. The new Ostpolitik was concerned rather with how one could modify the division by means of a detente-policy which was to reduce the antagonistic pattern in Europe, aiming at a status-quo-plus. Now that we have embarked on the road of change through continuous, multi-faceted negotiations we simply can't go back to the old methods. This is one of the reasons why we adhere to detente: a policy that change has to be brought about by very small, step-by-step advances in all fields (arms-control, economic measures, and so on).

So one should understand that the interest of the Europeans in a two-track policy is very profound and more deeply rooted than the term "détente" (in the American sense) may suggest. I admit that the case is on the European side often badly articulated by stressing that the "acquis de la détente" should be preserved. This sounds as if we were involved in a love affair with this island of détente, not sharing global responsibilities; it may sound heavily provincial. In this sense criticism is justified, but there is more to it than merely preserving a special situation in Central Europe.

Doty

I would like to raise two questions on the main points made by Joffe and Ritter concerning TNF. First, while the modernized weapons proposed by the Western side fulfill the conditions of greater survivability and penetrability, do you think that they also extend the range beyond what had been on land-based sites before? If so, should one consider compromising that and sticking to the first two requirements of modernized deterrence?

Second, would it be better from the German public point of view to cover targets in the Soviet Union from outside Western European territory and leave that assignment to specifically American forces under NATO command?

Ritter

There is a big difference whether we are talking about this problem as experts or whether we are taking into account all the misunderstandings of public psychology. With regard to the problem of how to make extended deterrence effective in the given situation of rough strategic parity, these five-hundred or so new systems to be introduced may not be a perfect answer to the problem. But land-based long-range TNF elements introduce into the Russian risk-calculus an absolutely different element than do sea-based long-range TNF. We should expect that sea-based cruise missiles, for example, will be deployed anyway.

In my judgement the improvement of some elements in the central strategic systems - let's say MX-problem - to make the land-based ICBM component less vulnerable - should allow to de-emphasize the sensitive matter of LRTNF. Sea-based and land-based elements (SIOP-forces and LRTNF) are all complementary and to prepare a proper mix with this provision in mind would be the best answer.

A further complication is whether you think of these systems with respect to possible negotiations or in terms of deterrence or strategy. The most difficult problem is how to make criteria for one approach compatible with the other.

Kaiser

In any case one can add the point here that the unresolved issues within this Administration on the type of systems may spill over into the European debate. What has been said here may only be a truth because inside this Administration there are quite a number of people who would push the sea-based system. The moment that happens, the European end will look very different, because the forces who want to get out of the land-based commitment will then have a new chance to attack the 1979 decision.

Adams

George Kennan recently said that twenty per cent of the existing nuclear arsenal is enough to achieve deterrence. The basic argument is that we already spent enough money to provide sufficient military deterrence. The burden of proof is now on the side of those who think it is necessary to markedly raise the threshold of armament in order to achieve credible deterrence and defense.

Ritter

I think it is really a mixture of a number of difficulties. There is a certain awareness that we are already in a hostage position, which is very hard to balance off by extended deterrence. This is in itself a very difficult task and nobody knows the optimal answer to this problem in the present situation. So there evolves a kind of "glasshouse syndrome", namely: don't make us even more of a nuclear target than we already are and thus avoid everything which could invite a Soviet first strike.

There is perhaps a more general point in regard to Mr. Kennan's suggestion. Of course, everybody is aware of the fact that we are trying out the play of providing a military balance, but the performance of this play is taking place on a very abstract level. If you imagine that five nuclear bombs or rockets are employed in a war, every kind of fantasy comes to an end. Nobody knows what the effects would be. And the public does not really understand any more why you have to perform this play at such an abstract height, so psychologically. Insofar Kennan may be right but in practical terms he is wrong because nobody - not even Kennan himself - has so far shown us how to achieve a substantial downward stabilization.

The glasshouse syndrome is exacerbated by this very precarious mix of dangers felt because of Soviet expansionism (such as in Afghanistan), and all the possible contingencies in the oil area, the Middle East, and so on, in combination with the awareness of the ambivalences of extended deterrence, making the basic paradoxes inherent in any nuclear strategy felt even more acutely. When Chancellor Schmidt said during the election campaign that we may not be too far away from a situation as in 1914, he was verifying somehow already prevalent fears.

So the glasshouse syndrome, the public's misunderstanding of the subtleties of the nuclear debate (war-fighting, deterrence and other such categories), and the awareness that nobody has the key to provide downward stabilization - these three factors work together and cause the public to refuse all these very complicated arguments that one has to install more of these weapons systems.

Kaiser

From own experience I would say that there is really a mixture of two types of opponents: the one side argue within the system, like McGeorge Bundy, who is not opposed to nuclear weapons or to the use of military force, but who makes a case against this type of procurement. But then, they join the forces that the two previous speakers referred to. These forces are perhaps only the tip of an iceberg, because behind the opposition to this specific decision is a much more fundamental rejection of the way we have thought. The Kennan argument is shared by many of these people, and we have all underestimated the impact of a debate - Mr. Ritter mentioned the Chancellor's 1914 analogy - which we thought would help people to understand the dangers of the situation and thus help draw the right conclusion.

But the conclusion was fear, and from fear arose the withdrawal symptom, a tendency to suddenly revive the arguments Lord Beloff reminded us of - I remember listening to him in the Oxford Union in the days of Aldermaston - to give a signal to the outside world. These are not new arguments. But with so many people arguing and a public debate taking place about a new round in nuclear weaponry, people start thinking about their situation. Being in Germany they realize that they are much exposed. We are, therefore, going through an inevitable process, a coming to grips with what is inherently a terrible problem. We have had several such moments in the post-war period, and hopefully we will go through this one and will come out at the end with a sensible policy.

Wells, Jr.

I entirely agree with Mr. Kaiser's comment that sea-based systems for part of a TNF deployment would totally reopen discussions both here and in Europe. The remarks about George Kennan bring to mind an occasion when well over a year ago I was presenting a paper here laying out many of Kennan's initial pleas against increased nuclear deployments, a paper he had written in February 1950. One of the respondents to my presentation was Paul Nitze who spoke in a way that I think is pertinent today. He will of course be one of the people putting down the current-day Kennan argument once again. He said that George never understood either the political or the military uses of force. Nitze pointed out that Kennan, the author of the policy of containment, always believed that this policy

could be enforced with a battalion of marines. Within today's political climate in the United States, this type of attack on the political realism of the opponents of a massive military build-up will likely be as successful as it was in the Korean War era.

Americans who are engaged in studying arms-control and who are trying to educate the public about it have to make the point that arms-control is not to be viewed as a short-range proposition or as a panacea. This country has to be prepared to engage in a long-range strategy of painstaking negotiation in which we will frequently not get significant, or perhaps even any certified results. Europeans as well as Americans must also view arms-control as an integral part of the security policy. It is not separate, it is not an alternative to security policy, it must be part of it.

Schwarz

Ralf Dahrendorf raised three questions and said that if they were openly debated and convincingly answered it would be possible for the Coalition in Germany to get a new majority for a reasonable defense posture. I share the doubts already raised here, I think this is probably too optimistic.

Let us turn to the first question: "Are we not sufficiently armed?" We all know there are a number of MP's and journalists in the ranks of the Coalition parties who are prepared to discuss these problems on their own merits, but this is not the real problem. If you look at groups in the subculture of the political parties - Jungsozialisten, Jungdemokraten, young trade-unionists, students, and people from both churches - you will see that they are not really prepared to discuss this question on its own merits. What they are asking for is some vague moratorium on TNF-modernization, probably a zero option, and so on.

Secondly: Europeanization of the risk. I am convinced that in Germany and in the Benelux countries, and in Denmark, a new awareness of the risk of a possible nuclear war in Europe is growing. But this is a very old story dating from the 1950's. Later on came General de Gaulle, who made this notion the very foundation of his call for an independent French nuclear strike force. So you can only answer: It is a problem but decoupling or Europeanization of the risk is the very essence of this famous NATO strategy of flexible response. Either you have to opt for your own nuclear deterrence force, or you have to live with this risk. There is no other option.

Then to the third question: "Is everyone being honest with respect to the NATO double decision on TNF?" Of course, nobody is honest nor can be honest when such great issues are at stake. Those who want to go ahead with TNF modernization, like Joffe, are convinced that as soon as talks or negotiations start, they will drag on endlessly like MBFR; seven years would be a good outcome. But you can't allow them to drag on because there is a deadline, and we are faced with a build-up of SS-20, SS-21, and maybe new systems. On the other hand, there are groups who want negotiations for the sake of negotiations in order to avoid this Western TNF modernization. So, on both sides I can't see too much honesty.

To sum it up: On the first question those who are opposed do not want to have a really honest discussion on the issue. Secondly, those who are opposed are really not prepared to live with the risk of a possible Europeanization. And finally, nobody is really honest with respect to this very unfortunate double decision. I think it would have been much healthier to have a clear-cut resolution, a heated debate, and to fight it through. Instead we have a postponement of the problem; it's dragging on and on, and some day it has to be resolved.

Novak

The point has been made that even if we had reasonable answers to Ralf's three questions, those answers might not be believed by the population and might not have political utility. I would like to try to explain why that might be so.

First, there is only one reason for military spending, certainly by the United States, and that is the USSR. We do not have our current level of military spending because of Canada or Germany or Japan or whatever. Why the USSR? Not so much because it is a repulsive internal system. We could live with that, repulsive though it be, and an offence to our conscience though it be. We could practise *laissez-faire*. But it is also an externally threatening power. It has the military ability and the will to develop it, to project its power almost anywhere on this planet now. Also it has an ideology which is universal and it clearly and consciously links itself to movements in history elsewhere on the planet.

We could save an immense amount of arms spending if there were a way to subvert and undermine this empire - to change it from within as the Poles are attempting to change their portion of it. But of course that's such a fantastic notion that we don't try to do it. We assume that we are facing a

thousand-year regime, or a hundred-year regime, or whatever. But if we are not trying to undermine and subvert that regime, then a degree of arms expenditure is required. In a reasonable world, there would be no reason for such arms. If we are going to face such a regime for the indefinite future, then we are going to have to pay for constant generations of new arms. The arms we have are going to rust, even if they do not become obsolescent. Every fifteen or twenty years we will have to modernize - each time it will be more expensive. We are fighting a war against rust if against nothing else.

That means we must maintain a strategy of deterrence. But deterrence is as much a matter of will as of machinery. It is a moral question. For in order to have effective deterrence one must have a war-fighting will. One cannot sit defensively and passively; one deters when the other side knows they had better not mess around. Otherwise you invite constant probes, and there are certain to be weak spots. You are in up to your ears before you know it. You have not deterred.

That brings me to the next step. The moral question is the question of will. What is it that a public needs in order to have a war-fighting will, that is to say, to mount an effective deterrent? Now I can well understand that there is all around the world a moral ambivalence about war - modern war being so awful. Specifically, with our two potentially strongest allies - Japan and Germany - there must be an incredible moral ambivalence about a war-fighting will, since in a generation within recent memory, it is to that war-fighting will that so many ills are attributed. How can one recreate a martial spirit when the martial spirit has been so severely discredited?

In addition, when the elites of nations lose a sense of immortality, a connection to a transcendent value of some sort, then the only reason for fighting a war, the only reason for being willing to die, is self-interest. And on the grounds of self-interest it is very difficult to resist - it is even very difficult to be honest. If you have only one short life, the reasons for illusions multiply. One tries not to notice the dangers and to muddle through. (I am not trying to say, however, that muddling through does not always work - it often works.) I am trying to get at the underpinnings of the argument here: why is it that even when faced with facts, people will not face facts?

Many writers have, over the years, pointed out that this is a

serious structural deficiency of democracies. Adam Smith wrote that one of the difficulties of capitalism, indeed, would be that it would undermine the martial spirit, that it would undermine the martial personality throughout society, and that it would make capitalist societies incapable of defending themselves. That was one of his fears, and one of the things that he put on the deficit side of the ledger.

Now, we have been asked to be honest about what we believe. But here also there is a structural deficiency in pluralistic democracies. If someone were to ask us around this table to say what it is we really believe, I would, with all of you, be quite embarrassed to do so. These things are deeply personal and not for public argument. That creates an enormous political problem. There is one kind of decadence which develops even when people are privately not decadent at all. When their public speech must always avoid what they deeply believe, there can arise a public decadence. Ralf sketched the beliefs we all have in common about the open society. But one must ask, what beliefs, values, traditions are necessary for an open society to exist? An open society cannot exist on the basis of all religions or all cultures, or all values.

Now, there is in all the sources of values I am acquainted with in the West, especially among our elites, an increasing poverty. I sometimes wonder if we are not in an arms-race but rather in a moral race to see which of us, the Soviet Union or ourselves, will become decadent and destroy itself from within more quickly. Competitive decadence.

In this public sense I was talking about, private lives might be exemplary. But look at Christianity, for example. There is a mania for updating Christianity, especially among our elite, in such a way as to empty it of its content, so that the theologians sound more and more, if I may say so, like Willy Brandt. That is to say, they accept the conventional wisdom of the Left.

In socialism and in capitalism, there are also great difficulties. The weak spot in socialism has always been the quality of its moral vision. It always has a Utopian ring, and the successful and admirable socialists, democratic socialists, have been pragmatic, realistic people, who didn't take the utopianism all that seriously. That puts them in a difficult position to talk about the values they really believe in, too. On the capitalist side, capitalism has fallen almost entirely into the hands of the economists, and its moral values are exceedingly difficult to speak about - no theologians, philosophers or poets, to my knowledge, have ever praised it.

Maybe for a good reason.

Novak

Maybe for a good reason but maybe not. The moral vision of socialism which is much more widely written about is much easier to understand, much simpler, much more immediately attractive. Most of the moral vision of capitalism, of liberal capitalism, democratic capitalism, is counter-intuitive, and it takes a certain realism, and a certain sense of moderation - even a certain sense of sin - to grasp it. It's not easy, it's not straight-forward.

In our society there are increasingly fewer voices that speak out for the values which drive us forward, and even for the moderation and realism by which we must proceed. And consequently, Utopian theories gather force. I shall mention only one: success is guilt. The more you succeed in overcoming poverty and misery the more praise you don't win for those simple achievements, and the more you are attacked for your very success. Thus one can attack even the open society by pointing out that it does not necessarily bring about equality, it is not necessarily an answer to the world's poverty. And even the belief in the open society which we share does not justify itself.

I have only sketched terribly inadequately the depths of the problems which we face - and I don't know from which institutions in our society they can be addressed. If it is a moral question we face, how do political leaders deal with moral perplexities? I don't know the answer.

Gutowski

What does deterrence mean? It is a threat. And what does a threat mean? According to the theory of strategy of conflict, a threat to be effective must fulfil two conditions. The first condition is: the damage which can be inflicted upon the adversary must be greater than the damage to the adversary if he would forego acting because of the threat.

The second condition is: it must be made credible by the threatening party to the potential aggressor that in case of aggression the damage inflicted upon the party attacked by carrying out its threat is considered as being less than the damage suffered in case of not carrying out the threat. And this comes to Mr. Novak's point: it might be sufficient for the fulfillment of the second condition that there be a strong war-fighting will, take the force de frappe as an example, and that it is generally believed that the people concerned would rather die than give up freedom.

Now, if these two conditions are correct, I have a number of questions.

First: Are the Americans trying to get out of the dilemma of the second condition, that they have to make it believed that carrying out the threat would damage them less than not carrying it out?

Secondly: If they do not succeed in getting out of it, does that really mean Europeanization of the risk?

Thirdly: If the risk is Europeanized, do we have an effective threat at all then? Is it more Germanized, for example, instead of Europeanized? And here I am arguing along the lines of Mr. Sonnenfeldt: is there a damage which can be measured in terms of European damage, or is there a difference if you look at it from the point of view of Germany, or Denmark, or the Netherlands, or France?

Fourthly: If we speak of neutralism should we not distinguish between two main motives of those who are pushing for neutralism? One is a different evaluation of the danger coming from the USSR, but the other motive in Germany could well be the fear of the consequences for Germany of carrying out the threat which are considered substantially more detrimental for her than for Europe and even more so for the Atlantic Alliance as a whole.

Finally, what does Mr. Dahrendorf's first question really mean: "Are we sufficiently armed?" Are we sufficiently armed to fulfil the first condition? Probably yes. But are we sufficiently armed to fulfil the second condition for the Atlantic Alliance as a whole, or for Europe, or for an individual European country?

Bondy

I have heard so many reflections here which were central and deep that I think I might venture to make a few remarks which are eccentric and superficial, because political and strategical life moves very often rather nearer to the surface of things than toward its philosophical, moral and ethical depth and transcendence.

NATO is a commitment to a certain geographical territory. It may be that everything which affects us and which will change our world will happen outside of this region. Thus even if all the questions

discussed here on the necessity of security, re-armament and so on, are correct, it may still prove to be a "Maginot Line" when compared with the far-reaching consequences of what really happens elsewhere.

So far we have taken for granted that we are an alliance but we speak of the Soviet Union as if she were not the member of an alliance. We have not mentioned here so far the Warsaw Pact. This is interesting because until now the Warsaw Pact has been characterized by wars waged among its members. The Red Army has invaded Hungary, five members of the pact have invaded Czechoslovakia and one is afraid about what may happen in Poland. The Western perception has changed. When the fate of Hungary and of Czechoslovakia was sealed through foreign interference, nobody in the West felt that this was a case for intervention, for action of any kind, there was no commitment, to be sure, to protect one member of the Warsaw Pact against other members. In the case of Poland we seem to feel otherwise. We are aware that it concerns us and that it is a matter for our interest. Thus for once something threatening to happen between the countries of the Warsaw Pact has become a central issue for the West.

Is it because of the signatures given in Helsinki that this time there is the awareness of a commitment? If so, is it a NATO commitment? We sound like powerless King Lear threatening: "I will do such things - what they are yet I know not -but they shall be the terror of the earth."

When there is a threat of war in regions which concern us deeply, such as is the case now in the Middle East, we find it natural that only an American, Mr. Habib, is serving as an intermediary, is travelling around and trying to preserve peace. We find it quite natural that no European, in the name of the Community or of any European country, would have a mission like that. That means that in many things which are of our own concern, we are quite happy to let the Americans preserve peace, wage war, make promises, make threats. When Europeans, as nations or as a community, say "We want to have more rights for the Arabs, we want to have understanding for the Palestinians", and many proper and correct things, it is not connected with any promise of help or any threat of reprisal. It is purely rhetoric; therefore people think that we say it out of our own practical interest at the moment and that there is nothing more to it.

The Americans are responsible - I hope they are - and they are committed. When they intervene in these problems which concern us it can make a difference. As long as there is this asymmetry, that what the Americans do makes a difference in a part of the world where our fate may also be decided - if not with SS-20, then in many other ways, with energy, for instance - as long as we are a part of the world which is protected by the United States, we cannot talk about an "alliance". We have to think of systems and of institutions which can carry us over the moral crises of the understanding of these realities. Very often public opinion may be unprepared, demoralized, and still some people, some institutions, some centers of strength carry us through this void.

So the problem is not of the depth but of the surface of some institutions, ways of meeting, of reaching an understanding. If we have to wait for security till we get deeper values, deeper commitment and deeper understanding of public opinion, it may be too late. We have to do things before we are sure that we agree about our transcendent values and about our morals in all the concerned countries.

Hoffmann

It is somewhat ironical that Mr. Bondy's argument, which is an argument against the TNF decision of December 1979, is based on exactly the opposite view of the impact of geography from the view of those people who opposed the decision in Western Europe. In Western Europe the opposition largely comes from people who are afraid that the United States may actually - if the worst comes to the worst - not particularly mind fighting a war on the European continent so long as it does not touch the United States. Bondy's argument is based on his position that the United States has once and for all declared that there is absolutely no difference between the deterrence of an attack on Western Europe and the deterrence of an attack on the United States. He says that there is no particular need to base special weapons in Europe, because as long as the Soviet Union cannot be sure that the United States is not going to treat Europe exactly as if it were Omaha, there is nothing to fear. But this neglects three thousand miles of ocean, political perceptions, and realities such as the fact that foreigners are foreigners.

Kaiser

I suggest that we look briefly at three areas where there are particular difficulties in the American-European relationship. First, the question of our long-term policy vis-à-vis the Soviet Union: what kind of Soviet Union do we want to see emerge in the international system of the future, what should be the

basic lines of dealing with her? Second, how do we view the Middle East in terms of a common Western Policy? And third, how should we deal with crises in the Third World in the future? We have had a few in the past, and already this Administration in dealing, for example, with El Salvador has had some problems, also within the Alliance context.

Hoffmann

Mr. Novak, in his interesting and challenging intervention, talked about the fact that deterrence rests on "will" and "will" must mean the willingness to fight a war. That, of course, is true; but part of the half-submerged debate between Americans and Europeans is about whether there should not be something else in our future, too.

And here, I am forced to say that there are enormous clouds on both sides of the ocean. The Europeans do not have a terribly clear view about what they would like long-term relations with the Soviet Union to be; they are not sure that they like what they think the American view is. The American side is very simple: there is no long-term view.

There are two big areas of difference between the Europeans and the Americans. The first one is a disagreement on how one can best affect the Soviet Union. On the whole, the American establishment, the new Administration, and a very sizable part of the old one - remember Brzezinski - does believe that the only way of affecting the Soviet Union is by building external roadblocks; it is the good old notion of containment. So if one does not fight them, because fighting has its dangers, at least one should bar them. On the European side there is more of a belief - because one wants neither to fight nor to contribute everything that would be needed for these barriers - that one can act in a different way. This is the way proposed by Marshall Shulman, on this side, which is to offer the Soviets alternatives to ruthless expansionism or to a purely confrontational view of international relations. Even if one does not believe that offers of cooperation can change their regime, they can perhaps affect their policies. I think there is much greater skepticism here, because on this side of the ocean there is much greater belief in the ideological motor behind Soviet foreign policy - the view Mr. Novak represented here - whereas there is probably greater skepticism on the European side about the degree to which ideology actually drives the daily policies of that great monster.

The second point of difference has to do with "competitive decadence", the notion of Pierre Hassner. The Americans have an extraordinary mix of optimism about the good effects of strength, and of pessimism about the capacity to affect the Soviet Union other than by strength. They are also pessimistic about the combination of Soviet strength and Soviet weakness, which create a really formidable problem. Many of the Europeans, having more contact with the people in Eastern Europe, look at it a little more selectively and seem to believe that the Soviet Union will have enough internal problems within its society and, above all, within its empire. This will make any "fuite en avant" into military expansion in the nuclear age something very risky indeed. So maybe not all the weakness will be on our side and all the strength and all the dangers on the other side.

I see four kinds of issues here. The first one is: are there any possible areas of mutual gain, or is it going to be a "zero-sum game" from here to eternity? In this respect, we have disagreements about arms-control. I am not sure that it is true, as critics say, that in recent years arms-control had been given such a central role that it had impeded American security; but certainly one should not replace one extreme with another, one should try to integrate the two.

From the mere viewpoint of reasonableness, there is something to be said for arms-control. An unlimited arms race in the nuclear age, with new weapon systems breaking out like rain from a cloud every other year and then being matched by the other side, does not make a lot of sense. Arms-control is one of the areas of mutual gain, and economic relations is another one. That applies particularly to oil and gas deals. Is there something in this area which, in the long run, should be done by the West with the Soviet Union because it is an area of mutual gain? Or is this entirely an area of Soviet advantage, where the Western response ought to be one of economic warfare against the Soviet Union, so as to weaken the enemy, delay his military buildup, prevent dependence of the West on the East and so on? That debate has not been joined.

The second long-term issue is the degree to which, in questions like a settlement in the Middle East or perhaps even Southern African problems, one should include the Soviet Union among countries that may be parties to such negotiations. Here the Americans are, on the whole, entirely negative. The idea of a duopoly, even if it is a regionally limited one, is totally unacceptable, and in this respect the Europeans are marvellously ambivalent. When the Americans exclude the Soviets, many Europeans start screaming that this is terribly dangerous. And when they start including the Soviet Union, the Europeans scream about duopoly.

But there is a difference between ambivalence on the one side and complete rejection on the other. The question must be raised whether the new Soviet expansion or aggressiveness since 1975 is merely the expression of their new physical, military possibilities. Or is it perhaps a consequence of their sense of having been "cheated out" of what they thought was the achievement of the 1972/73 détente period? They may have believed that we had granted them an equal diplomatic right to duopoly. Well, we believed that they had accepted our notion of stability.

The third issue is about the usefulness of explicit linkages. Everybody recognizes that there are de facto linkages because we are dealing with countries in which public opinion and congresses exist, but the degree to which it should be made explicit remains a bone of contention.

The fourth issue has to do with what I would call the scope of hostility. In other words, it is wise for the West to adopt the strategy proposed by Mr. Kissinger - before he became suddenly silent and followed Flaubert's advice to people in distress, which is to travel - dividing the world into radicals and moderates. Should one treat as enemies all forces that, from time to time, rely on Soviet or Cuban help and weapons, or should one adopt a kind of fire-fighting strategy which does not turn everything into an East-West dispute?

These are the kind of differences over long-term problems. The fact is that we do not have a long-term strategy. There are two obstacles to any definition of a long-term strategy which goes beyond confrontation and containment forever. The first is the American tendency - which is in many respects an admirable one, and which in a sense makes the strength of American policy - not to do what Kissinger suggested we should do, that is separate the Soviet domestic regime from its foreign policy. As Mr. Novak expressed it so well, there is in America a deep moral revulsion against the Soviet regime. Thus the idea of doing business beyond the bare minimum is rejected - one talks to them when it is a question of defusing a conflict in Syria, but that's not at all the same as including them in a Middle-Eastern settlement. This deep moral revulsion will continue here, whereas Europeans, almost instinctively, tend much more to separate domestic regimes from external behavior.

The second obstacle can also be found in Mr. Novak's remarks: in the United States there is more of a martial sense, simply because it has been the dominant Western power for 35 years while the Europeans have been terribly busy turning themselves into what François Duchène once called a "civilian power". This explains why the American ears are always closer to the pole of 1938-39, whereas the Europeans' are always closer to the pole of 1914. This also explains why a man like George Kennan, who has been afraid of 1914 all his life, is so much more popular in Western Europe these days than he is either popular or listened to in the United States.

Beloff

It is curious that there should be these disagreements about long-term handling of the Soviet Union because I would have thought that there has been, among those who study that country, a marked convergence of view in a way which was not true a generation ago. The generally accepted view is of a repressive State or Empire, caught with its own internal contradictions and yet, at the same time, possessed of sufficient confidence to feel able to branch out and perhaps, in the course of this, acquire new contradictions.

It is in the light of this that probably most specialists on the Soviet Union would now say that the differences that could be made to its conduct by this or that choice among the list of choices presented by Stanley Hoffmann would only have a marginal effect. This effect could be made more significant if the Soviet Union were to pursue its present policy of rapid growth in weapons. It could be forced to press the screw a bit harder on domestic consumption, or on the terms of trade with its allies; but you cannot externally alter the nature of the regime. What one is trying to do, therefore, is to see whether we can, in the interim before these internal contradictions catch up with it, limit the extent to which this formal empire can expand into additional countries.

In this connection this view has a very considerable bearing upon policy, which has been demonstrated by the events in Poland over the last year. Poland is the first element in the Soviet empire for some time to make a serious attempt to modify the regime or system under which it lives. It has been clearly realized in the West that, whatever our sympathies may be, we, from outside, are totally inhibited from using our strength in order to prevent the Soviet Union from settling the issue by the application of military force. It is important to say that where people argue (as was suggested that George Kennan does nowadays) that the use of military force in the modern world of nuclear weapons is an outmoded method of thinking, if you look at it from the point of view of the Kremlin, it is not in the least outmoded. The Russians know there would be a price to pay, perhaps quite a heavy price for a

short time at any rate, as over Afghanistan, in economic terms and in popularity abroad. But neither of those will dissuade them as against the necessity of preserving the system.

Therefore, if the system is allowed to evolve, will it last? Must we reconcile ourselves to a thousand years of confrontation? Or are there elements in it which will make decisions splitting the ruling group - for the first time since Khrushchev? Will there be any temptations by whichever party comes out on top to adopt a more aggressive point of view in the rest of the world in order to paper over internal disharmonies?

This knowledge is available in circles professionally concerned with studying the Soviet Union. But it doesn't seem to have much impact on the way in which our statesmen and diplomats go about handling negotiations with the Soviet Union. They need a much clearer, and therefore more distorted, stereotype of the party they are dealing with. They tend to end up with talking about hawks and doves in the Kremlin, and things of this kind which really make very little sense in the Soviet context. As far as Europe is concerned it could be argued that territorial expansion, the acquisition of more Europeans to add to the Poles and the Hungarians and the Czechs, is probably very low on the agenda of even the most expansionist-minded Soviet leader.

On the other hand, in the rest of the world you have a power which has very rapidly become a naval power with world-ranging capacities and the ability to use political, military, ideological, economic influence to make something of this power by bringing pressure on its opponents. Therefore, one is again torn between concentration on Europe which is for the Americans as well as for the Europeans the core of the problem, and the other anxieties which relate to different parts of the world. This is a phenomenon about which we probably can do very little; but we must lose no opportunity of illustrating what type of regime it is, insofar as the Russians don't illustrate it for us. We must try and make people aware of the nature of this alternative that has been offered in Europe to which neutrality would be a step.

Billington

There ought to be a serious dialogue between Western Europe and the United States on two aspects of the Soviet Union. Unfortunately, I don't think there is agreement on either one.

The first is that there really has been an extraordinary challenge. It is typical of the discussion that not a single allusion has been made to the astonishing statistics of Soviet physical investment in the command military sector despite their otherwise stagnating economy. The second is the growth of their willingness to use this for political advantage - and the growth of a substantial sub-culture in both Europe and the United States who are willing to explain this any way except the obvious way.

Another element worth discussing is the fact of a dying religion in the Soviet Union. That doesn't mean that ideological motivation is not very strong, because religions in their final stage are at their most aggressive and authoritarian. Priestly classes of a large and established sort die very hard and try to re-juvenate themselves by identifying themselves with the most extreme and terrorist elements of their own satellite sub-cultures. I have in view Cuba and Vietnam.

The United States has had a great deal more direct contact with those two countries than Europe has. I don't know if the Boat People have been getting much attention in Europe, they certainly haven't gotten much attention in the United States - they are not a fashionable group of refugees to talk about. But in human terms they indicate the kind of society that is involved there.

In the short term there really is a problem with what I would view as an aging, ultimately dying, hopefully transient, oligarchy of the most deeply corrupt kind that it's possible to imagine. But a number of statesmen seem to have developed certain delusions about them because they have elegant interlocutors with whom exciting breakfasts are held in a variety of world capitals. It has become a kind of status symbol in societies where it seems impossible to do anything about your domestic problems to have speculative discussions with a few touring Soviet officials.

The European political elites seem to be unable to explain to their population the reality of this fact, the seriousness of it for their own existence. If they don't believe the growth of Soviet power, if they think it's something that should be accommodated to rather than dealt with, that already defines the future of their societies and the nature of these political elites, and there is nothing any of us can do except lament the fact and continue the dialogue.

Another point is that, despite this deep short-term problem, there are very substantial long-term possibilities of striking some kind of understanding with the Soviet Union. This is because the elite is very old, and there is going to be a generational and not merely a leadership change before long. It is

a society in which a great deal is happening besides what we see. The most operative thing here is: we have failed abysmally by over-indulging in repetitive debates with the same elements of the elite, and by under-studying the complexity of the society, the nationalities, the new generation, the intellectual explosions that have occurred internally in this society, and not considering any long-term perspective.

This is a society that has created a series of dynamics which this ossified bureaucratic political leadership ultimately is not going to be able to control. It is important that Europeans and Americans establish - hopefully together-a dignified dialogue with the broader elements of that society. This can re-assure them that our necessary response to the present imbalance is not intended as an unyielding hostility to the dynamic forces of change that are at work just under the surface. We have failed for many years by accepting their tunneling of what should have been an expanded dialogue. And here we Americans are more guilty than the Europeans because we have tended to produce Soviet experts who have all answers but no questions. There are, I think, many questions over the long term, though there are relatively few for the short term.

Hoffmann

I think that you are totally wrong on your first point. The Europeans have had contacts with the Soviets for quite a while and for them the charm of having breakfast with "X" or "Y" faded a very long time ago. If you look at the evolution of what could be called the "intelligentsia", certainly, in a place like France, the complete loss of any sort of charisma or appeal of the Soviet model is really the most spectacular affair of the last few years. This is what I would call the "Solzhenitsyn Effect".

So there is no disagreement about the nature of the leadership or the growth of military power, but there is considerable disagreement on precisely the point you did not develop, which is how to cope with it. That's where the debate is not only between Europeans and Americans, but within each side.

Bondy

I am quite sure that we need West European-American linkage guarantee and the American presence. But we have a kind of black and white situation in Europe, geographically speaking. There are certain lines which have now kept for well over thirty years and one knows that if anything happened to change these, it would be the major drama. Inside these lines we know that the morals, the values, the religious feeling, whatever else Novak has in mind, is on our side, because our Western World, including the neutralists and the neutral states, holds together in common values. In contrast, the Warsaw Pact system holds together by hegemonic will, by sheer force and not by common belief, interest or sympathy. This difference plays in our favour, but it doesn't change the fact that there is one line and to cross that line would be apocalyptic.

On the other hand, we have a grey zone, where our destiny may also be decided, in which many important shifts can take place and will take place without being a cause of real world conflict, or maybe even of military conflict. As Europeans we should pay attention to that zone in which some upheavals, internal and revolutionary, cannot be a reason for intervention. We have neither the force nor the right to act there. But the advance of Soviet force is our concern, and if we limit ourselves to the geographic sphere which is presently of NATO, I would say that this is necessary but not sufficient.

Joffe

What kind of long-term models do we have in dealing with the Soviet Union? If you go back into the history of the postwar period, there are at least six "models".

The most subversive model of dealing with the Soviet Union is Mr. Kennan's idea of containment. We should not forget that he was talking about a policy which would put pressure on the Soviet Union - let her cook in her own steam, as it were - until the domestic system would be modified to our liking. That model of containment gave us, at its extreme, Vietnam.

The second model was what I would call: "Henry Kissinger 1". This policy would give the Soviet Union a very hefty stake in the system, something akin to condominium and which was symbolized by the 1972 agreement on SALT and the Moscow "Declaration on Basic Principles".

Thirdly there was "Henry Kissinger 2", which is normally described as "linkage". This required rewarding the Soviets for behaving in certain ways acceptable to the US - and which reflected the fact that American military power and domestic resolve was rapidly declining after Vietnam. It was mostly "carrots" because the "sticks" were getting rare.

The fourth model would be "Carter", a very crude model, indeed. He just proposed to ignore the Soviets, in favour of "world order" and of "global issues".

Now we are back to a very crude version of containment - the "Reagan model" : material incentives (such as trade) are used very sparingly if at all; instead you build up your own military might and try to hem in the Soviets wherever you can. The dangers of a real clash are quite evident.

The sixth model is the European version of linkage, something which, for want of a better term, I would call "Ostpolitik". On the face of it, Ostpolitik looked very stabilizing - offering the Soviets long-cherished political concessions such as the ratification of the territorial status quo in Europe plus a constant stream of material benefits such as trade and credits. The basic premise, however, was quite subversive: in exchange we expected the Soviets to loosen their heavy grip on Eastern Europe and to bear the political risks of partial devolution. Yet as the war of nerves for Poland seems to indicate, the Russians cannot go very far down that road for fear of going too far too fast. The stakes - ideological as well as hegemonial supremacy - are simply too big.

To sum up: the two extremes - brutish containment or something akin to condominium - seem equally impossible. What we need is a stable mix of rewards and restraints, yet that is something which democratic societies are least capable of providing. We run, as we have seen both in Europe and the United States, through cycles of overselling anticommunism which lead us into Vietnam, or into overselling détente, which lead to the neglect of military power. Or we become beholden to interdependence where suddenly some of us are more "interdependent" than the Soviet Union.

The lesson that I would draw from the past thirty years is that neither the United States nor the Europeans as democratic societies have been able to conduct a stable policy of rewards and restraints that is called for in dealing with the most important, most threatening power in the world.

Gasteyger

I cannot escape the feeling of déjà vu in listening to this discussion of how the West should deal with the Soviet Union and, in attempting to do so, search for a "grand strategy". After all, we had one for over twenty years. It was called "containment" and was pursued, in various disguises, from Kennan to Kissinger. It worked to some extent but it did not prevent something of fundamental importance from happening all the same, namely the emergence of the Soviet Union from a basically continental to a global power. It was the United States which recognized this fundamental change in the international system in the SALT I agreement and the Moscow Declaration. It is only logical and consistent to accept therefore the Soviet Union as a world power and react accordingly. All the alarm about "Soviet globalism" is either rather hypocritical or reveals that one has in fact not yet adjusted to the new situation.

My second point relates to the question of whether or not a US military superiority over Soviet military power would really solve all or most of the West's security problems. Personally, I do not think so. The Soviet Union discovered during her Cuban adventure the decisive advantage of military superiority - though at that time it was on the American side. We can be sure that she will under no circumstances allow herself to get into such a situation of utter humiliation again. In other words, we can be sure that she will pay almost any price to maintain some strategic parity with the United States. While the West may be proud of the way President Kennedy handled the Cuban crisis, we know now that it has deeply influenced Soviet thinking about the utility of military power, if not superiority, in international relations.

Some of us may have nurtured the hope that in the later 1960's and early 1970's the role of military power would gradually decrease in favour of non-military factors such as economic strength or diplomatic skill. This hope has unfortunately not materialized. And one major reason for this is that the Soviet Union, for various reasons, still looks at military power as the main, if not decisive element in international relations. Is the United States again going back to this view as well? Of course, there are no general recipes as to how we should behave vis-à-vis the Soviet Union ; there is no master plan on either side. But to hope for, or even aim at a break-up of the Soviet system - as was suggested here - would be both fallacious and illusory. And even if it were neither, I do not think we would stand to gain anything by it.

Thirdly, many Western politicians still see the Kremlin or the Politbüro as a monolithic unity operating with an almost unshakeable consensus. And yet, we know that this is not true. We know that the Soviet leaders have to operate in an increasingly complex system with many cross-currents and conflicting interests. This should be exploited more and those currents in the Kremlin encouraged which are more amenable to cooperation or dialogue with the West.

Fourthly, if there is to be "a" strategy, it should be a mixture between confrontation where it is unavoidable, and cooperation where it is desirable and in our interest. Détente does not exclude the former and can but must not always be a precondition for the latter. But we have no interest whatsoever in an unnecessary and dangerous confrontation between East and West at any price, nor indeed in a Soviet intervention in Eastern Europe. There are more and more areas in which a greater degree of understanding if not cooperation with her will be required in the future, be it in preventing a further spread of nuclear weapons, in preventing another conflict in the Middle East or in promoting more stability and development in the Third World. Sooner or later, we will have to find ways and means of reaching some understanding, if not even rules of conduct that define not only our own attitude but also that of the Soviet Union, of what she can and, more importantly, of what she must not do.

My last point is that we would be well advised to formulate a policy not just and only towards the Soviet Union but also towards her potential targets. I do not think just of the East European countries but also of those in the Third World. Here we find the beginnings of what I consider to be a rather promising trend: some of the developing countries are in the process, often very slow, of changing their perception of, and attitudes to, the Soviet Union. They do so as a consequence of Soviet penetration into areas in which they themselves live. Hence, they begin to see the Soviet Union as a potential threat, not a distant superpower but one that is very close and real. This is a trend which deserves to be encouraged and will, in any case, continue as Moscow expands further afield.

Billington

Changing how?

Gasteyger

So far, when you talk to many people from Third World countries, the Soviet Union was not considered to be a major threat to them because they never experienced her.

Kaiser

On the contrary, it was a model.

Gasteyger

It was a model and as it lost its more or less model function at least in most African, South-Asian and Latin American countries, the Soviet Union was not experienced to be a real threat. Now, as she advances in countries like Afghanistan, it is realized that the Soviet Union is a great imperial power in her own right and therefore has to be dealt with accordingly.

Stern

There are two areas where we face the need to take decisions vis-à-vis the Soviet Union. And particularly in one, Poland, we seem to be saying that we have a coordinated policy. I hope we do - meaning within the alliance. But one is sometime struck by the fact that the US has engaged in frequent weekend reports of imminent invasion, whereas the Germans and, to some extent, the French have been giving a good deal of further financial support to the Poles. Perhaps, in the short run, the latter is a more sensible policy - because I think that Poland is likely to be the most serious test case for the Soviet Union since 1945 and therefore, in some ways, for the whole history of liberty in Europe since 1945. For a variety of reasons, not least for reasons of morality, it really deserves the closest attention.

The other area is: How will the issue of military aid to China be resolved? Some people are rather confidently asserting that we will be selling arms to China at the end of the year. How would such sales affect the alliance as it exists now?

Shils

The Soviet Union is still thought by many people in the world, especially by the educated classes, to be a socialist country, which is regarded as a very great merit. They may criticize it for not being a satisfactory socialist country, they may think it does not realize the ideals of Socialism, but the fundamental fact for them is that it is a socialist country: property has been "socialized", the instruments of production are "owned by the working classes" and so on. The ruling Communist parties of Eastern Europe may be criticized for dogmatism, intolerance, rigidity, etc., but the fact that

they have got rid of capitalism, that the "anarchy" of capitalist production has been replaced by a "rational" plan counts as a merit which cannot be diminished or qualified by brutal repressiveness and aesthetic philistinism.

Every progressivistic European and American intellectual who wants to testify to his bona fides as an intellectual thinks he must make a few disparaging remarks about the Soviet Union. Nevertheless, it turns out usually that when judgments are rendered about conflicts between the Communist bloc and the Western powers, the benefit of the doubt is almost invariably given to the former. Somehow with all its crudity and hypocrisy, the Soviet Union has succeeded in establishing itself as a "peace-loving" society while the West still bears the onus of imperialism and capitalism. Although the European Social Democratic parties were offended by the Soviet Union after the First World War, in the rank and file and in the younger generation the Soviet Union has managed to hold on to the loyalties of many of them, despite its acknowledged specific deficiencies.

What European statesmen have to contend with is that they have an educated public opinion which thinks that whatever its deficiencies, whatever its vices, whatever the cruelties it performs - the Soviet Union is still, in the last analysis, a "socialist country", whereas the United States, which is against the Soviet Union, is a capitalist country. European statesmen have to confront this fundamental misunderstanding - this prejudice against NATO and in favour of the Soviet Union.

Mastny

I would like to comment more specifically on the question of assessment by Europeans and by Americans and some of the consequences for policies. It has been said here that there is no basic disagreement about the Soviet threat but how to deal with it. There are two clearly defined positions as to the question of what makes the Soviet Union more accommodating, as opposed to what makes her more assertive.

One position is that the Soviet Union has to feel more secure; there has to be more stability in the Soviet Bloc, so that the Soviet Union could afford to be more accommodating. The consequences for policies would be that we should help the Soviet Union to achieve this feeling of stability and security. I would submit that this has been much more a typical European attitude, reflected to a greater or smaller degree in policies of various Western European countries; in particular this was characteristic of France under the former Administration. I recall the near panic that prevailed when Gierek, this guarantor of stability, was ousted in Poland, and suddenly something unpredictable was developing there.

The other position is that the opposite is true: that the Soviet Union has to feel more insecure, there has to be a certain degree of instability, so that she will be more accommodating. This has not been a typical American attitude but it is probably the tendency in which the present Administration is moving.

Now, which position is correct? As a historian I have no doubt that in the past the Soviet Union was invariably more accommodating whenever it was facing trouble internally, either within the Soviet Union itself or within the Soviet Bloc. If one goes through the various periods of détente, as well as of hardening, there is clearly a correlation between the greater feeling of insecurity and the greater willingness to accommodate vis-à-vis the West.

I am not implying that the trend would necessarily continue, it perhaps is changing. But this point seems to be missing in the debates between the Americans and Europeans. I would like to see more effort to come to grips with the problems and decide which of the two positions seems more applicable for the future, and the consequences for the policies are obvious.

Kaiser

Let's shift the debate to the Third World for a moment, since this seems to be an area in which, again, there are different perceptions between the United States and Europe. I refer to the role of the East-West conflict in the Third World. How do we perceive the Soviet Union and her role in the Third World?

Billington

I agree with your description that the Soviet Union is a largely discredited model as a total society, but as a means of getting arms, as a means of getting good East German police training, as a means of getting Czech technicians to do something or other it is much more attractive; it is part of the great supermarket now for the Third World. People will shop in it who have contempt for the Soviet model as a whole, but who nevertheless can benefit from the Soviet Union as a world power in a variety of very concrete ways.

It seems to me typical of a kind of illusion when we say "the more they get the more they will either have to be responsible or they will be satisfied". Meanwhile they keep on nibbling carrots while no one has come up with any credible sticks. General growth and movement is not lost on Third World leaders who are much closer to the level of daily survival. Unless cushioned by friendly alternatives to power obtained by cooperation with the Soviet Union they are going to make use of this new power.

Novak

On the general position of the Third World and the Soviet Union. While representing the United States in Geneva, recently I observed the following differences: there were Third World nations which, while sympathetic to the West, are a little bit doubtful about our staying power, our reliability, particularly with regard to the United States. There were others that were remarkably cynical, that is, they see in the ideology of the Soviet Union a force for a rigorous authoritarianism which they hope will enable them to accomplish their objectives. The Soviet Union will give them the ideology, the legitimation and the material support they need. There were some delegations in which that was clear.

There were others who, while sympathetic to us, very clearly regarded the Soviet Union as a more effective punisher and rewarder of their behavior. They considered the United States and the West generally as less persistent in that pattern. Therefore, they tended often to vote against their own sympathies but in the line of their own interest. There were others in whom I thought I detected a sympathy with what they perceive at first as Soviet authoritarianism. There were others, again, who have passed over that line and have recognized the face of totalitarianism. At first they thought this was just a new way of doing business the old way, and then they realized "Oh, my goodness, there's something wrong!" - the massive exoduses have been decisive in this awakening. Cambodia. Ethiopia. Chad.

Now the greatest gap, so far as I could see, was that everybody at the UN spoke the language of Socialism. And since most of the questions most on the minds of people are economic questions, this has very damaging consequences. Nobody speaks well of Capitalism or any part thereof. This is very damaging also for those countries which are mixed economies and which prefer a Socialist rhetoric for internal reasons. If they don't speak about the other side of the mixture - the capitalist side - they, too, are lost. There was never a good word for profits, corporations, entrepreneurs, or economic activists. It was imagined that the state and political activists are the sum total of everything. That is the recipe for economic disaster even from the point of view of a mixed economy.

So in my view again we have a severe ideological problem concerning the moral nature of capitalism. The fact that capitalism has been in the hands of the economist is a disaster, ideologically speaking.

Hoffmann

For most Third World countries, capitalism simply does not have the virtues you imply. If capitalism should come in Third World countries, it will come under the name of socialism! Although these countries may not have been as mercilessly exploited as according to "dependencia" theories, certainly capitalism has not meant necessarily that their own development has been in their own hands. It is rather difficult to come to them and say, "look how marvellously it is done at home." The best that you can ask is that there be a divorce between their rhetoric and what they actually do.

Stern

I would like to revert to the link between what Ed Shils was talking about, the still lingering sense of the Soviet Union as a socialist country, and Mr. Novak's poignant plea for the rehabilitation of capitalism. They are the reverse sides, in a certain sense, of the same problem. I was struck that the rehabilitation of capitalism would present problems in the Third World. After all it presents a problem in our own societies as well.

That is to say this "rehabilitation" really begins at home. I would also say that it conflicts with Mr. Novak's remark about the religious nature of American life. Take the role of the churches in the last forty years. Previously their attitude to capitalism had been ambiguous, but certainly over this period it has been relatively unambiguous and negative. There was a time, as Albert Hirschmann demonstrated in his recent book, when capitalism had a moral defense made by English moral philisophers in the 17th and 18th centuries. It was not left to the economists nor simply discredited by a bunch of Socialists, as it were. To some extent it was discredited by conditions in Europe in the 19th century. The rehabilitation would therefore have to start in our own country, and would not be an altogether uninteresting task.

Novak

I believe that the practice of capitalism is susceptible of expression in social language, if we really try. I am not talking about the rehabilitation of capitalism. After the first generation of inventors of capitalism I can find very few writers, who came to its defense. Conservatives opposed it from one side, and Socialists from the other, from the 1820's onwards.

So this has nothing to do with rehabilitation. It is a matter of finding a language for what has actually happened. Bishop Arns of Brazil recently said that he wanted land reform, ownership of the property by the peasants so that they could work for themselves. Now he may call that socialism, but I think it's the equivalent of what in the United States the government attempted to do through the Homestead Act, a kind of state action in favour of private property. The broadest possible rural electrification was a federal action of the same kind. We have found ways of doing "socialist" things under a capitalist language. In other words, the reality is more important than the language.

In part, though, it may be necessary to rethink the socialist language. Socialist objections against the system rain down like hailstones. I am preparing a book of 200 such objections, now classical. But for some of them, it suffices to turn the matter around. If you speak about the exploitation of the Third World nations, one must also think about the conferral of riches, which capitalism brought them. It was inventions, discoveries, techniques, technologies developed under the innovative thrust of capitalism which have made these countries quite rich. In Arabia one had known since biblical times of the existence of oil. The problem was to find a use for it. And once that use was found, and it was found under Capitalism, extraordinary wealth was conferred on the region. To some extent, it's necessary to think through, outside the language of British individualism and utilitarianism, the actual social effects of capitalism on our lives.

It is not just an economic system, but embodies a political system, and a moral-cultural system. The relationship between these three systems is very complicated, and produces forms of life different from anything written down in books. One small example: I know for a fact that my children and my neighbors' children are not brought up to be rugged individualists. They are brought up to be extraordinarily skilful in various social circumstances - and our system can't work without that. Now there is no book which describes to my satisfaction the kind of social qualities engendered by the capitalist system. The language of individualism just misses what we actually do. There are some signs in John Dewey, I would say, which come closest to describing this. My point is that I think that our system has been too much hated by intellectuals, especially the theologians. I must say, Mr. Stern, that I am dismayed by the rejection of capitalist achievements by the Churches. This has been a rather consistent pattern for some time, and is an extraordinarily bad mistake. For these achievements are not merely material. The ethos of democratic capitalist societies represents as high an achievement of the human spirit as at any time in the past. Who would like to trade it for that of any preceding era?

Loy

Earlier the Chancellor challenged the United States to consider approach to a "partnership with the Third World". That had almost a Madison Avenue flair to it and might have some possibility of success. It is not totally clear whether this Administration's foreign aid policy signals a significant discontinuity or reversal in some of our values, or whether it is a momentary and rather pragmatic posture.

At any rate, this Administration has an enormous support for a lot of things that are considered difficult. One of these is an increase in our defense posture, our position vis-à-vis the world. That stems in large part from a sense not so much of threat as from an American desire to stop being pushed around. The response is, in important part, reliance on strength in military weaponry. I think all of that is a correct perception of the way a large part of America feels.

But it is also true that concurrently there exists in the United States an enormous reservoir of desire to do good internationally and in the Third World. It is much more possible for the Administration to harness that desire in the form of constructive efforts in the Third World than the Administration comprehends or is willing to admit. That is not entirely singular to this Administration; but it is more true now because the Administration has, if not a bigger mandate, at least a bigger reservoir of good will and flexibility than the last Administration ever had.

It is possible to equate both a general sense of security and containment of Soviet expansion with intelligent moves in the Third World. The Chancellor referred to a specific condition that ought to be put on the plan, and that was the non-acceptance of Soviet weaponry. Let us assume that some version is part of it. There are some things that really are very tough and fundamental in American life and are hard to battle. But it is wrong to think that antipathy toward all forms of foreign aid, regardless

of how it is presented, is so fundamental that you can't budge it. It might be useful to re-examine whether a rearticulation of that by this Administration could achieve an attitude toward foreign aid based on self-interest, security considerations and not, on the verbal level, a kind of "do-goodism". By drawing on the reservoir of good will, I suspect that approach might, in fact, be more successful than has been suggested here.

Beloff

In discussing the question of foreign aid as an instrument of Western policy quite apart from the willingness of Americans or Europeans to make financial sacrifices to benefit other people I should mention another point. A significant current of opinion among professional economists would have it that we do not know how to use this money even if we are prepared to give and that very frequently the giving of aid has actually been counter-productive.

A number of countries have recently attained their independence under regimes of different kinds. These understandably enough do not wish their choice of expenditures to be limited by their donors. In many cases, by no means in all cases, the way in which they want to spend the money may benefit a particular group of the existing rulers or satisfy particular ambitions. From the point of view of the economist looking at the way these economies might develop, this is a distorting factor and often leaves them worse off than they were before, particularly if they are encouraged to add large foreign debt, that's to say, to borrow, to supplement the grants they have been given.

There may be occasions when an infusion of some money, some experts or whatever it may be, could alleviate the situation. But this will normally only be the case when you are assisting a government which is itself competent to make these decisions. And, of course, it is clouded, as was said, by the prevalence of the language of socialism. This may have been a little over-rated. I have been spending two days with the representatives of some Third World countries: Singapore, Malaysia, Indonesia. They are not exactly socialist states and their relative prosperity by comparison with the rest of the Third World is largely due to the fact that they have given very considerable scope to various forms of private capital. But when you come to African countries, to some Latin-American countries, and to some of the poorer countries in Asia, the problems as to how one could cope with this without incurring the objections of neo-colonialism are really very great.

We face almost the same problem in Poland. The Western European countries in particular have of course given considerable economic aid to Poland in recent months. This could perhaps enable the Polish government to survive its current crisis and obviate the necessity for Soviet military intervention. But fundamentally it can only postpone a further crisis, because the Polish socialist economy is itself unviable. It cannot produce the kind of standard of living which a country with strong links with Western Europe, and a great deal more opening to the West than the Russians themselves have, is prepared to accept.

It is odd that we can't find any language in which to suggest the extent to which capitalism has contributed to the prosperity of the West and of some Third World countries. Yet we are also inhibited from saying that socialism is a catastrophe for most countries, whether in Eastern Europe or in Africa. One has only got to compare Tanzania and Kenya, for instance, to see what differences are made by whether you adopt a Socialist form of economy or not. I sometimes think I must say in my more pessimistic mood as a historian of imperialism, that Europe made two great exports to the Third World, one was syphilis and the other was Socialism. But no one has discovered a penicillin for Socialism.

Dahrendorf

When we talk about human rights, of the rule of law, then we know there is something which I would insist on seeing realized in every country in the world. I see no excuse, wherever the rule of law or human rights are violated. When we talk about our own experiences of political democracy, we are probably talking about something which we would insist on having in our own countries, which we would like to see in as many countries as possible; but I for one, if I examine myself carefully, am prepared to make allowances in quite a few countries of the Third World. Thus, I have reluctantly come to distinguish between a total insistence on the rule of law and a not-so-total insistence on the formalities of democratic government.

Now the next step is the kind of economic order or the kind of approach to economic progress which one would like. On the question of aid, if I may say so to Lord Beloff, it has become a favourite theme of the right and of the left to say that aid is a bad thing: Peter Bauer and Paul Streeten entirely agree that this is so. Nevertheless, dare one ignore basic needs and the question of the 600 millions? We

will need the World Bank, and the kind of thing the World Bank is doing, and we will need the Churches incidentally and a number of other institutions in this connection.

But talking about economic progress we get to rather more complicated terminology. I'd really like to challenge Michael Novak on this. What exactly does he mean by capitalism? I think both capitalism and socialism have become polemical terms, for purposes of a discussion which has very little to do with the real world in which either we or the countries of the Third World are living. I can endorse many of the statements that Max Beloff made in saying that socialism has been a dismal failure. I think that is true. But what exactly do we mean when we want to praise capitalism? Isn't it better to go back to the basics, to talk about human rights, about democratic political systems, and about decentralized and independent activity, market activity, if you wish, of a variety of kinds, rather than use terms which are designed to be polemical?

Schiller

I agree with Ralf Dahrendorf in this respect. In my own political activity in some developing countries, for instance in Pakistan last year, I completely avoided the model of capitalism or socialism. Pakistan and many other developing countries have mixed economies, over-regulated, over-governed, under a huge burden of a huge bureaucracy. That is the main evil in all these countries. You have to demonstrate that the system we are now trying to introduce as advisers is not capitalism. It's a purely market economy, as an instrument to increase productivity and the output of the economy as a whole. To go even further, I would say it's almost a system of rules of conduct for economic, human, individual behaviour.

But if you introduce such a system at first you provoke some sort of cultural shock in these societies. I have seen this in Pakistan and elsewhere. But you can make some progress in these countries if you avoid these emotive words like socialism or capitalism. Even they are not using them now, they say we are a mixed economy, we learned this mixed economy not from the Soviet Union but from Europe, from England especially. I believe that is the right direction.

Look at these economies, how they are now. They are receiving aid because the whole system of prices and wages is distorted in these countries. They have no priorities, they have no yardsticks on how to spend the money. So the first proposal must be to decontrol the whole economy, even on the import side, even in the currency field, and so on. I believe that's the one and only way to improve our foreign aid to these countries. We should be more offensive in this field - not seeking to import our systems, our political system which is quite a separate thing, Westminster democracy and suchlike, but just to introduce a mechanism which gives more freedom to the people and to business, and leads to higher productivity in these countries. I believe that is the right way ahead for the next decade.

Gutowski

I can only support what Prof. Schiller said from my own experience. Twice now, I have been invited to China to advise the Government on the question of how to introduce market economy elements into a socialist system. This is basically possible, as has been shown by Oskar Lange and others. But it is very difficult to solve the problems of transition from the present situation with many distortions to a functioning market system. I agree with Ralf Dahrendorf: the basic thing is the rule of law, or as we say, the "Rechtsstaat". It's more important than anything else. But it is very difficult to launch such a change in developing countries, where you may have tremendous inequalities in the distribution of wealth, where you have, for example, owners of big latifundia and very poor farmworkers. In order to start a market-oriented economic order that will function, the first step to be taken might be to expropriate the big owners. This is very difficult, because one has to break the rule of law before it is newly established. But in several countries, there might be no other chance of success.

Kaiser

In the last stage of our discussion let us turn to an area of enormous importance and obvious potential conflict, namely the Middle East. What is apparent in the Third World as a whole is a certain difference in emphasis between the United States and Europe. While the United States tends to stress the East-West dimension the Europeans tend to focus on the local and regional conflicts. That applies to the Middle East in particular which is of strategic importance to the whole Western World.

At this stage we are far from having a shared assessment although there are elements of it, and we are even further from a shared policy. Earlier on, we heard that the United States is really willing to share power in an area which will be of such importance to the security of the West as Europe is

today. Perhaps we could conclude our discussion by considering the problems of the American-European relationship in dealing with this question.

Hoffmann

One may place a minimum of hope in a Middle Eastern form of the cunning of history. This Administration came in with the notion of the "strategic consensus", in other words, it is trying to convince the states of the area that priority has to be given to the Soviet threat rather than the Palestinian issue or the Arab-Israeli conflict. As you know, the Secretary of State went to the area and practically everybody told him to reverse his priorities. But since the Administration is pretty unlikely to give up its idea that the Soviet threat is the biggest menace to the area, the very need to achieve its objective may force it to take stock of where it stands in the Arab-Israeli affair. It may also have to do something, not only to lift American policy out of the deadlock of the past year, but perhaps to reconsider Camp David altogether.

Secondly, the Administration also somehow began with the belief that the distribution of arms all over the place was a substitute for policy. If you don't have a policy, sell arms! This is a way of reassuring one's friends and demonstrating one's staying power. In some parts of the world, there is something to be said for this. But when it was done in the case of Saudi Arabia, it provoked a storm and a real risk that the deal might not go through the Senate. This was precisely because you cannot treat the area as if the strategic consensus has already been achieved, and as if it were dominated exclusively by a Soviet-Middle Eastern confrontation at a time when there is still an Arab-Israeli conflict.

Many people, even within the Administration, must be realizing that it had put the "arms sales cart" before the "political horse". Now, that doesn't mean that there is going to be an easy solution, but there may be more of a possibility of rapprochement with the Europeans, assuming that the Europeans know exactly what they are doing. The kind of rather fragile beginning represented by the European initiative isn't going to be destroyed altogether by shifts in Europe. And this is one area in which I would like our European friends to tell us something about the state of European thinking on the foreign policy aspects of the Middle East crisis.

Wells, Jr.

People from both the Carter and Reagan Administrations have often expressed the view that the European initiative in the Middle East is at best pernicious and at worst extremely dangerous. Perhaps the mildest form of criticism of the European initiative came from a US official who said that it would not be bad for the Europeans to make the initiative in the tentative form that we understand it has been made, if they were prepared to move to a series of actual negotiations between Arabs and Israelis. But since the Europeans have essentially forsworn any contact with Israel and have no leverage there of a positive nature, they cannot conceivably engage in the kind of back-and-forth negotiations which are necessary to bring about movement. Given this lack of leverage, it may be a dangerous thing for them to meddle.

Now, I don't accept this point of view, but it's one which has been very widely held in the last two Administrations here. The last fortnight has obviously brought a great deal of additional evidence to support that case arising from the Habib mission in Syria. The French had wanted to play a role in the situation in Lebanon. They were able to do so in a very minor way, we understand, by helping put the Americans in touch with certain groups in Lebanon with whom we had not previously been on talking terms. But the main role has fallen to the Americans, because we were the only people who could really deal directly, or pressure, or bring around the Israelis.

What is so different about the Middle East from any other part of the developing world is this Arab-Israeli confrontation on the one hand, and the geographical proximity to the Soviet Union on the other. And the conjunction of these two things, along with the emotional and deeply felt American commitment to Israel makes this one of the most complicated sets of political and military issues that exist. I don't think the learning curve of the current Administration is likely to be fast enough to avoid some serious problems. A lot of us hope that they will come to a reassessment of their views on the Middle East, but I'm afraid it will take a significant crisis and some losses to bring them around. That's why I personally am very pleased that the Europeans have launched an initiative, and I hope they will go ahead with it.

Finally, like the Europeans, the Arabs are still trying to figure out what our new Administration is up to. After all, the Egyptian-Israeli peace arrangement is extremely fragile. The Egyptians are very eager to see progress on the autonomy talks; they are increasingly coming to suspect that there were sold a hollow provision there. Not only did Carter not plan to do very much to force the Israelis to talk

seriously on autonomy, they feel, but Reagan is certainly not inclined to pursue it. So the Egyptians are not joking when Sadat periodically explodes with "don't take us for granted"! I think it very possible that the Egyptians could make another arrangement, not necessarily turning to the Soviet Union, but trying to work their way back into the mainstream of the Arab nation. They feel the estrangement from their fellow Arabs very deeply. If the Europeans want to play a role, one of the main things that they could do is very assiduously to cultivate the Egyptians, to try once again to establish some links between Egypt and other Arab states.

Kaiser

The American-European relationship at the end of the Carter Administration was really in deep crisis on that issue. There was considerable concern when the Republican candidate ostensibly pursued a strongly one-sided pro-Israeli line. Many people in Europe thought that things might even get worse, but in the meantime, they have not failed to notice that the Administration is pursuing a different course. And that has removed some of the fears in Europe. The European Community is about to resume the Euro-Arab dialogue. There are some difficulties with regard to the PLO chairmanship on the Arab side, but these will be resolved. So very soon there will be some action, assuming no major change in the area as a result of events in Lebanon.

However, there is still a basic problem here. I do not think that the European Community will accept being confined to a mere auxiliary role in support of American policy in the area. The Europeans will insist on having a voice of their own, and on being entitled to an opinion of their own, although, of course, the weight of the two partners in future proceedings will be very different. The chances for consultation in future are much better, if you look at the actual content of policy, than they were at the end of the last Administration. That is not to say that they will succeed.

I should mention some interesting developments here. We don't quite know what the election in France will mean for French policy on the Middle East. Some people argue that Mitterrand's relatively pro-Israeli stand may affect this. Personally, I am a bit sceptical. In the end, French policy on the whole will probably remain the same, perhaps being a little bit less in the vanguard when it comes to pushing the Arab or the Palestinian cause within the Community.

The Federal Republic is going through an extremely difficult process of redefining its policy in this area. The Government has tried and is trying to activate German foreign policy in the area in order to bring the German potential more to bear on the diplomatic and economic field, but without neglecting the security relationship. One of the elements behind the Chancellor's trip to Riyadh was to demonstrate the relevance of that area and that country to the security of Germany and Western Europe. It was a gesture to his public at home, as well as to the region as a whole.

The fact that Mr. Begin's reaction highlighted the Israeli dimension alone has somewhat obscured what is a rather fundamental process. In response to Mr. Wells, I would say that the activation of the West European and also of German policy on the countries mentioned has been going on for some time. If you look at the list of the countries to which Germany gives the largest amounts of aid, you will find Pakistan, Egypt and Turkey at the top. So Europe is playing a more active role. The question of arms export policy, as you know, is extremely difficult, but the Chancellor has, in discussing a redefinition of the present restrictive policy, mentioned a process that might take years. I think that's wise, because it is a very difficult domestic issue.

Rovan

After some friendly gestures towards Israel the new French government will sooner or later realize that there is not much scope for change in our Middle East and North Africa policy. These are intimately linked, because of the big interests of every kind - cultural, political and economic - that we have maintained in North Africa. That our Middle East policy depends to a large extent on our North African policy, is not always understood even by our European partners.

After some more gestures the new government will not be able to make really big changes in our arms sales policy, make such changes affecting one of the main French export industries. The problem of employment will make itself felt.

One smaller point which may be of interest is the link between Kreisky and Mitterrand. This could mean that Mitterrand will give as much help as he can to Kreisky's activities in the Middle East. As you probably know the Austrians and the French already collaborate on some arms sales to Arab countries and may do so even more in future.

Billington

This will compound the difficulties, though, if the two parties - the European and the American - have slightly different sense of the Soviet problem, plus slightly different appreciations of the Middle East problem. If they then pursue independent courses of action in an area where there is double distortion of vision, they will run a very great risk of getting off track, of being ultimately subject to the manipulation of other parties, even very marginal parties in the area. You square the risks, in other words they go up geometrically and not merely arithmetically by this double dissonance between the two partners. So I can't think of an area where close consultation whatever the steps taken could be of more vital importance.

Kaiser

That is true for even more reasons than the ones you have mentioned. The area as a whole is now of such central importance to the security of Western Europe and of the West that if ever there was a need to have a concerted approach, it's now. The two sides can afford divergencies even less than they could in the past, and even then the cost was severe.

We have come to the end of our discussions. Two questions remain. The first is the unresolved question of how the differences of opinion on central issues - nuclear weapons, strategy, the role of military force - will affect the relationship. We have analyzed some of the elements: the rejection of nuclear weapons, the rejection of a particular approach. We have looked at some of the reasons. We have not really reached very deeply into analyzing what they will mean to the USA.

In order to assess the impact for the Alliance relationship we should really give these more attention. They might possibly even be the subject for a future meeting of the Bergedorfer Gesprächskreis, Mr. Körber. What is really behind this debate in Europe and why does it not take place here? How will it affect the conduct of our Western security policy?

The other open question is not new, but I am still struck by how difficult it is to converse on the problem of our long-term policy vis-à-vis the Soviet Union. We have stated the differences here, but nobody seems to have an answer as to how we translate these into a dialogue between the governments, because none exists on that issue.

Körber

We have arrived at the conclusion of a discussion which stretched over two days and dealt with the wide-ranging subject of the common bond the agreements and the concerns between America and Europe.

First of all it is my sincere desire to say thank you to the introductory speakers and the participants of the discussions for their respective contributions. Special thanks is also due the leader of the discussions, Professor Kaiser, for the tremendous skill with which he guided the ship of our thoughts through the sometimes high-rolling Atlantic waves and to have steered it towards, hopefully, more quiet waters. I hope that with the course of our discussions we have made a contribution towards improved understanding within the Atlantic communication and stabilization of our Alliance.

We dealt with a topic oriented towards the future, not at all a hopeless one, even though the word "crises" within the framework of our topic and the presence of our American and European experts in our deliberations could have reminded us of a consilium at the bed of a deathly ill patient.

However, a lot of what we classify as a crisis today is not a special problem of the Atlantic Alliance but only a variation of inherent and common human weaknesses of insufficiencies.

Let us take as an example the reluctance on part of the West-Europeans to contribute in an appropriate dimension to the defense efforts - an attitude bitterly criticized by the Americans. However, the attitude - to defend with words rather than arms - is as old as mankind itself, and to underline it, I would like to remind you of the following nice story out of the antique sagas:

When Agamemnon declared war on Troja, all Greek allies spontaneously joined the common call to arms. However, when it came to the point to contribute by furnishing men and arms, the enthusiasm came to a lull and Agamemnon had to appoint a special recruiting officer - a certain Ulysses, who had to employ all his skill to attract capable men to pick up arms.

There was, for example, a young man named Achilles who, later on, became one of the most famous Greek heroes, who, however, was so unwilling to arm that he let his mother put him in ladies clothes in order to hide him from Ulysses.

However, among the many presents Ulysses had brought with him when visiting the home of Achilles, there was a beautiful armor which he displayed before his guests. At once a young lady - namely the disguised Achilles - jumped up to inspect this armor. Ulysses recognized Achilles and forced him to join the war.

You will notice that from the Greek Antique to the Atlantic Alliance problems have not changed. Thusly, also the statement on part of the German Chancellor is of antique wisdom that for a high-alert defense preparedness you require men, then motivation and training and only in the last instance money for weapons and ammunition.

The problems facing the NATO alliance in the 80`s with respect to its cohesion and its effectiveness deserve our continued, closest attention. The durability of this alliance is a matter of vital priority not only for the well-being of Europe but also for the nations that lie outside of its boundaries.

I would like to mention four points of the discussion which strike me as being especially important. The first concerns Stanley Hoffmann`s assessment that the USA does not possess any long-term perspective in its policy towards the Soviet Union. Such a long-term perspective is, however, necessary in order, in the words of Chancellor Schmidt, to further an awareness of continuity in that policy. The fundamentals of policy cannot and must not be changed after every election; a certain element of predictability in the framework of foreign and international economic policy is of vital importance for one`s friends and partners, but also for one`s opponents.

The second point concerns the absence of adequate mechanisms for reaching a consensus and the absence of forums for discussion in the Western Alliance. It was noted by several participants that neither the NATO institutions nor the World Economic Summits are themselves able to clarify all the questions of foreign and international economic policy which have given rise to disagreements between the partners of the Alliance. The list of unsolved tasks includes the formation of a comprehensive defense strategy, a common policy for the Middle East and last, but by no means least, a long-term energy policy which at one and the same time must fulfil the economic demands made on it and take full account of our defense interests. On this topic in particular the strong divergences between American and European standpoints have become evident; I need only mention the controversial natural gas contract with the Soviet Union.

A third important discussion topic, in my view, was the Western policy towards the Third World and the differing standpoints adopted by the USA and their West European partners. The Chancellor put the proposal to our American friends that a type of Marshall Plan be implemented for the countries of Central America. On the one hand, this would serve to prevent possible Soviet influence in this area. On the other hand, such a measure of support would make it clear to the countries of the Third World that we do show understanding for their difficult economic and social situation. This point strikes me as being of particular importance due to the fact that the conflicts in the Third World are taking on ever more menacing dimensions and it is becoming increasingly difficult for us to channel developments towards peaceful solutions.

Finally, I would like to underline Michael Novak`s observation that for the West to assert itself, prime importance must be attached to the will to do so; the material requirements are of a secondary nature. He has accurately detected an increasing impoverishment among Western elites with regard to the fundamental values of our society. There are too few people in the West who are prepared to stand up for those values which are the very basis for the success of our system. The competition between the systems is not solely military or economic; rather, it is primarily a clash over intellectual and moral values. We ought to give stronger emphasis to the merits of our position, namely the values on which our system has been built and we ought to voice these merits with more confidence than we have done in recent years.

Although it is right and fitting that differences of opinion within the Western Alliance should be aired clearly and openly - and this, I think, has been achieved in great detail during these two days - it is equally important to stress the bonds of common interest that extend across the Atlantic. Both Stanley Hoffmann and Ralf Dahrendorf have emphasized the areas of fundamental agreement and common interest between the USA and their West European partners that are as vital today as they were in the past - those political, economic, social, intellectual and moral prerequisites that constitute the merits and stability of our Alliance.