DEPARTMENT OF STATE BRIEFING PAPER

Objectives and Issues

The Setting

NATO leaders will meet on May 29-30 in Brussels to reaffirm Allied solidarity. The meeting is not ritual, for it occurs in a period of doubt and dissension. The West has not suffered such a convergence of adversity in thirty years and the American response is seen as central. Under your leadership, the Alliance will rededicate itself to the proposition that the security and welfare of each depends on the strength and cohesion of all. It will do so through what its leaders say to the public and by what is accomplished at this meeting in:

- -- reasserting unequivocally their intention to maintain undiminished Western defense;
 - -- considering the status of East-West detente;
- -- pursuing the resolution of political and economic issues confronting the West; and
- -- undertaking to deal frankly with Alliance weaknesses.

While fundamental Western solidarity is not now in question, Allied governments and public opinion generally continue to reflect concerns about the effect on American attitudes toward Europe of events in Southeast Asia. Compounding these concerns are the situations on NATO's southern flank and in the Near East.

The Allies are apprehensive, too, about Soviet intentions. As the prospect nears of concluding at summit level the Conference on Security and Cooperation in Europe (CSCE), of moving closer to US-USSR agreement in SALT II, and of progressing in negotiations on mutual and balanced force reductions (MBFR), West Europeans are weighing what will follow -- such as the future of detente -- when Brezhnev fades from the Soviet scene.

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Less overtly expressed is the gnawing concern about eastern military dispositions -- especially the steady increase of Soviet defense spending at a time when the Allies for the most part are only holding to previous levels of defense spending in real terms, and when some, like the UK, feel forced to economize.

In summary, Western Europe at the moment is politically stable; though economically shaken, it is still prosperous. There are profound doubts about longer term political and economic prospects and -- most significantly -- about the ability of Western Europe to provide for its own security against a confident, tough-minded Soviet Union. The United States, then, remains as essential as ever to European security. The conviction by Europeans that US steadfastness remains a constant in international affairs is essential to the stability of Western Europe. Our participation in the Alliance is the factor that more than any other

US Objectives

Your recent statements on the fidelity of
American purpose in this period of transition and
the perspective in which you already have placed
Southeast Asian developments have been noted carefully by the Allies. They are concerned at the role
of Congress and the extent of its authority in foreign
affairs. They have been accustomed, since the end of
the War, to treat with a United States that speaks
with one voice. Their restrained public comments on
events reflect both their understanding of the pressures upon the US and the need to preserve a public
posture that sustains confidence in US intentions.

Above all, your colleagues at the summit gathering will look to you for:

- -- An assertion of personal leadership;
- -- A reaffirmation of US dedication to the Alliance and to its deterrent and defensive aims;
- -- An expression of confidence in the essential soundness, resiliency, and adaptability of US and basic Western policies since World War II; and

-- A statement of what you expect from the Allies.

They also will look forward to your assessments of recent developments, especially with regard to the USSR, the Middle East and Southeast Asia. High among their interests, as well, will be the US and international economic situations and the dangers attending persistent inflation, unemployment, and the unresolved energy problems shared by all Allies.

Apart from the assertion of your personal leadership in the formal NATO meetings and in your bilateral discussions, a main result of the meeting in public terms will be a strong joint statement issued by the Allies declaring their determination to sustain the Alliance and its purposes. Such a statement will aim to leave no doubt that, as NATO enters its second quarter century, the US and its Allies are equal to the challenges of coming years and reinforced in their common purposes by recent events.

The State of the Alliance

In NATO's defense sphere, US efforts have yielded significant success to date in preventing an erosion of defense spending despite inflation and increasing costs for modern weapons. The Defense Ministers' meeting May 22-23, a week before the summit, is expected to adopt ministerial guidance on a long range defense planning concept that stresses the need for cooperative programs, including rationalization of defense tasks, standardization of weapons systems, and flexibility in the use of forces. The new guidance will emphasize the need for strong conventional and nuclear defense and, consequently, the necessity for a sharper definition of priorities for NATO force improvements. The Defense Ministers' decisions will thus provide a basis for reaffirming at the summit the need to maintain effective Allied defense over the long term and the importance of cooperative programs as a means of conserving resources.

While we have no explicit indications that you will be asked about the maintenance of US troop levels in Europe, your reassurances of US fidelity to its NATO commitments will be taken as meaning that the US has no intention of unilaterally drawing down its military strength in Europe.

Allied political concerns at the summit will center on developments in Portugal and those related to Greece and Turkey. With the Portuguese constituent assembly elections concluded, most Allies will incline to take a relatively optimistic view of trends there and will seek US views on ways to live with the evolving Portuguese power structure and to sustain Portugal's association with NATO. Of continuing concern, however, will be whether the Alliance can continue to maintain its integrity and effectiveness if a member government -- in Portugal or elsewhere -- shares power with communist elements.

Allied leaders will attach importance also to US views on prospects for a resolution on Cyprus, the key to a number of problems:

- -- Greece's continued association with NATO's integrated military structure, from which Greece announced its intention to withdraw almost a year ago; and
- -- The issue of military assistance to Turkey, whose restraint in the face of the US aid cut-off helped in seeking alternate support from other allies. In this connection, progress in US-Greek negotiations has encouraged other Allies to anticipate similarly satisfactory results in talks on Greece-NATO military relations.

Energy and Economics

Energy issues and the Middle East are closely linked in West European preoccupations. The failure in April of the preparatory producer-consumer meetings, combined with uncertainties about next steps in the quest for peace in the Near East, have enhanced Allied awareness of the centrality of US leadership in these areas. Allied leaders will expect

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your personal assessment of the situation in the Middle East -- especially on the eve of your talks with President Sadat -- and they will carefully heed your recommendations on energy policy, against the background of views expressed by ministers at the May 27 International Energy Agency (IEA) meeting in Paris.

The strains posed on the international economic system by the twin forces of inflation and recession (both exacerbated by oil cost increases) have concerned your colleagues. They are worried that moderate governments could be discredited if they appear unable to handle such challenges, and they fear that protectionist pressures might become strong enough to lead to a vicious cycle of nationalistic restrictions and counter-restrictions. Recent favorable signs -- slowing of inflation and probable bottoming-out of recession -- have not completely alleviated these concerns. Therefore, US presence at the OECD Ministerial, and American leadership in such concrete measures as renewal of the Trade Pledge and the establishment of the OECD Financial Support Fund, will be noted as welcome evidence of a renewed American commitment to an open trading and financial system.

Allied leaders are also concerned that the disparity in positions between developed and developing countries may lead the latter, following the OPEC example, to seek to improve their individual and collective positions by destructive and self-defeating measures, such as withholding raw materials during periods of high demand. In the process, considerable political and economic harm would result. Accordingly, most of your colleagues will welcome the position we will have taken at the OECD that the United States is prepared to seek with other like-minded countries a new approach toward the less-developed countries.

East-West Relations

With the conclusion of CSCE in prospect, the Allies will expect your views on progress in the talks and plans for the summit finale. Although

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reassured by the US intention to avoid addressing non-central systems in SALT II, the Allies will also seek an appreciation of progress in SALT II, especially as it promises to impact on Europe's defense and the future of US-Soviet relations.

The Allies will welcome, as well, your thoughts on prospects for MBFR, particularly on introducing an offer of US nuclear systems reductions in exchange for Soviet tanks. Some Allies are concerned at MBFR's slow progress. Further, they will welcome any information you are in a position to provide on your plans for a personal meeting this year with Brezhney.

Your colleagues thus will look to you to provide, in your interventions in the North Atlantic Council and in your bilateral and other discussions, a perspective on the current world scene and a reassertion of American purpose in its foreign relations. Above all, the Allies need to be reassured that the United States' commitment to NATO is unequivocal, unqualified and unchanged.

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