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NATIONAL SECURITY COUNCIL  
WASHINGTON, D.C. 20506

INFORMATION

June 2, 1988

Nati Sec Advisor  
has seen

MEMORANDUM FOR COLIN L. POWELL

FROM: WILLIAM A. COCKELL

SUBJECT: Establishment of a Trinational Air Combat  
Training Range for Use by NATO Nations in North  
Sea by Cubic Corporation and British Aerospace

You have been provided copy of a letter from State (Derwinski) to Defense (Taft) (Tab I) which notes that the USG Executive Agent for a trinational training facility has been holding up progress on implementation.

You need not get involved with this issue. Action in Defense rests with Ron Lehman. In response to an ISP query, the Secretary of the Navy (USG Executive Agent) responded on 27 May that implementation is now proceeding with direct coordination provided by CINCPACFLT's staff. DOD/ISP will monitor.

*the for*  
Nelson Ledsky concurs.

Attachment  
Tab I Incoming Correspondence

Prepared by:  
Don M. Snider

NSC #8803721

United States Department of State

*Under Secretary of State for  
Security Assistance, Science and Technology*

*Washington, D.C. 20520*

May 17, 1988

3721

The Honorable  
William H. Taft, IV  
Deputy Secretary of Defense  
Room 3E-944  
The Pentagon  
Washington, D.C. 20301

Dear Will:

Several months ago the Department of State issued an export license to Cubic Corporation for the establishment of a trinational air combat training range for use by NATO nations, in the North Sea. The license incorporated a number of DoD requested provisos.

You may already be aware of this case, since U.K., British Aerospace, and Cubic Corporation officials have briefed a number of senior DoD and Service officials on the proposal. It is unique in that British Aerospace and other participating companies are prepared to invest private funds in establishing this important training facility for NATO use. We can therefore have the training benefits without obligating procurement funds of the participating nations. I have been told that all of the senior DoD officials who were briefed on the proposal are strongly supportive of this highly creative acquisition of this essential defense training capability.

One of the DoD-recommended provisions in the license called for Defense to designate a U.S.G. Executive Agent to participate in a trinational (U.S.-U.K.-Neth.) organization to control the range. The other participants have their designees waiting to get underway, while the U.S. designee, the Navy, seems to be unprepared to proceed as yet.

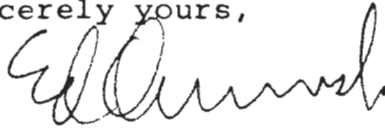
As you know, there is an existing similar range in Sardinia, operated by a similar quadrinational organization (in that case, the FRG, Italy, U.K. and the U.S.) for which the U.S. executive agent is USAFE. That range was installed in the late 1970s, and has been operating very effectively ever since.

88 MAY 17 P 2: 20

I am informed that for every day implementation is held up costs increase and the opportunity to begin this year (due to a limited construction window for the North Sea towers) diminishes.

I would be most grateful if you could see whether we couldn't expedite our implementation efforts on this important and innovative alliance project.

Sincerely yours,

A handwritten signature in dark ink, appearing to read 'E. Derwinski', written in a cursive style.

Edward J. Derwinski

cc: The Secretary of the Navy  
The Secretary of the Air Force  
Lt. Gen. Colin Powell  
Asst. Secretary of Defense Lehman



UNCLASSIFIED  
NSC/S PROFILE

RECORD ID: 8803721  
RECEIVED: 17 MAY 88 16

TO: POWELL

FROM: SNIDER  
COCKELL

DOC DATE: 03 JUN 88  
SOURCE REF:

KEYWORDS: NATO DEFENSE  
AVIATION

GREAT BRITAIN

PERSONS:

SUBJECT: ESTABLISHMENT OF A TRI NATL AIR COMBAT TRAINING RANGE FOR USE BY  
NATO NATIONS IN NORTH SEA BY CUBIC CORPORTATION & BRITISH AEROSPACE

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ACTION: NOTED BY POWELL DUE DATE: 20 MAY 88 STATUS: C

STAFF OFFICER: SNIDER LOGREF:

FILES: WH NSCIF: CODES:

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D O C U M E N T D I S T R I B U T I O N

FOR ACTION  
POWELL

FOR CONCURRENCE

FOR INFO  
COCKELL  
SNIDER

COMMENTS:

DISPATCHED BY \_\_\_\_\_ DATE \_\_\_\_\_ W/ATTCH: YES NO

OPENED BY: NSCTF CLOSED BY: NSW DOC 2 OF 2

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ACTION DATA SUMMARY REPORT

RECORD ID: 8803721

DOC ACTION OFFICER

CAO ASSIGNED ACTION REQUIRED

001 SNIDER	Z 88051716 PREPARE MEMO FOR POWELL
002 POWELL	Z 88060311 FOR INFORMATION
002	X 88060611 NOTED BY POWELL

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NSC/S PROFILE

RECORD ID: 8803721  
RECEIVED: 17 MAY 88 16

TO: POWELL

FROM: DERWINSKI, E

DOC DATE: 17 MAY 88  
SOURCE REF:

KEYWORDS: NATO DEFENSE  
AVIATION

GREAT BRITAIN

PERSONS:

SUBJECT: ESTABLISHMENT OF A TRINATIONAL AIR COMBAT TRAINING RANGE FOR USE BY  
NATO NATIONS IN NORTH SEA BY CUBIC CORPORTATION & BRITISH AEROSPACE

ACTION: PREPARE MEMO FOR POWELL DUE DATE: 20 MAY 88 STATUS: S

STAFF OFFICER: SNIDER LOGREF:

FILES: WH NSCIF: CODES:

D O C U M E N T D I S T R I B U T I O N

FOR ACTION  
SNIDER

FOR CONCURRENCE  
~~DANZANSKY~~  
LEDSKY  
PERINA  
~~ROSTOW~~

FOR INFO  
DEKOK  
KELLY, B  
MAHLEY  
RODMAN

COMMENTS:

DISPATCHED BY \_\_\_\_\_ DATE \_\_\_\_\_ W/ATTCH: YES NO

OPENED BY: NSCTF CLOSED BY: DOC 1 OF 1

UNCLASSIFIED

NATIONAL SECURITY COUNCIL  
WASHINGTON, D.C. 20506

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IT067

FG006-11 9549

FG006-12

January 7, 1988

MEMORANDUM FOR RONALD K. PETERSON

FROM: PAUL SCHOTT STEVENS *WHS*

SUBJECT: Attached Legislative Referral (H. Res 130)

NSC has no objection to the draft State response attached at Tab A.

NATO Allies Emphasis on Conventional Forces

Attachment  
Tab A Draft Response

NSC#8709549



United States Department of State

Washington, D.C. 20520

Dear Mr. Chairman:

I am responding to your request for comments on <sup>H. Res.</sup> H.R. 130, expressing the sense of the House of Representatives that the United States and our NATO allies should place greater emphasis on improving conventional force capabilities. We share your concern on this important issue. To remedy the situation, NATO has instituted a high-level program which focuses on conventional defense.

During the fall of 1984, the Administration worked with other Allies and NATO officials to propose an action plan for Ministerial approval designed to address the conventional imbalance. In December 1984, the NATO Defense Ministers followed through by mandating development of a comprehensive Conventional Defense Improvement (CDI) program which was designed during that winter and approved by DPC Ministers in May 1985. This program identified several areas of critical deficiency, including munitions and other sustainability items, standing ground forces, capability to neutralize follow-on forces, offensive counter-air, facilities to receive and protect reinforcing aircraft, air defense aspects, maritime capabilities, and Alliance support for Greece, Portugal and Turkey. Following the identification of the critical conventional deficiencies, each NATO member was assigned country-specific conventional force goals.

We have just completed the first cycle of the CDI program. Initial results are mixed. While the larger nations, including the U.S., UK and Germany reported positive responses, some of the other nations showed less than satisfactory performance. After only one cycle of the CDI program, it is difficult to determine whether the initial implementation process was part of the problem, or whether ~~lack of national commitment was lacking.~~ The second full cycle, currently underway, should reveal a much more accurate picture of allied efforts and commitment toward improving NATO's conventional defenses.

*There was a*

The Honorable  
Dante B. Fascell,  
Chairman,  
Committee of Foreign Affairs  
House of Representatives.

We are taking the opportunity in all available fora to encourage our allies to do more for the common defense, but they are subject to the same economic and political pressures we have in this country. We continue to reiterate to the Allies that CDI is, and must, remain a major focus of Alliance planning and that now, more than ever, all NATO nations must improve their compliance with the CDI force goals to maintain the credibility of NATO's flexible response strategy. We firmly believe the framework is in place for NATO to improve its conventional forces. The impetus must now focus on the implementation and full accomplishment of that CDI framework.

The Office of Management and Budget advises that from the standpoint of the Administration's program there is no objection to the submission of this report.

With best wishes,

Sincerely,

J. Edward Fox  
Assistant Secretary  
Legislative Affairs

NATIONAL SECURITY COUNCIL  
WASHINGTON, D.C. 20506

ACTION

January 7, 1988

MEMORANDUM FOR PAUL SCHOTT STEVENS

**SIGNED**

FROM:

DONALD A. MAHLEY *DM*

SUBJECT:

Legislative Referral - Draft State Report on  
Allied Emphasis on Conventional Forces

At TAB I is a proposed memo from you to Ron Peterson at OMB indicating that the NSC has no objection to the proposed State response to Congress (TAB A). The draft State response is consistent with what we will be saying to the US Senate during INF ratification hearings on conventional defenses in Europe.

*NK* Nelson Ledsy, *MD* Mike Donley, and Steve Steiner concur.

RECOMMENDATION

That you sign the proposed memo at TAB I to Ron Peterson.

Approve *Wtk*

Disapprove \_\_\_\_\_

Attachments

Tab I Stevens/Peterson Memo  
Tab A Draft State Response  
Tab II Memo from OMB



**EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET**

WASHINGTON, D.C. 20503

December 28, 1987

**SPECIAL**

**LEGISLATIVE REFERRAL MEMORANDUM**

**TO: Legislative Liaison Officer -**

Department of Defense  
National Security Council  
Arms Control and Disarmament Agency

**SUBJECT:** State draft report on H.Res. 130, regarding NATO allies placing greater emphasis on conventional forces.

The Office of Management and Budget requests the views of your agency on the above subject before advising on its relationship to the program of the President, in accordance with OMB Circular A-19.

A response to this request for your views is needed no later than WEDNESDAY, JANUARY 20, 1988.

Questions should be referred to **SUE THAU/ANNETTE ROONEY** (395-7300), the legislative analyst in this office.

*Ronald K. Peterson*  
RONALD K. PETERSON FOR  
Assistant Director for  
Legislative Reference

**Enclosures**

**CC:** J. Eisenhour  
H. Lilienthal

**National Security Council  
The White House**

APK

System # \_\_\_\_\_  
 Package # 9549  
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	SEQUENCE TO	HAS SEEN	DISPOSITION
Bill Courtney	<u>1</u>	<u>WKS</u>	
Marybel Batjer			
Paul Stevens	<u>tr</u>		<u>⊕</u>
John Negroponte			
Colin Powell			
Situation Room			
West Wing Desk	<u>2</u>	<u>1/7 AS</u>	<u>D</u>
NSC Secretariat			

I = Information    **A = Action**    R = Retain    D = Dispatch    N = No further Action

cc:    VP    Baker    Other \_\_\_\_\_

COMMENTS                      Should be seen by: \_\_\_\_\_  
 (Date/Time)



RECEIVED 29 DEC 87 13

TO STEVENS

FROM PETERSON, R

DOCDATE 28 DEC 87

KEYWORDS: NATO

DEFENSE POLICY

LEGISLATIVE REFERRAL

SUBJECT: HR-130 / STATE DRAFT RPT RE NATO ALLIES EMPHASIS ON CONVENTIONAL FORCES

ACTION: PREPARE MEMO PSS TO PETERSON DUE: 08 JAN 88 STATUS S FILES WH

FOR ACTION

FOR CONCURRENCE

FOR INFO

MAHLEY

LEDSKY

DONLEY

PERINA

COCKELI

MISKEL

SNIDER

COBB

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ROSTON

FORTIER AK

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COMMENTS

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RECORD ID: 8804398  
RECEIVED: 14 JUN 88 18

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DOC. DATE: 13 JUN 88  
SOURCE REF:

RS

FG006-12

TO: STEVENS

FROM: POWELL

KEYWORDS: NATO

AP

X  
PERSONS: ROTH, WILLIAM V

SUBJECT: COPY OF NATO IN THE 1990S RPT PRESENTED TO REAGAN BY SEN ROTH 13 JUN / NORTH ATLANTIC ASSEMBLY

ACTION: FOR RECORD PURPOSES DUE DATE: 17 JUN 88 STATUS: C

STAFF OFFICER: POWELL LOGREF:

FILES: WH NSCIF: CODES:

D O C U M E N T D I S T R I B U T I O N

FOR ACTION

FOR CONCURRENCE

FOR INFO

- BATJER
- COCKELL
- EBNER
- FORTIER
- LEDSKY
- PERINA
- SNIDER
- STEVENS

COMMENTS:

DISPATCHED BY \_\_\_\_\_ DATE \_\_\_\_\_ W/ATTCH: YES NO

OPENED BY: NSSRF CLOSED BY: NSSRF DOC 1 OF 1

UNCLASSIFIED

NSC# 8804398

DOC ACTION OFFICER

CAO ASSIGNED ACTION REQUIRED

001

X 88061418 FOR RECORD PURPOSES



ABOARD AIR FORCE ONE

13/6

PSS,

PRESENTED TO  
RR by SEN ROTH  
AT N. ATLANTIC  
ASSEMBLY MTG TODAY.

A handwritten signature or mark, possibly a stylized 'C' or 'Q' with a tail, located below the main text.



# NATO IN THE 1990s

SPECIAL REPORT

of the

NORTH ATLANTIC ASSEMBLY



*The North Atlantic Assembly is the interparliamentary organization of the member countries of the North Atlantic Alliance. Composed of 188 legislators representing some 44 political parties from the 16 Alliance countries, the Assembly is the only transatlantic body where freely elected officials meet regularly to discuss issues of common concern such as NATO strategy, arms control, East-West relations, public opinion, technology transfer and trade relations.*

*Since its establishment in 1955 the Assembly has, through its reports, debates, and policy recommendations endeavoured to promote greater Alliance understanding and transatlantic co-operation.*

*The Report on NATO in the 1990s is the Assembly's latest contribution to the Alliance debate on the specific challenges facing our Western democracies in the coming decade.*

**NORTH ATLANTIC ASSEMBLY COMMITTEE**  
**« NATO IN THE 1990S »**

William ROTH, Chairman (Member of the Senate, United States)

Manfred ABELEIN (Member of the Bundestag, Federal Republic of Germany)

Gianfranco ASTORI (Member of the Chamber of Deputies, Italy)

Javier BARRERO LOPEZ (Member of the Chamber of Deputies, Spain)

Douglas BEREUTER (Member of the House of Representatives, United States)

Lasse BUDTZ (Member of the Folketing, Denmark)

François FILLON (Member of the National Assembly, France)

Ton FRINKING (President of the North Atlantic Assembly, and Member of the Second Chamber of the States-General, Netherlands)

Bruce GEORGE (Member of the House of Commons, United Kingdom)

Robert HICKS (Member of the House of Commons, Canada)

Sir Geoffrey JOHNSON SMITH (Member of the House of Commons, United Kingdom)

Thor KNUDSEN (Member of the Storting, Norway)

Sam NUNN (Member of the Senate, United States)

Bill RICHARDSON (Member of the House of Representatives, United States)

---

Peter CORTERIER, Secretary General of the North Atlantic Assembly

---

Stan SLOAN, Study Director and Consultant to the North Atlantic Assembly, US Congressional Research Service

---

Martin McCUSKER, Director of the Military Committee, North Atlantic Assembly

John BORAWSKI, Director of the Political Committee, North Atlantic Assembly



**Experts Group\***

Anton DEPORTE, French Studies Institute, New York

Lawrence FREEDMAN, Department of War Studies, Kings College, University of London

David GREENWOOD, Centre for Defence Studies, University of Aberdeen

François HEISBOURG, International Institute for Strategic Studies, London

Robert HUNTER, Center for Strategic and International Studies, Washington D.C.

Karl KAISER, Forschungsinstitut, Deutsche Gesellschaft für Auswärtige Politik, Bonn

Catherine KELLEHER, School of Public Affairs, University of Maryland,

Lawrence KORB, Graduate School of Public and International Affairs, University of Pittsburgh,  
Pennsylvania

Pierre LELLOUCHE, Institut français des relations internationales, Paris

Dimitri SIMES, Carnegie Endowment for International Peace, Washington D.C.

Michael STÜRMER, Stiftung Wissenschaft und Politik, Ebenhausen

Stephen SZABO, National War College, Washington D.C.

James WOOLSEY, Shea and Gardner, Washington D.C.

**Research Assistants**

Louise BASS

Deborah E. FRANKES

\* The experts submitted written contributions for the consideration of the Committee but are not responsible for the contents of the report.



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## PREFACE

At a time of change and challenge in the transatlantic relationship, the North Atlantic Assembly formed a special presidential committee to conduct a study of NATO's future. The Committee on NATO in the 1990s, under the leadership of its Chairman, US Senator William V. Roth, Jr., has over 1987 pursued an in-depth survey of the challenges facing the Atlantic Alliance. This survey has included hearings in Washington, London and Rome during which a wide range of American and European views on the Alliance were presented. The Committee also commissioned a group of leading US and European experts to analyze major issues in the Alliance. A book including this policy paper and the expert analyses will be published in the near future.

The Committee's goal is to help guide the Alliance through what may be one of the most challenging periods in its history. The recommendations in this policy statement are presented for the consideration of NATO governments, the constituent parliamentary bodies of the North Atlantic Assembly, and, importantly, the citizens of all the NATO nations. The Committee's recommendations are aimed at promoting necessary changes in the Alliance and its policies to ensure that NATO will continue to serve the needs of the member countries into the 1990s and beyond.

The Committee's survey was conducted with an open mind to differing views that exist on the Alliance and its policies within and among NATO countries. The Committee believes that a spirit of open debate and dissent is key not only to the functioning of our individual democracies but to the Alliance as a whole. This report is presented in keeping with that spirit.

The Committee membership represents a variety of perspectives on many of the issues addressed in the report. For the most part, the report is based on a consensus developed among the members of the Committee. Acceptance of this policy paper by the Committee, however, does not imply that each member agrees with all of its conclusions or recommendations. Moreover, because this special report has neither been debated nor voted on in the manner customary for regular Assembly reports, it should be understood that the views expressed in it do not necessarily represent the opinion of any individual NAA delegation or the Assembly as a whole.



## SUMMARY CONCLUSIONS AND RECOMMENDATIONS

Having examined NATO's future in the wake of the agreement between the United States and the Soviet Union to eliminate their intermediate-range nuclear missiles, the North Atlantic Assembly's Committee on NATO in the 1990s submits to the governments, parliaments, and citizens of NATO member nations the following conclusions and recommendations:

### NATO AND WESTERN INTERESTS

The NATO Alliance remains the best way for the United States, Canada, and the the West European NATO nations to ensure their national security and to seek a more stable non-threatening security structure in Europe.

### A NEW POLITICAL MANDATE FOR NATO

A fundamental change has occurred in the US-European relationship, reflecting the gradual, relative increase in the economic strength and political potential of the West European members of the Alliance. Because of this change, the West European Allies should in the future share more effectively the political, economic and military responsibilities of Western defence and Alliance leadership. This need to adjust US and European responsibilities in the Alliance should be confirmed in a new transatlantic bargain between the United States, Canada and the European members of the Alliance.

The Committee therefore recommends that, early in the term of the next US Administration, building on the results of the NATO summit meeting in March 1988, a high level meeting of the NATO Allies should be convened to adopt a new political mandate for the Alliance. The new mandate, to update the Harmel Report's current basis for NATO policies, should endorse the established policy of maintaining a strong defence while seeking dialogue, co-operation and arms control with the East, devoting added attention to the need to harmonize Western defence planning and arms control approaches. The Allies should add to the Harmel formula their commitment to promote a real West European pillar in the Alliance. To implement this approach, at such a meeting,

- the European members of the Alliance should pledge that they will intensify defence co-operation among themselves while ensuring that such co-operation increases the West's security and political cohesion, and contributes to prospects for the improvement of East-West relations and arms control;
- the United States should welcome movement toward greater European defence co-operation and pledge that it will continue its active involvement in the maintenance of peace and stability in Europe, including a substantial troop presence in Europe and, as long as they remain necessary, nuclear forces structured and deployed in ways that strengthen deterrence for the entire Alliance;
- the Allies should jointly pledge that all future Alliance decisions will take into consideration the need for the European Allies progressively to assume a greater share of NATO responsibilities.

### BUILDING BLOCKS FOR A WEST EUROPEAN PILLAR IN THE ALLIANCE

The Committee recommends that the European members of the Alliance in the near future take the following steps toward creating a real European pillar:



- prepare on an annual basis a European security assessment identifying the threats to the Western democracies and detailing how they intend to respond to those threats;
- initiate a study of institutional changes that the establishment of a real European pillar in the Alliance would imply, and especially the place and role that the Western European Union (WEU) and the European Economic Community (EEC) would have in building this pillar;
- seek to form a European division based on forces of a number of European countries that could serve as a special covering force for the Alliance to provide flexibility in responding to a crisis;
- develop routine meetings of the military Chiefs of Staff of West European NATO governments and establish a computerized communications network linking planning staffs in European defence ministries to foster more thorough military co-operation at the European level;
- intensify efforts to create a European-scale defence market;
- encourage task specialization as a means of eliminating wasteful duplication and overlap among national military efforts.

## RESPONDING TO THE CHALLENGES OF THE 1990S

### *NATO's Strategy*

The heart of NATO's strategy rests in credible deterrence of threats to Western security.

The Committee has examined NATO's present deterrent strategy based on the doctrines of flexible response and forward defence and has considered the alternatives to this strategy that have been advanced. The Committee has concluded that in spite of any shortcomings, NATO's current strategy still provides the best available way for the Alliance to ensure peace and to encourage the development of a more stable East-West security environment in the 1990s. Alternatives that might imply breaking the spectrum of deterrence can only undermine the security and political cohesion of the Alliance. To sustain an effective deterrence policy, the NATO Allies cannot permit a potential aggressor to believe that it can choose the level of conflict and not risk a Western military response at a higher level of hostilities.

### *The Role of Nuclear Weapons*

There is a strong and quite understandable desire throughout the Alliance to escape the awesome shadow of nuclear weapons. Perhaps in the future, under much improved global political conditions, this will be possible.

In the 1990s, however, irrespective of hoped-for progress in conventional or nuclear arms control or in defensive technologies, nuclear weapons will continue to play a key role in deterrence. Under contemporary political circumstances, the nuclear component in the West's deterrent posture provides an indispensable element of military stability that conventional forces alone cannot provide.

As NATO considers modernizing its nuclear posture, the Committee suggests several guidelines to shape nuclear weapons policies within the parameters of the INF Treaty as US and Soviet intermediate range nuclear missiles are eliminated:

- the balance within NATO's nuclear posture should preferably evolve toward longer-range, deterrence-oriented systems in and around Europe and away from shorter-range, battlefield systems, albeit without creating gaps in the overall spectrum of deterrence;

- NATO should in the 1990s seek arms control agreements and conventional defence improvements that would make it possible to reduce the overall numbers of nuclear weapons in Europe, ensuring that any changes in nuclear force deployments are consistent with NATO's strategy and that they enhance security and military stability;
- the nature and location of nuclear deployments should be designed to enhance the security, safety, reliability, and command and control of nuclear weapons;
- nuclear deployments should be designed to raise, not lower, the nuclear threshold;
- nuclear deployments should therefore complement and not complicate conventional defence improvements; and
- nuclear deployments should be judged in terms of their potential effect on Alliance cohesion and political consensus as well as their military utility.

### *Conventional Defence Improvements*

The Alliance must improve its ability to defend conventionally against non-nuclear Warsaw Pact capabilities if it hopes to raise the threshold at which NATO would be forced to use nuclear weapons.

The Allies should sustain their efforts to identify critical deficiencies and to make a more serious effort to ensure that national force goals take those deficiencies into account. The Allies still need to work on shortfalls of ammunition and other supplies that affect the ability of Allied forces to sustain combat.

Beyond the important sustainability issue, the Allies must seek ways to exploit the West's advantage in technology to render Soviet tank armies obsolete. The development of better non-nuclear means to defend against Warsaw Pact armour must be a high priority for NATO planning, research and development and funding.

Given likely constraints on resources available for defence in the 1990s, the Allies will have to make careful allocations of their resources, depending more heavily on reserve forces and improved crisis decision making and mobilization capabilities. If there is no substantial progress toward reductions in Warsaw Pact capabilities for offensive operations against NATO, additional resources may be required to maintain a stable security environment in Europe.

The problem of improving conventional defence is one that should be approached with a sense of common purpose by all political forces in the Alliance. There may continue to be some fundamental differences in NATO countries about the appropriate role for nuclear weapons, but there should be a general consensus on the need to improve the defensive capabilities of NATO's conventional forces. Political forces of varying persuasions should put ideology aside and look pragmatically at all possible ways of approaching this objective.

### *New Defence Technologies: Challenge and Opportunity*

The Allies must persist in their efforts to harmonize technology export controls, to ensure that measures taken to block Soviet acquisition of militarily relevant technologies do not impede technology transfer within the Alliance. Governments should involve industrial representatives in their consultations on this issue to benefit from the expertise and experience that resides in the commercial sector.

NATO should reassess its procurement philosophy to emphasize reliability and ease of maintenance to help control the cost of weapons systems as technological sophistication increases. The missions to be performed should in the future guide NATO procurement decisions, rather than simple weapons



replacement strategies. Choices should be governed by cost-effectiveness as determined by realistic testing rather than by stimulation.

All the NATO Allies must fully exploit research and development resources. The European Allies waste substantial funds in duplication of research and development efforts. NATO as a whole should wherever possible seek to rationalize research and development efforts and, in particular, the European Allies should seek to develop a common research and development fund.

The Committee further recommends that interested NATO nations begin now to investigate appropriate mechanisms for harmonizing development and construction of intelligence-gathering, communications, and early warning non-American military space projects as a first step toward ultimate Alliance-wide harmonization of such systems. The Committee also recommends that the NATO nations attempt in the 1990s to co-ordinate the operations of American and non-American intelligence-gathering satellites to ensure more comprehensive coverage of critical intelligence requirements and to insure against loss of coverage through accidents and malfunctions.

#### *Economic Relations*

The NATO Allies must ensure that trade and economic differences not undermine defence co-operation. The Committee hopes that the ongoing global trade negotiations under the auspices of the General Agreement on Tariffs and Trade (GATT), known as the «Uruguay Round», will help significantly improve the normative and institutional framework for international, and therefore transatlantic, trade. Both in the context of the GATT Round and in their bilateral contacts, the NATO Allies should seek to reinforce consultative procedures, establish a functioning dispute settlement mechanism, create effective conciliatory procedures, and take other steps to maximize understanding and minimize friction in the management of international trade questions.

#### *Security Challenges Outside NATO's Area*

Differences over security problems arising outside the area covered by the North Atlantic Treaty have the potential to create major political problems in the Alliance. Because disagreements among the Allies over «out-of-area» issues will likely arise again in the future, it is important that such issues be kept in perspective to protect the core of NATO co-operation and cohesion from differences they may stimulate.

The Allies should intensify their consultations and co-operation at every level to ensure that complementary approaches are taken to out-of-area security problems whenever possible. But NATO was not designed to deal with such problems, and other Western-style democracies should also be involved in the process. Therefore, a new consultative and contingency planning framework — a «Western Working Group on Global Security Issues» — should be established, separate from NATO, with the participation of NATO countries and Japan, and open to other Western countries that might wish to join. Implementation of plans or actions should remain independent national choices and co-operation should be organized among participating countries on a national basis.

#### *Overcoming the Division of Europe*

Today, as in the past, it is important for the Allies to seek avenues of political, economic, and security co-operation with the East to try to minimize the threats to Western security, promote a more stable East-West relationship, and overcome the division of Europe.

In the 1990s, NATO must continue to seek as a top priority to overcome the division of Europe and of Germany. These divisions lie at the root of East-West political tensions and the military confrontation

in Europe today, and must be surmounted if a new and more stable security structure is to be achieved between East and West. Given Eastern Europe's economic, social, and cultural history, Soviet hegemony over the region is unnatural.

Western policy toward Eastern Europe must continue to centre upon the diversity that distinguishes the East European countries from each other and from the Soviet Union. It should reward those countries that move in the direction of greater foreign policy and economic independence, internal liberalization and respect for human rights, while withholding benefits from countries that do not do so. Western policy must continue to promote the self-determination of peoples and the full implementation of the Helsinki Final Act of the Conference on Security and Co-operation in Europe (CSCE).

Individually, as well as collectively, the NATO Allies all can play a continuing role in working toward a more acceptable relationship with the Warsaw Pact countries. At the same time, NATO governments must redouble efforts to explain to public opinion and parliaments the necessity for maintaining a strong national defence even while relations with the East are improving. The North Atlantic Assembly provides an important consultative forum for enhancing such communication. A strong, united, and confident West will make the best negotiating partner for the East.

#### *Nuclear Arms Control*

Arms control approaches, as well as modernization and deployment policies, should seek to reduce NATO's reliance on short-range nuclear weapons while preserving a credible, survivable nuclear weapons capability to sustain NATO's deterrence posture.

Over the next several years, while the US-Soviet agreement to eliminate their intermediate-range nuclear missiles is being implemented, the main focus of NATO arms control efforts should be on non-nuclear forces, particularly these located in central Europe. However, after careful consideration, the Allies may conclude that further nuclear arms reductions in Europe could be taken while maintaining NATO's deterrent strategy and avoiding the denuclearization of Western Europe. In such future negotiations, the Alliance should seek to eliminate the Warsaw Pact's current superiority in short-range nuclear missiles.

#### *Conventional Arms Control and Stabilizing Measures*

The Committee believes that the West's ultimate objective in the new conventional stability talks should be reductions in Warsaw Pact forces to rough parity with NATO forces. This need not yield precise equality in all sub-categories of forces, but reductions should yield a relationship between NATO and Warsaw Pact forces that is stable and non-threatening.

In the new Atlantic-to-the-Urals conventional stability talks, the West should seek reduction of complete Warsaw Pact units. Ideally, Soviet forces should be disbanded rather than redeployed elsewhere in the Soviet Union. The West might also consider proposing the storage of reduced equipment within the reduction area on both sides in mutually supervised storage sites as a first step toward reductions.

The West should also propose limits on production of tanks, monitored by on-site inspection at tank production facilities. Such production constraints could help build down the military confrontation between the two Alliances.

The Western requirement for asymmetrical reductions and the Soviet Union's concept of its defensive requirements might lead the new negotiations toward impasse. The West therefore should employ a sub-negotiating strategy that would allow negotiations of small steps toward increased military stability in the near term while working toward more substantial reductions in the long term.



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Toward this end, the West could, early in the new conventional stability talks, initiate discussions concerning characteristics of the Warsaw Pact's doctrine, force structure and deployments that give rise to concern. The Western countries then should seek agreement on stabilizing measures that would actually constrain the operations of forces and make surprise attack a less feasible option.

Another useful step in the direction of a more co-operative European security system could be the establishment of a NATO-Warsaw Pact crisis avoidance centre. Such a centre could bring together NATO and Warsaw Pact member military officers, experts and diplomats to exchange on a continuing basis information on military activities, to raise issues about those activities of concern to either side, and to discuss and seek to resolve low-level incidents involving NATO and Warsaw Pact military personnel.

Finally, the NATO governments should seek in the framework of the Conference on Confidence- and Security-Building Measures and Disarmament in Europe (CDE) to strengthen the confidence-building measures that were agreed in 1986 in Stockholm. In addition, the NATO countries should propose that the CDE participating states make arrangements for publication of an annual report on compliance with the Stockholm measures and with further measures that may be negotiated.

### I. NATO'S RATIONALE

In the 1990s, the United States, Canada, and the West European members of NATO will continue to need a transatlantic Alliance to assure their defence and to promote their political and economic as well as security interests. This continuity, however, cannot be ensured unless there is also change — to adjust the Alliance to fundamental shifts in the international environment and in relationships among the Allies themselves.

Two fundamental reasons led the Western nations after World War II to sign the North Atlantic Treaty and subsequently develop the North Atlantic Treaty Organization. The first was to provide a political and military counterbalance to the power of the Soviet Union in Europe. The second was to create a structure within which the nations of Western Europe and their North American Allies — the United States and Canada — could promote peaceful and productive relationships among themselves, bringing to an end the cycles of internal conflict that had produced two world wars in the 20th century.

After four decades, the Alliance still serves these two fundamental purposes. Western relations with the Soviet Union have improved substantially since the days of the cold war. The current Soviet leadership appears to hold the promise of changes that could improve East-West relations even further in the years to come. But the aspects of Soviet ideology, internal behaviour, and security policy that challenge Western ideals and interests are likely to change slowly, and the process now apparently underway could be reversed by a future Soviet leadership.

Therefore, the Western countries must remain sufficiently strong militarily and united politically to ensure that the Soviet Union cannot threaten the Western democracies through use of its substantial military power.

Western Europe has for these four decades remained an island of peace in a turbulent world, and NATO has played a vital role in ensuring the continuation of that peace and stability. The Alliance, in combination with the European Economic Community, the Western European Union, and other organizations, has provided a framework for the full integration of the Federal Republic of Germany in the Western community of nations.

Without the active participation of the United States, it is difficult to imagine how the degree of co-operation that exists today within the Western Alliance could be maintained. This important unifying role played by the United States will likely remain essential in the foreseeable future.

### II. NATO'S INTERNAL RELATIONSHIPS: CONTINUITY

Over the years, observers on both sides of the Atlantic have suggested a variety of alternative ways to defend Western interests other than through the North Atlantic Treaty Organization. None of these proposals has been sufficiently compelling to convince any of the post-war US Administrations, Democratic or Republican. This Committee has examined a number of alternatives to NATO, and has found no alternative that would serve North American and West European interests as well. Even though members of the US Congress have frequently criticized aspects of the Alliance and policies of the Allies, an overwhelming majority of US Senators and Representatives favour continued US involvement in NATO. This Congressional perspective is supported by a similar majority in US public opinion.



The North Atlantic Treaty embodies the highest ideals on which the United States has sought to base its foreign policies: to promote and defend democracy, protect the rights of the individual, and ensure freedom from international tyranny. US participation in forward defence in Europe provides a necessary balance to Soviet power on the continent and a security envelope for the United States that extends far beyond American shores. Furthermore, the Alliance relationship gives the United States substantial influence in a region of the world that remains vital to US interests.

Within the other NATO nations, there is strong governmental, parliamentary, and public support for membership in the Alliance. The security of all the West European Allies is enhanced through Alliance with their North American partners. NATO provides a framework within which European democracies can flourish, with no fear of imminent attack or hostilities from neighbouring states. The Alliance gives each Ally greater security than could be provided on a purely national basis. It also establishes a firm foundation upon which Allies can base their national policies toward Warsaw Pact members, encouraging the positive and yet realistic development of East-West relations along bilateral as well as multilateral lines.

Among the members of NATO, a variety of approaches to Alliance commitments has developed over the years. While these variances in contributions to and roles in the Alliance occasionally make it difficult to produce common solutions for the challenges to Western security, the ability of NATO to accommodate differing approaches remains essential. The flexibility of the NATO arrangements will continue to be an important requirement for the Alliance, making it possible for sovereign nations to pursue common aims in spite of natural diversity within and among the members. In this regard, the Alliance has been strengthened in the 1980s by the membership of Spain and the closer co-operation that has developed between France and other Allies.

In sum, there is currently no more desirable alternative to membership in NATO for any member of the Alliance.

### III. NATO'S INTERNAL RELATIONSHIPS: THE NEED FOR CHANGE

All NATO Allies will be well served by continuing and intensifying their participation in the Alliance. But throughout NATO's four decades much change has been required in the structure and policies of the Alliance to ensure its continuing relevance and effectiveness. Today, as ever, it is clear that in NATO there can be no continuity without change.

#### A. SHARING OF RISKS AND BURDENS

##### 1. *Continued Importance of the US Role*

In the face of a potential enemy that can quite freely allocate resources to its armaments efforts, Western democracies, which by their very nature do not have the same flexibility, can achieve a balance of forces only by uniting their efforts within the framework of the Alliance. The United States has always played a major role in this effort to maintain a counterbalance to the military strength of the Warsaw Pact nations. The Alliance in the 1990s will require the continued and effective participation of the United States. There is, however, an intimate relationship between US economic strength, its role as a global power, and its ability to sustain a strong contribution to NATO. The United States cannot indefinitely incur budget and trade deficits without jeopardizing the future of its own economy and perhaps that of the international economic system.

In seeking to reduce its budget deficit, the United States is looking carefully at its international security commitments. The NATO Alliance must search for additional ways that would help the United States control the costs of its commitments to European defence while ensuring a continuing strong US role in the Alliance. Particularly at a time of great uncertainty about the future directions of East-West relations and arms control, the United States should continue to maintain a substantial presence in Western Europe. Any significant reductions should come only as part of a negotiated and substantial reduction in Soviet forces opposing NATO. The presence in Europe of US conventional as well as nuclear forces provides the indispensable link with the US strategic arsenal and a tangible expression of the US political and military commitment to Western defence. The relatively small financial gains — if any — that might be realized from cutting the level of US troops in Europe would be far outweighed by the political costs and security risks.

##### 2. *Burden Relief and Access to Bases*

To help the United States maintain its troop presence in Europe, the European Allies should examine further steps to give the United States added relief from the burdens of its military presence in Europe. Such steps could include supplementary host nation support programs to reduce the overhead costs of stationing US forces in Europe.

In this regard, NATO countries should view the provision of NATO base facilities for Allied forces and equipment as a part of their sovereign national contributions to Western security. Alliance members which do not participate in NATO's integrated command structure should consider providing base facilities to Allies in a time of crisis. No Ally should expect compensation for providing facilities that the Alliance decides are essential to implement its strategy. This principle should be explicitly endorsed by the Alliance. All wealthier members of the Alliance should seek to assist Portugal, Greece and Turkey to ensure that the Alliance remains politically, economically, and militarily strong in its Southern region as well as in its Central and Northern regions.

##### 3. *Measuring Risks and Burdens*

Participation in the Alliance must be based on a generally acceptable sharing of the risks and burdens of Western defence. But there are no scientific formulae for determining what balances of risks and burdens should be judged «equitable». Allies can and do contribute to Western security in a variety of ways, including providing troops and equipment, permitting access to bases for Allied forces and playing host to personnel of Allied nations, providing assistance to less wealthy Allied nations and co-operating to deal with challenges to Western interests that arise outside the NATO area. In addition, both France and Great Britain as well as the United States make important contributions by maintaining nuclear forces that strengthen Western deterrence. However, no Ally should attempt to avoid its reasonable share of direct contributions to the defence of the Alliance. The perception that risks and burdens are not being shared adequately can easily undermine political support for the Alliance. The US commitment to continue its contributions to the Alliance should be matched by a European commitment to provide the necessary resources to create a strong European pillar in the Alliance.

The Alliance has attempted over the years to employ a variety of devices for measuring and comparing defence efforts. None of these approaches is entirely satisfactory, as statistical measures by themselves are insufficient indicators of contributions that an Ally is making to the Alliance. The Alliance needs to move beyond an accountant's approach to burdensharing, and take the fundamental political decisions that are required to adjust Alliance relationships to new political and economic realities.



## B. A NEW POLITICAL MANDATE FOR THE ALLIANCE

A fundamental change has occurred in the US-European relationship, reflecting the gradual, relative increase in the economic strength and political potential of the West European members of the Alliance. At the same time, the European Allies have recovered much of the confidence in national judgment that was lost as a consequence of World War II and most enjoy relatively high standards of living and stable modern industrial economies. Under these circumstances, the Allies should adjust NATO's general policy framework to reflect and strengthen existing trends toward a more cohesive European pillar in the Alliance.

In 1967, at an earlier time of transition in the Alliance and in East-West relations, the Allies adopted the Harmel Report which recommended that NATO's mandate include effective policies directed towards a greater relaxation of East-West tensions as well as the maintenance of a defence sufficiently strong to deter a Warsaw Pact attack. The Harmel exercise rejuvenated the Alliance, bridging political gaps among a variety of constituencies in NATO nations. This step responded to public and political desires for Western policies that could open the way to a less confrontational East-West environment, while at the same time defending Western interests. More fundamentally, it created the potential for unified Western political and diplomatic approaches to overcoming the East-West division of Europe and of Germany.

The policy framework established by the Harmel Report focused most clearly on the relationship between NATO and the Warsaw Pact countries. The general approach contained in the Harmel Report remains valid for current Alliance policies toward the East. But today's political challenge comes from within the Alliance as well as from outside. NATO's political mandate therefore needs to be expanded to reflect the emerging answer to that challenge.

After a full year of study and deliberation, the North Atlantic Assembly's Committee on NATO in the 1990s has concluded that the American and European members of the Alliance should adopt a new political mandate. Under the revised guidelines for future NATO policies, the Allies should aim to:

- achieve sufficient military strength and political cohesion to deter challenges to Western democracies, and ensure a successful defence against such challenges if necessary;
- pursue an active and realistic policy seeking dialogue and mutually beneficial co-operation with the East, recognizing that Warsaw Pact and NATO countries share certain common interests in the security arena; and
- promote a real West European pillar in the Alliance, to share more effectively the responsibilities of Western defence and Alliance leadership in a new transatlantic bargain with the United States.

Such a new mandate would reaffirm the two basic tenets of the Harmel Report, which guide the West's approach to the East, while recording in a third and new tenet the commitment to reshape some basic relationships within the Alliance.

To help provide momentum toward this new transatlantic bargain, NATO governments, during the first year of the Administration that will take office in the United States in 1989, should agree to certain declarations that reflect their commitments to the blend of continuity and change that the Alliance requires:

- The European members of the Alliance should pledge that they will intensify defence co-operation among themselves while ensuring that such co-operation increases the West's security and political cohesion, and contributes to prospects for the improvement of East-West relations and arms control;

- The United States should welcome the movement toward greater European defence co-operation and pledge that it will continue its active involvement in the maintenance of peace and stability in Europe, and as long as they remain necessary, will maintain nuclear forces structured and deployed in ways that strengthen deterrence for the entire Alliance;
- The Allies should jointly pledge that all future Alliance force planning, infrastructure, programmatic and arms control decisions will take into consideration the need for the European Allies progressively to assume a greater share of NATO responsibilities.

The goal of a more cohesive European contribution to the Alliance will not be easy to obtain. Given prevailing perceptions of the threat, economic growth expectations, and demographic trends in Europe, both money and manpower for defence will be in short supply for several years to come. American critics of «insufficient» West European efforts in the Alliance, however, will not be satisfied with simple declarations of European intentions to improve their military capabilities. The future political and military viability of the Alliance therefore clearly requires that the European Allies intensify their defence co-operation efforts with both words and deeds to compensate for projected limits on resources available for defence.

## C. BUILDING BLOCKS FOR A WEST EUROPEAN PILLAR IN THE ALLIANCE

The Alliance will require a continued strong and effective American contribution to European defence for the foreseeable future. But a condition for that continuity will be a more cohesive European contribution. The second pillar of the Alliance must be constructed in order to keep the first from crumbling under the weight of political and financial pressure.

Both politically and economically, Western Europe is bound to become a much more cohesive and stronger entity. The twelve member countries of the European Economic Community are aiming to constitute, by the end of 1992, a truly unified market, and several European countries outside the EEC are seeking to establish closer political and economic ties with the Community.

The recent historic progress in several areas of Franco-German defence co-operation has been encouraging. Intensified Franco-German bilateral consultations on defence issues, combined exercises, and the plan to organize a joint brigade all give greater meaning to Western defence efforts.

Franco-British co-operation has also moved to a more active stage. The active involvement of Great Britain in the future evolution of European Defence co-operation is essential politically and militarily.

Such bilateral efforts are necessary and should continue, but it is equally important to provide a broader base to involve as many European NATO countries as possible. The Western European Union offers great promise as part of the future European pillar. The European security platform issued by the WEU members in October 1987 constitutes an impressive start toward the outlining of a European defence identity, while reaffirming the European desire for continuing US involvement in European defence. The Committee believes that the WEU should include Spain, Portugal and other NATO European members who agree to accept the obligations and goals of the Brussels Treaty on which the WEU is based.

The Western European Union, however, is not the exclusive arena in which European defence co-operation can be promoted. The studies, collaboration and consultation within the framework of the European Economic Community, the Independent European Programme Group (IEPG), and the Eurogroup in NATO also make important contributions to the development of a more cohesive European role in the Alliance. It will become necessary in the 1990s for the West European Allies to arrive at some rational divisions of responsibilities to eliminate conflict and overlap between the range



of European institutions involved in promoting such co-operation. But for the time being, the positive aspects of these diverse organizational frameworks should be nurtured and developed as contributions to a real European pillar in the Alliance.

The Committee on NATO in the 1990s has considered a number of suggestions for giving substance to the new transatlantic bargain. It recommends the following steps within the general framework suggested above:

#### *1. A European Security Assessment*

To provide a stronger political foundation for intensified European defence co-operation, the European members of NATO should organize, on an annual basis, preparation of a European security assessment. This assessment should identify the threats to the Western democracies, including those associated with instability and conflict outside the European region. The statement should note how the European countries intend to respond to those threats. After stating what they are willing to do, individually and collectively, the European Allies could specify what role they hope the United States and Canada will play in dealing with the threats to Western security. This exercise could be organized initially by the Western European Union, but participation should be broadened beyond current WEU membership to ensure the participation of all European NATO member governments. Such an assessment should subsequently be submitted to NATO as a basis for discussion with the United States and Canada.

#### *2. Institutional Reform*

The European Allies should initiate a study of institutional changes that the establishment of a real European pillar in the Alliance would imply, and especially the place and role that the Western European Union and the European Economic Community would have in building this pillar. The creation of a European pillar eventually requires rationalizing the efforts and location of the numerous European institutions that currently possess a degree of competence in co-ordinating political, economic, and military aspects of security policy.

#### *3. A European Division*

The European Allies should also agree to form a European division. Building on the concept of the Franco-German brigade now being organized, other European countries should be invited to contribute military units to such a division. Creating a European division could enhance the potential for more extensive joint European forces in the future by intensifying joint planning, exercising joint command arrangements, stimulating more extensive logistical co-operation, and requiring more thorough standardization and interoperability of equipment. Such a division could serve as a covering force to enhance NATO's flexibility in responding to a crisis.

#### *4. Co-operation among European Military Establishments*

In addition, the European Allies should make every effort to encourage and facilitate closer co-operation of French and Spanish military forces with those of other NATO nations. For example, the Allies should support joint exercises with the French Rapid Action Force and Allied units in Germany. Closer and regularized contacts among the military staffs of the European Allies will be necessary to overcome the many potential barriers to intensified defence co-operation. Such contacts could, for example, include annual meetings among Chiefs of Staff of West European NATO governments, and the establishment of a computerized communications network linking European defence ministries for the purpose of sharing planning information.

#### *5. A European-Scale Defence Market*

The European Allies should furthermore intensify efforts to create a European-scale defence market. Only with such a market will the defence industries of the various European Allies achieve the efficiencies and specialization that will be required for European defence efforts in the 1990s and beyond. Steps in this direction have already been taken in the framework of the Independent European Programme Group. To strengthen this effort, the IEPG countries should consider: the establishment of a secretariat to co-ordinate military requirements; joint funding of longer-term research projects; and agreement on compatible rules governing competition for production contracts on the European level, including regular publication of requests for proposals.

#### *6. Increase Task Specialization*

Within such a framework of intensified defence co-operation, the European Allies should seek to encourage task specialization among themselves as a way of eliminating wasteful duplication and overlap among national military efforts. There are substantial barriers to specialization deeply rooted in military history and contemporary political and economic priorities of member nations. But the limited resource base for sustaining necessary defence improvements would appear increasingly to demand that smaller Allies in particular take on special tasks well suited to their geographic location and national resources as part of a tasking strategy organized on a European level and compatible with NATO planning requirements. The Eurogroup should undertake an in-depth study of the potential for greater role specialization in NATO.

It has become popular with some analysts to suggest that NATO in the future appoint a European instead of an American as the Supreme Allied Commander Europe (SACEUR). Perhaps at some point in the future such a step will appear logical and necessary. For at least the next decade, however, the Committee believes that US nuclear weapons will continue to play an important role in NATO's deterrent strategy, and that the appointment of a US military officer to the position of SACEUR will remain an essential symbol of and practical link to the US President's authority to order the use of nuclear weapons.

In sum, the Alliance should welcome the progress made in all bilateral and multilateral forums that promotes European defence co-operation. While the core of such efforts clearly depends on the active involvement of France, the Federal Republic of Germany and Great Britain, the process in the long run should involve all the West European NATO nations. All steps toward greater co-operation should ensure compatibility with general Alliance obligations and purposes. The European pillar of the Alliance must be constructed within the Alliance and not as an alternative to it.

#### **D. DEALING WITH THE CHALLENGE OF TRANSITION**

Managing the transition to a more prominent European security identity and role in the Alliance will not be an easy task. The United States has since the late 1940s supported the goal of European unification, including the defence field. But faced with such a development, the United States will be challenged to accept the consequence of greater European influence in the Alliance. Under these circumstances, it will be particularly important for the Allies to keep open existing channels of communication and possibly to develop new ones to sustain transatlantic support for the concept of European defence co-operation. The Allies will have to pay special attention to the relationship between European defence co-operation and on-going co-operation within the NATO framework to avoid creating divisive splits among the Allies.

In addition, the Allies will have to defend the process against tendencies toward isolationism, unilateralism and neutralism in North American or European policies. There is a danger that isolationist



forces in the United States and Canada could interpret the progress toward European defence co-operation as an opportunity to extract their countries from involvement in European defence. There is an equal danger that some in Europe could seek to use the process of defining a European security identity as a vehicle for attacking the United States and its policies. Managing this evolutionary process will require that officials and politicians on both sides of the Atlantic guard against such tendencies.

#### E. IMPORTANCE OF COMMON VALUES

At this time of transition in relationships within the Alliance, the Allies will do well to recall the common values that they share, the defence of which the Alliance is intended to promote. In the North Atlantic Treaty, the Allies pledged to «safeguard the freedom, common heritage and civilization of their peoples, founded on the principles of democracy, individual liberty and the rule of law». These values are still not universally accepted and practised in the broader international community. But they should continue to bind the members of NATO together and provide a common sense of purpose, even if the direct military threats to the Alliance may appear less imminent.

#### F. ECONOMIC RELATIONS

The Allies also pledged in the Treaty to eliminate conflict in their international economic policies and to encourage economic collaboration amongst themselves. A degree of conflict is inevitable in relations among nations in the naturally competitive Western economic system.

The past 40 years have witnessed the economic recovery of Western Europe and the dispersion of economic power that, early in the post-war period, had reflected the preeminence of the United States in the international economic system. Economic parity between the United States and Western Europe inevitably has led to trade tensions. On both sides of the Atlantic, there is growing realization that an intensification of trade tensions between North America and Western Europe would seriously affect the transatlantic partnership. Over the past decades, trade, like economics in general, has become so inextricably enmeshed with political relations that a deterioration of trade relations now almost automatically affects political relations, and vice versa. This situation is of particular concern to an organization like NATO, composed of 16 sovereign nations with collective political and defence goals, but whose economic relationships are based as much on co-operation as on competition.

Until now, even in those cases where diplomacy initially failed to resolve transatlantic trade tensions and retaliation followed, peace was eventually restored. Nevertheless, with each successive dispute, it has become more difficult to dismiss rhetoric as mere brinkmanship, and the danger of a crisis with far-reaching economic and political implications has become steadily more acute.

The agenda of outstanding US-EEC issues is a long one and many of the items on it will not be easy to resolve, as they affect vital economic and trade interests. Millions of jobs in the industrial, agricultural, and service sectors in the European NATO countries, the United States, and Canada directly depend on exports. In the foreseeable future, protectionism is likely to remain a tempting response to pleas for assistance from these sectors.

In the longer term, some positive effect on transatlantic trade may be expected from the current Uruguay GATT Round of multilateral trade negotiations which, for the first time, is dealing with domestic farm support programs and export subsidies. Eventually, the round should help construct a more adequate, normative, and institutional framework for international and, consequently, transatlantic trade.

In the meantime, however, North American and European NATO countries should pursue efforts aimed specifically at improving transatlantic commercial contacts. Reinforcement of consultative procedures,

the establishment of a functioning dispute settlement mechanism, creation of effective conciliatory procedures and other institutional improvements to be achieved both within the GATT and through bilateral pragmatic arrangements, are devices that probably would not eliminate all the sources of friction, but which would certainly contribute to more rapid and constructive management of transatlantic trade disputes.

In the 1990s, as in the past, the Allies must guarantee that the benefits of competition are preserved while the dangers of conflict are avoided. This task is made more difficult when economic growth is marginal or non-existent. It will be particularly important in the 1990s to resolve trade and economic difficulties equitably and to ensure that such problems do not interfere with the priority objective of sustaining a credible defence posture.

#### G. NATO'S SOCIAL FABRIC, PUBLIC OPINION AND POLITICAL CONSENSUS

In an Alliance among democratic nations where political parties and public opinion play a direct role in national decision-making, defence policies must take into account the broad range of factors that impinge on national security. The health and welfare of the societies that the Alliance is designed to protect depend on a fine balance between government programs for defence and those for other needs of society. Particularly in the East-West competition, peacetime success or failure is measured in large part by the quality of life enjoyed by the citizens of the competing systems. The NATO countries must not lose sight of the need to protect and enhance the quality of life provided to its citizens as an important ingredient of national security policy.

A central component of the welfare and cohesion of our societies is the educational systems that we support. The future economic growth and social development of the NATO nations will depend in large part on the quality of education that we provide for our youth.

Public and parliamentary support is essential for the effective functioning of the Atlantic Alliance. The North Atlantic Assembly, for its part, has sought to bring congressional and parliamentary opinions to the attention of NATO governments and to strengthen the legislative base of support for the Alliance. The heightened public awareness of and participation in security policy debates over the last decade is likely to continue into the 1990s, unless the current period of transition in Alliance relations yields a new consensus on defence policies and arms control objectives. Ensuring effective channels of communication between public opinion, legislators and NATO governments will therefore remain a high priority task.

In the 1980s, the controversy over intermediate range nuclear force (INF) missiles has produced deep political splits between political parties of the left and right in Western Europe. It also aggravated some differing perceptions between Americans and Europeans about the nature of the threat and minimum requirements for defence. With the INF debate moving into the background, and with further opportunities for arms control progress, it may be possible over the next several years to achieve a higher level of consensus on defence policy both within Europe and between Europe and the United States. This certainly should be the objective of all NATO governments.

Neither American nor European public opinion believes that the Soviet Union is willing to take the risks that, under current circumstances, an attack on Western Europe would entail. The perception of the «threat» has declined throughout Western publics, partly due to NATO's success in ensuring unbroken peace in Europe for nearly four decades. Necessary Western programs designed to offset the Warsaw Pact's military capabilities and to seek negotiated reductions in Warsaw Pact forces require political support. NATO's policies must therefore be understandable and credible to the public if they are to be effective in practice.



The need is particularly acute in the case of the so-called successor generations in NATO countries. These younger citizens must remain convinced that the Alliance is relevant to their future and that of their country if the Alliance is to continue to prosper. The results of a European security assessment, proposed earlier in this report, should be published and disseminated widely throughout the Alliance in a form that is accessible and credible to all segments of NATO electorates. NATO governments should devote additional resources to educating their electorates concerning the ways in which the Alliance seeks to increase their security and promote international peace.

#### IV. NATO'S STRATEGIC CONCEPT

##### A. THE CHALLENGES

###### 1. Soviet Military Power

The challenges facing NATO's strategic concept are in many ways similar to those it has confronted throughout its history. The most fundamental continuity is provided by the Soviet Union's massive military presence, including nuclear, chemical, and conventional forces within striking distance of the West European countries.

There is no consensus in the West concerning how to interpret the balance between NATO and Warsaw Pact forces. By almost all measures, the forces of the Soviet Union and its Warsaw Pact Allies outnumber those of NATO. Some observers in the Alliance interpret these forces as the Soviet Union's way of preserving a defensive zone to the West of its borders. The Committee believes that interpreting the NATO-Warsaw Pact military balance requires taking into account political, economic, geographic and other factors as well as adding up troops and equipment on both sides. But even with the most optimistic assessments taken into account, there is a conventional force imbalance and Warsaw Pact forces still appear to exceed reasonable defensive needs of the Pact countries.

###### 2. Soviet Diplomatic Initiatives

The Soviet Union, under the leadership of General Secretary Mikhail Gorbachev, has declared its interest in measures to reduce the military confrontation in Europe, and has acknowledged that there are «asymmetries» in the European military balance. The suggestion that he may be more flexible in this area than were his predecessors has convinced many in Western Europe that the Soviet Union's intentions are benign, and that Mr. Gorbachev can be taken at his word. This combination of still-formidable Soviet military power and a highly persuasive political and diplomatic approach to the West poses unique challenges to Western leadership.

Questions relating to nuclear weapons present special problems. To compensate for Warsaw Pact superiority in tank forces in particular, NATO for many years has relied on short-range nuclear weapons to help defend against a Warsaw Pact attack. However, a substantial change has taken place in the Western political and public will to sustain a credible nuclear posture. The debate over INF deployments has undermined support for nuclear deployments in many Alliance countries.

The Soviet Union understands the depths of Western public concern about nuclear weapons and for many years has sought the denuclearization of Europe as one of its priority national security objectives. The dilemma for the West will be to meet the diplomatic challenge and take advantage of real opportunities for East-West co-operation while maintaining a defence posture that still ensures Western security.

##### 3. Challenges Beyond NATO's Area

Another challenge to Western security that has become more prominent in the last decade is the fact that Western interests are in many cases threatened by instability and hostilities outside the area covered by the North Atlantic Treaty. NATO was not designed to deal with such «out-of-area» problems, and divergent American and European perceptions of the roots of out-of-area security problems and the appropriate policy instruments for dealing with them complicate efforts to organize a unified Western approach to most such problems. The Middle Eastern region is particularly important for Western security because of its strategic importance and the West's dependence on the sources of energy in the region. Developments elsewhere — in Africa, Latin America, Asia and the Pacific and polar regions — also impinge on Western security interests.

##### B. NATO'S RESPONSES

###### 1. Strategy and Doctrines

The heart of NATO's policy rests in deterrence of threats to Western security. This requires maintaining sufficient forces to convince a would-be aggressor that potential gains of aggression are not worth the likely costs. Deterrence also requires a sufficiently stable military balance to ensure that no unfriendly power is able to use excess military power to achieve political advantages. These principles must be applied to the situation on NATO's Northern and Southern regions as well as in the Central region.

The NATO Allies decided in 1967 that the best way to deter Warsaw Pact military and political challenges was through a doctrine of flexible response. According to the doctrine, the Alliance would be prepared to meet any level of aggression with equivalent force, conventional or nuclear, and would increase the level of force if necessary to terminate the conflict. The adoption of flexible response recognized that it was no longer credible to threaten massive nuclear retaliation against the Soviet Union in response to a wide variety of potential Soviet challenges. With the adoption of flexible response, the commitment to mount a forward defence at NATO's borders with the Warsaw Pact countries remained an important symbol of the cohesion of the Alliance and the intent to defend the territorial integrity of all its members.

Over the last twenty years, the flexible response and forward defence concepts have been criticized from many perspectives. NATO has never in those two decades been able to meet all possible military threats it might face with equivalent military forces. The Allies have continued to rely heavily on short-range nuclear systems to compensate for NATO's inferior number of tanks and other weapons systems. The Alliance has therefore failed to deploy all the forces implied by the flexible response doctrine.

In the last decade, American and European critics of NATO's strategy have offered a variety of alternative approaches. A number of observers in the United States have called for NATO to renounce the possible first use of nuclear weapons. In Europe, many Socialist and Social Democratic parties have supported alternatives to NATO's strategy that involve either fewer or no nuclear weapons located in Europe and that rely heavily on a variety of «defensive» or «non-provocative» force postures and tactics. Advocates of these approaches generally argue that the Soviet Union is largely motivated by the desire to protect its own borders, that Warsaw Pact forces are not as superior to those of NATO as is commonly assumed, and that nuclear weapons are destabilizing in European security relationships. Under these circumstances, they contend, flexible response is no longer acceptable as a Western defence doctrine.

Such criticisms certainly reflect the imperfect nature of the flexible response doctrine. The Committee has nonetheless concluded that, even with the shortcomings of the flexible response doctrine, conceivable alternatives, such as non-nuclear «defensive-defence» and the so-called «discriminate deterrence»



approach recently advocated in the United States, are not viable alternatives under the circumstances most likely to obtain in the 1990s. NATO's current strategy still provides the best available way for the Alliance to ensure peace and encourage the development of a more stable East-West security environment in the 1990s. While there is much room for the Alliance to improve its ability to implement its doctrine and to reduce the degree to which it relies on the early use of nuclear weapons, the Allies will have to live with the ambiguities inherent in the flexible response doctrine for the indefinite future.

The great virtue of flexible response is the essential political role it plays in accommodating a variety of differing attitudes toward the requirements of deterrence and defence. Within the flexible response framework, a variety of differing national force postures and mixes of weapons can be reconciled.

Furthermore, the NATO Allies must not permit a potential aggressor to believe that it can choose the level of conflict and not risk a response at a higher level of hostilities. The uncertainty planted in a potential aggressor's mind by the flexible response doctrine is a major factor in NATO's deterrence strategy. Any suggestion that there is not a spectrum of deterrence which includes the possibility for escalation undermines NATO's war prevention strategy.

In addition, the forward deployment of forces from many Allied nations, particularly those of the United States, remains an important symbol of the political and strategic cohesion of the Alliance. Forward deployment of Allied units in the Federal Republic of Germany expressly rejects singularity for the Federal Republic and ensures linkage between the security of Western Europe and that of North America.

## 2. Nuclear Weapons Modernization

Nuclear weapons play an important role in the flexible response doctrine, and this role was brought to the forefront of public attention by the debate over the deployment of INF missiles and the subsequent US-Soviet agreement to eliminate all such missiles.

There is a strong and quite understandable desire throughout the Alliance to escape from the awesome shadow of nuclear weapons. Perhaps in the future, under much improved global political conditions, this will be possible. This is a goal that all NATO governments must keep in mind.

In the 1990s, however, irrespective of hoped-for progress in conventional or nuclear arms control or in defensive technologies, nuclear weapons will continue to play a key role in deterrence. Even if NATO and Warsaw Pact non-nuclear forces were in rough equilibrium, there would be a role for nuclear weapons to play. History has demonstrated that there is no such thing as absolute conventional deterrence, as in the pre-nuclear age many aggressions were initiated against superior forces. Under contemporary political circumstances, a stable nuclear component in the West's deterrent posture ensures an element of military stability that conventional forces alone cannot provide.

In October 1983, the Allies agreed in the «Montebello Decision» to withdraw unilaterally from NATO's inventory some 1,400 warheads. They also agreed to study modernization of the remaining inventory to ensure that the warheads and delivery systems are «survivable, responsive and effective». By the end of 1987, NATO had completed the withdrawal called for in the Montebello Decision, and continued to study options for modernizing the remaining inventory, within the parameters of the INF Treaty. The INF accord has led to some differing perspectives in the Alliance about the next steps that should be taken to continue implementation of the Montebello Decision.

The most politically effective response in the near term to concerns raised by the INF accord will be strong US reaffirmation of its commitment to European defence and deterrence, not new deployments

of American nuclear weapons to compensate for the elimination of the INF systems. Such reaffirmation should be one of the first acts of whatever new Administration comes to power in the United States in 1989.

In the 1990s, the Alliance will have to decide what further changes in its nuclear posture are required to sustain its strategy. The Committee suggests the following guidelines for subsequent decisions concerning nuclear weapons deployments in Europe:

- the balance within NATO's nuclear posture should preferably evolve toward longer-range, deterrence-oriented systems in and around Europe and away from shorter-range, battlefield systems, albeit without creating gaps in the overall spectrum of deterrence;
- NATO should in the 1990s seek arms control agreements and conventional defence improvements that would make it possible to reduce the overall numbers of nuclear weapons in Europe, ensuring that any changes in nuclear force deployments are consistent with NATO's strategy and that they enhance security and military stability;
- the nature and location of nuclear deployments should be designed to enhance the security, safety, reliability, and command and control of nuclear weapons;
- nuclear deployments should be designed to raise, not lower, the nuclear threshold;
- nuclear deployments should therefore complement and not complicate conventional defence improvements; and
- nuclear deployments should be judged in terms of their potential effect on Alliance cohesion and political consensus as well as their military utility.

These criteria have implications for the variety of modernization decisions facing the Alliance. For example, to ensure the viability of NATO's long-range nuclear delivery capability through the 1990s, NATO should seriously consider the deployment to Europe of a limited number of air-launched cruise missiles on fighter/bomber aircraft. In addition, to ensure that nuclear risks continue to be shared within the Alliance, NATO governments should consider dual basing of a number of such aircraft with home bases in the United States and forward deployment bases in Western Europe. The aircraft should exercise from their European forward deployment bases with sufficient frequency to ensure effective operational capabilities from those locations in a crisis.

As noted above, the Committee sees the need to move away from reliance on short-range nuclear weapons. To do so, the Alliance would require either an arms control agreement reducing the Warsaw Pact's advantage in tank forces in Central Europe or a technological breakthrough in Western non-nuclear anti-tank capabilities. In the absence of such developments, NATO's short-range nuclear capabilities should in the 1990s be modernized within the criteria discussed above.

The Alliance should continue to study options for modernizing the Lance missile system, but this should not be the highest priority in the modernization program. The Alliance should explore the potential willingness of the Soviet Union to reduce its short-range missiles and the imbalance in conventional forces before replacing the Lance system. Meanwhile, bearing in mind that the Lance was originally deployed to help counter the Pact's ability to mass tanks for an attack against NATO, the Lance system should be kept operational.

In sum, NATO needs to find ways to decrease reliance on short-range nuclear weapons while maintaining a credible and survivable longer-range nuclear capability for deterrence. The Alliance should aim to arrive at a position by the mid-1990s where a decision to use nuclear weapons would be the product



of deliberation, not desperation, and where the principal role of nuclear weapons would be that of deterring a Warsaw Pact attack rather than defending against one — a no-early-first-use posture.

In the more distant future, if the Soviet Union's potential for attacking Western Europe is substantially diminished, it may well be possible to contemplate a security system in Europe far less dependent on nuclear weapons as part of a less threatening common security relationship between NATO and Warsaw Pact nations. But the ability to move in this direction depends principally on the willingness of the Soviet Union and its Allies to adopt a much more defensively oriented force posture in Europe.

### *3. Conventional Force Improvements*

In the years immediately ahead, the Alliance must improve its ability to defend conventionally against non-nuclear Warsaw Pact capabilities if it hopes to raise the threshold at which NATO would be forced to use nuclear weapons. The highest priority is to strengthen NATO's ability to engage and defeat the first echelon units of Warsaw Pact forces — a strong forward defence capability. The second priority is to be able to delay reinforcing Warsaw Pact forces so that they cannot turn the tide of battle. Crucial to both phases of this defensive strategy is the ability of NATO to neutralize Warsaw Pact armoured forces and to maintain air superiority over the battlefield.

At the same time, the Allies cannot neglect the need to improve the defence to the North and South of its Central region. A credible defence posture in the North is essential to NATO's ability to defend the Central region. In particular, NATO's ability to control the North Atlantic, Norwegian Sea, North Sea and Baltic waterways would be decisive in determining whether or not North American reinforcements would arrive in time to influence the tide of battle in the Central region. NATO's Southern region is of equal strategic importance to the Alliance, given the Soviet naval presence in the Mediterranean, the intimate military relationship between hostilities in the South and those in the Central region, the proximity to the turbulent Middle East region and the dependence of NATO Allies on the energy sources in the Middle East and Persian Gulf areas.

NATO will not find it easy to improve its conventional force capabilities under projected constraints. Taken in combination, a diminished perception of the threat, fewer young men available for military service in many NATO countries, and constraints on defence spending mean that the Alliance will have to find ways to improve its conventional defence capabilities without increasing active duty manpower and without substantial increases in defence spending. Under these circumstances, the Alliance will require a strategy that emphasizes the most effective use of available resources.

If there is no substantial progress toward reductions in Warsaw Pact capabilities for offensive operations against NATO, additional resources may be required to maintain a stable security environment in Europe in spite of the sacrifices that might be required of Allied nations.

The on-going Conventional Defence Improvement (CDI) program in NATO points in the desired direction with its strong focus on « output » objectives. The Allies should sustain their efforts to identify critical deficiencies and to make a more serious effort to ensure that national force goals take those deficiencies into account. The Allies still need to work on shortfalls of ammunition and other supplies that affect the ability of Allied forces to sustain combat. Beyond the important sustainability issue, the Allies must seek ways to exploit the West's advantage in technology to render Soviet tank armies obsolete. The development of better non-nuclear means to defend against Warsaw Pact armour must be a high priority for NATO planning, research and development, and funding. NATO should also continue its efforts to improve air and naval defences throughout all the regions.

In addition, the Allies should think creatively about ways to improve conventional defence capabilities with low or no-cost improvements. A number of suggestions have already been studied extensively by Alliance and private experts. Allied governments now must overcome bureaucratic, doctrinal, and political resistance to implementing ideas that make good military sense. For example, it appears that combined with properly trained and equipped forces, a variety of anti-tank barriers could enhance NATO's capability to defeat tank attacks with non-nuclear weapons. The Allies should give careful consideration to terrain enhancements and other steps that could be taken to assist NATO forces defence against Warsaw Pact armour.

Because manpower shortages in the 1990s will force NATO to rely more heavily on reserve forces to implement its strategy, the Allies must do everything possible to improve their ability to detect Warsaw Pact preparations for attack and to manage more effectively NATO's response to such indications. Toward this end, NATO nations should intensify their sharing of intelligence information concerning Warsaw Pact military activities. They should also review NATO's crisis management system with an eye to improving both procedures and methodologies for communicating among NATO political authorities and between NATO civil and military authorities. NATO should also examine the possibility of creating a covering force to assure rapid response in crisis to offset current vulnerability to surprise attack.

Even while the European Allies are intensifying their defence co-operation, as strongly recommended by this report, the very positive trends of recent years toward greater transatlantic co-operation in the development of weapons systems must be sustained. In fact, a more rational European defence production capability is a prerequisite for more efficient co-operation between the United States and Europe in the production of standardized or interoperable defence systems for NATO.

The problem of improving conventional defences is one that should be approached with a sense of common purpose by all political forces in the Alliance. There may continue to be some fundamental differences in NATO countries about the appropriate role for nuclear weapons, but there should be a general consensus on the need to improve the defensive capabilities of NATO's conventional forces. In this effort, political forces of varying persuasions should put ideology aside and look pragmatically at all possible ways of approaching this objective. This should include careful study of the many ideas that have been stimulated by alternative or defensive-defence experts in Western Europe. Supporters of this school of thought should be prepared to modify their approaches to come to terms with the political, military and resource realities facing all the NATO countries. A pragmatic approach by all political parties in the Alliance would offer the best possibility of improving conventional defences in the next decade.

### *4. New Defence Technologies: Challenge and Opportunity*

To maintain a qualitative edge over Warsaw Pact forces in the 1990s and beyond, NATO must reform its approach to procuring high-technology weaponry. The Pact has maintained its quantitative advantages over NATO while narrowing the qualitative gap between its forces and those of the West. The Pact has benefited in particular from the fact that the Soviet Union, virtually its sole source producer, can sustain long production runs, economies of scale and a high degree of standardization. Soviet central planning accords defence procurement a high priority and incremental weapons development reduces research and development costs and eases maintenance, training, reliability, interoperability, and logistics.



NATO, by contrast, suffers from relatively short production runs, little attention to standardization, the intrusion of domestic political and economic factors in the procurement process, and a procurement philosophy that emphasizes new capabilities rather than ease of maintenance, reliability, and interoperability.

To help deal with this systemic mismatch, NATO must ensure that militarily critical technologies are not transferred to the East. Unfortunately, the inability of the Allies to harmonize effectively their export control policies seriously inhibits the transfer of technology among them and produces an inefficient exploitation of technology throughout the Alliance. The Allies must persist in their efforts to harmonize technology export controls, to ensure that measures taken to block Soviet acquisition of militarily relevant technologies do not impede technology transfer within the Alliance. This will require more effective bilateral co-operation among the Allies as well as under the auspices of the Co-ordinating Committee on Multilateral Export Controls (COCOM). Governments should involve North American and European industrial representatives in their consultations on this issue to benefit from the expertise and experience that resides in the commercial sector.

NATO should reassess its procurement philosophy to emphasize reliability and ease of maintenance to help control the cost of weapons systems as technological sophistication increases. These requirements should be given equal standing with those of range, speed, and technological sophistication. The missions to be performed should in the future guide NATO procurement decisions, rather than simple weapons replacement strategies. Options should not be constrained, for example, by service pressure to substitute new systems for old when other, more cost-effective opportunities may be available. Choices should be governed by cost-effectiveness as determined by realistic testing rather than by simulation, at all phases of the procurement cycle.

Future constraints on defence resources make it all the more important for the Allies to use available research and development resources more wisely. Ideally, all Alliance research and development should be co-ordinated to avoid waste and duplication.

The Committee believes that it is particularly urgent that the European Allies harmonize their research and development efforts in the 1990s, perhaps through the establishment of a common research and development fund, to ensure the continued viability of a European defence industry as well as to provide a more solid foundation for needed defence improvements.

During the 1990s, a number of NATO nations will develop military space systems to perform a variety of tasks, joining the United States in deploying intelligence-gathering satellites, early warning and communication systems, and other space-based non-weapons systems. European civilian space programs are now effectively co-ordinated by the European Space Agency, in which Canada also plays an active role. But the European defence application programs are largely unco-ordinated.

This is another area in which rationalization of European efforts and expenditures would make good sense. The Committee therefore recommends that interested NATO nations begin now to investigate appropriate mechanisms for harmonizing development and construction of non-weapons, non-American military space projects as a first step toward ultimate Alliance-wide harmonization. The Committee also recommends that the NATO nations attempt in the 1990s to co-ordinate the operations of American and non-American intelligence-gathering satellites to ensure more comprehensive coverage of critical intelligence requirements and to insure against loss of coverage through accidents and malfunctions.

## 5. Out-of-Area Security Issues

With regard to security challenges arising outside NATO's area, pragmatism and realism are also advisable. Throughout NATO's history, security problems outside the NATO area have caused serious divisions among the Allies. The differing historical experiences and military capabilities of NATO Allies have produced a wide variety of perspectives on security problems arising outside NATO's area.

NATO has never had a mission outside the Treaty area, initially because the United States preferred that NATO obligations be defined within narrow geographic parameters and, in more recent years, because the European Allies have not been willing to expand NATO's defence commitments beyond their own resources or their domestic political base for the Alliance. Contrary to common belief, however, the Alliance has not totally ignored problems outside the NATO area. The Allies have used a variety of consultative opportunities provided by NATO committees and meetings to continue a dialogue on threats to Western security outside the NATO area. Those efforts have been intensified in reaction to Persian Gulf instability, the Soviet presence in Afghanistan, and the situation in the Lebanon. Great Britain and France for example, have for many years maintained naval forces in the Persian Gulf region.

In 1987, Great Britain, France, Italy, Belgium and the Netherlands as well as the United States sent additional naval units to the Persian Gulf region to demonstrate that they appreciate the threat of instability in that region to Western interests. West Germany sent naval units to the Mediterranean to help offset the transfer of the Italian naval units from the Mediterranean to the Persian Gulf. This European effort was not co-ordinated within NATO, but was in part organized through consultations in the Western European Union. The naval vessels remain under national command, with informal co-operation and communication among Western units operating in the same area. Such informal bilateral co-operation has worked for Western interests. This approach might be applied to other out-of-area security problems as well.

However, it is important to keep open as many channels of Western consultations on such problems as possible. Differences over security problems arising outside the NATO area can create major political problems in the Alliance. Sharp differences among the Allies can undermine Allied cohesion and weaken popular support for the Alliance in NATO countries. Because disagreements among the Allies over out-of-area issues will likely arise again in the future, it is important that such differences be kept in perspective and that the core of NATO co-operation and cohesion be protected from differences over problems arising outside the NATO area.

The Allies should intensify their consultations and co-operation at every level to ensure that complementary approaches are taken to out-of-area security problems whenever possible. But NATO was not designed to deal with such problems and other Western-style democracies should also be involved in the process. Therefore, a new consultative and contingency planning framework, a « Western Working Group on Global Security Issues », should be established separate from NATO, with the participation of NATO countries and Japan, and open to other Western countries that might wish to join.

The purpose of this Working Group would be primarily consultative: to discuss global security problems, including state-supported terrorism, in all their political, economic, and military dimensions, and to consider certain contingencies that might arise. Implementation of plans or actions should remain independent national choices and co-operation should be organized among participating countries on a national basis.



## 6. Improving East-West Relations

NATO's pursuit of detente was severely tested in the late 1970s when the Soviet Union tried to take advantage of an improving political climate in Europe to challenge Western interests elsewhere around the globe. In response, the Allies, with good reason, adopted a more sceptical approach to the East's willingness to pursue co-operation on terms favourable to Western interests.

Today, as in the past, it is nonetheless important for the Allies to seek avenues of political, economic, and security co-operation with the East to try to minimize the threats to Western security, promote a more stable East-West relationship, and overcome the division of Europe. A satisfactory East-West relationship cannot be taken for granted; it remains a goal to be pursued in Western policies, not yet an accomplished fact.

It is particularly important that defence and arms control policies be effectively harmonized and seen as means toward the end of enhanced security, and not as ends in themselves. Neither arms build-ups nor force reductions necessarily guarantee more security. In the 1990s, the Allies should not make the mistake of over-emphasizing one aspect to the detriment of the other. NATO will have to ensure that its defence policies do not undermine security by stimulating responses by the East that only perpetuate the arms race. On the other hand, the Allies must ensure that they are not so anxious for improved East-West relations that they neglect fundamental defence requirements.

## 7. The Role of Arms Control

In the wake of the US-Soviet INF elimination accord, and given the potential for a US-Soviet treaty substantially reducing their strategic offensive nuclear forces, the Alliance must decide what further nuclear arms control measures would be in its interest.

Over the next several years, while the US-Soviet agreement to eliminate their intermediate range nuclear missiles is being implemented, the main focus of NATO arms control efforts should be on non-nuclear forces, particularly those located in central Europe. However, after careful consideration, the Allies may conclude that further nuclear arms reductions in Europe could be taken while maintaining NATO's deterrent strategy and avoiding the denuclearization of Western Europe. The guiding principle for NATO's approach to nuclear arms control should complement its deployment and modernization objectives, discussed earlier. NATO's arms control approach, as well as its modernization and deployment policies, should therefore seek to reduce NATO's reliance on short-range nuclear weapons while preserving a credible, survivable nuclear weapons capability to sustain NATO's deterrence posture.

Conventional arms control negotiations could hold the key to NATO's future ability to reduce its reliance on short-range nuclear weapons. The overall relationship between NATO and Warsaw Pact forces, including nuclear forces in Europe, is such that there is no incentive for the Pact to launch an attack against the West. However, the manner in which Warsaw Pact forces are deployed, equipped and trained give the Pact the potential to mount an attack on Western Europe with little warning time. This «surprise attack» potential is militarily threatening and politically destabilizing. Further, even though the overall military situation is relatively stable at the moment, that stability cannot be guaranteed in the future so long as the Pact continues to enjoy such substantial numerical advantages in tanks and some other categories of offensive weaponry deployed against NATO.

The beginning of new conventional stability talks among NATO and Warsaw Pact nations covering an area «from the Atlantic to the Urals» provides an opportunity to redress imbalances in conventional military forces in Europe. From one perspective, the logic of current trends in relations between NATO

and the Warsaw Pact and in their resource priorities, suggests that both Alliances should have reasons to seek negotiated reductions in their conventional forces located in Europe. But a number of other factors mitigate against easy solution.

A prominent immovable object complicating conventional arms control remains the fact that the Soviet Union, with its massive military power and impressive resource base, is part of and has relatively easy access to the European area. The United States, NATO's strongest member, lies an ocean away, its defence, population and resource base far from the area of potential conflict. This geographic disparity between the two Alliances requires NATO governments to ask the Warsaw Pact for asymmetrical reductions in and constraints on Eastern forces to establish a more stable balance between NATO and Warsaw Pact forces in Europe.

The Committee believes that the West's ultimate objective in the new conventional stability talks should be reductions in Warsaw Pact forces to rough parity with NATO forces. This need not mean precise equality in all sub-categories of forces, but reductions should yield a relationship between NATO and Warsaw Pact forces that is stable and non-threatening.

The West should seek reduction of complete Warsaw Pact units and net reductions in particular in Pact tank forces and artillery tubes. Ideally, Soviet forces should be disbanded rather than redeployed elsewhere in the Soviet Union. The West might also consider as a variation on this approach proposing the storage of reduced equipment within the reduction area on both sides in sites supervised by inspection teams from the other Alliance. This storage approach could be one way of equalizing the time required by the two Alliances to mobilize reduced equipment and could provide unambiguous warning of mobilization efforts.

The West might also usefully consider proposing limits on production of tanks, monitored by on-site inspection at tank production facilities. Such production constraints could help build down the military confrontation between the two Alliances, and, over time, equalize NATO and Warsaw Pact tank inventories.

Because the Western desire for highly asymmetrical reductions and the Soviet Union's concept of its defensive requirements might lead the new negotiations toward impasse, the West needs to develop a sub-negotiating strategy for the conventional stability talks that would allow the possibility of small steps toward increased military stability in the near term while working toward more substantial reductions in the long term. Toward this end, the West could early in the new conventional stability talks, initiate discussions concerning characteristics of the Warsaw Pact's doctrine, force structure and deployments that give rise to concern. Such discussions might help identify possible components of a first stage agreement designed to constrain offensive operations or mount an attack with little or no warning.

As part of this building-block strategy, the Western countries should seek agreement on stabilizing measures that would actually constrain the operations of forces and make a short-warning attack a less feasible option. For example, the West could seek to constrain the deployment and exercising of bridging equipment and the forward deployment of engineering units. The West could also seek constraints on the location of ammunition dumps, moving such facilities back from the East-West dividing line and arranging mutual observation of such facilities.

These types of constraints are best suited for the NATO-Warsaw Pact conventional stability talks, as they would not necessarily be applicable to all 35 states participating in the Conference on Confidence and Security Building Measures and Disarmament in Europe (CDE). However, much remains to be



accomplished to follow on the 1986 Stockholm CDE agreement. In particular, information exchange about all phases of notifiable military activity must be strengthened; consideration should be given to stationing permanent observers at major military facilities and transportation centres; notification should capture alerts as well as earlier phases of military activities in the field. In addition, the CDE participating states should make arrangements for publication of an annual report on compliance with the Stockholm measures and with further measures that may be negotiated.

Another useful step in the direction of a more co-operative European security system could be the establishment of a NATO-Warsaw Pact crisis avoidance centre. Such a centre could bring together NATO and Warsaw Pact member military officers, experts and diplomats. The purpose of the centre would be to exchange on a continuing basis information on military activities, to raise issues about those activities of concern to either side, and to discuss and seek to resolve low-level incidents involving NATO and Warsaw Pact military personnel. The centre could serve as a clearing house for information exchanges worked out under the auspices of the CDE and as the source of inspection teams to participate in the implementation of current confidence building measures agreed in Stockholm and further measures that might be agreed in future negotiations. Centre participants could also discuss compliance with agreed measures and ways to improve the effectiveness of such measures.

The West also needs to continue to seek controls on chemical and biological weapons. While controlling chemical weapons poses substantial verification problems, it is possible that the experience with intrusive inspection measures in the INF accord will open the way for a global ban on chemical weapons. Regional prohibitions on such weapons would contribute little to common security compared to the benefits of a global elimination accord.

#### *8. Overcoming the Division of Europe*

The basic structure of East-West relations, involving two competing political and military groupings as well as two different economic systems, is unlikely to change substantially in the next few years, perhaps not for the rest of this century. The division of Europe has deep roots and at its heart lies the division of Germany, a problem whose ultimate resolution cannot be foreseen today. NATO's policies toward the East have aimed not only at improving Western security but also at overcoming this division.

NATO must continue to seek as a top priority to overcome the division of Europe and of Germany. These divisions lie at the root of East-West political tensions and the military confrontation in Europe today, and must be surmounted if a new and more stable security structure is to be achieved between East and West.

The closed nature of the Soviet and East European governmental systems is a central contributing factor to tensions in East-West relations. Gradual improvement in these relations over the years will require evolution in the nature of these social and political systems. At a minimum, such change would require the emergence of a more secure, pragmatic Soviet Union, willing to tolerate greater diversity and openness and human rights in its own society as well as in its relations with other nations. The Soviet Union under its new leadership has made some tentative steps in this general direction. But even if the process continues it will likely be a slow and fitful one.

Under these circumstances, the NATO nations must be prepared for a further extended period during which Europe remains «divided». On the other hand, much progress has been made toward ameliorating that division and more can be made even within the limits imposed by the Soviet Union's current perceptions of its security requirements.

The Western policy most likely to encourage positive change in this area would be one built on the use of explicit carrots and implicit sticks. The carrots would consist primarily of economic benefits — trade, with competitive terms and credits for East European regimes, within limits of their anticipated ability to repay, granted more freely to regimes that are attempting to open up their systems. Many forms of East-West contact, however, should be encouraged as ways of opening doors to political and social liberalization. Such an Alliance approach could be modelled, at least in principle, on the *Deutschlandpolitik* of the Federal Republic of Germany, attempting to build a web of mutually beneficial ties increasingly linking NATO and Warsaw Pact countries in a variety of co-operative ventures.

As the West expands ties with the Warsaw Pact countries, great care must be taken not to jeopardize Western security interests. The Allies should intensify their efforts to develop procedures for protecting important technologies with defence applications while promoting economic co-operation with the East. The West's desire to encourage more normal relations between NATO and Warsaw Pact countries should not result in special military advantages for the Warsaw Pact countries. Transfer of sensitive military technologies to Warsaw Pact countries can only result in future demands on Western defence efforts.

The framework established by the Conference on Security and Co-operation in Europe provides means to continue the process of gradually breaking down barriers to the freer movement of people and ideas between East and West. The CSCE process has become an essential tool of Western efforts to mitigate the effects of Europe's division and the risks of war. It provides a forum in which the true meaning and implications of the Soviet «glasnost» and «perestroika» policies can be tested. The Allies should continue to use the Conference on Security and Co-operation in Europe to fullest advantage.

Individually and collectively, all the NATO Allies can play a continuing role in working toward a more acceptable relationship with the Warsaw Pact countries. The United States has a special responsibility in managing its superpower relationship with the Soviet Union because US-Soviet relations generally establish the overall tone for East-West relations. The Federal Republic of Germany also plays a unique role in managing its relationship with the German Democratic Republic in ways that break down barriers that divide the German nation. All the other Allies can and should make their own unique contribution within the framework of Western objectives and solidarity.

At the same time, NATO governments must redouble their efforts to explain to public opinion and national parliaments the necessity for maintaining a strong national defence even while relations with the East are improving. A strong, united, and confident West will make the best negotiating partner for the East.

Finally, the strength of the West ultimately rests in the principles for which the Western Alliance stands, and the cohesion and well-being of the societies that the Alliance is designed to defend. NATO governments must continue to assure that Alliance policies remain true to the ideals expressed in the North Atlantic Treaty and responsive to the needs of their citizens as well.



## APPENDIX

SEPARATE VIEWS OF MR. LASSE BUDTZ,  
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The Chairman of the Presidential Committee, Senator William Roth, the Study Director, Mr. Stanley R. Sloan, and all members of the Committee have been very forthcoming in their efforts to establish a consensus. It has nevertheless been impossible for me to consent to all that has been written and suggested in the policy paper, and I therefore feel it necessary to present some dissenting views.

The times we are living in should force us to consider alternatives to the security policy followed by the Alliance for the last several years. Seen from this perspective, the report is too conservative and does not reflect many of the political mainstreams in Europe.

For instance, the report does not concentrate enough on the possibilities for disarmament and does not give the highest priority to disarmament and detente. It is more or less taken for granted that the West under all circumstances will need nuclear weapons for many years to come. But nuclear weapons do not necessarily guarantee security. They might even be a threat to security.

The report is mainly negative towards the various zonal arms control plans, among them a Nordic nuclear-weapon-free zone and a European zone free of chemical weapons. And it does not discuss in depth the constructive ideas behind « common security ». The West can only achieve real security through some kind of co-operation with the East.

A new role for the European countries as a whole, and for the European members of the Alliance in particular, is important and necessary. But a Western Working Group on Global Security Issues should at least be constructed in such a way that does not split Western and European countries. By the same token, the proposals to give a stronger role and influence to the Western European Union should also be received with deep scepticism. So should the idea of the formation of a so-called European division. Why present an idea that probably never can be realised?

The report also, more or less automatically, accepts the theory that to achieve disarmament we must first arm in all areas and first of all in the area of the conventional weapons. But if it is possible to reach an agreement on asymmetrical reductions under strict control, that is far preferable, as is an agreement on new strategies based on non-threatening defence systems.

Economic and other kinds of assistance to and co-operation with developing countries plays an important part in the security policy, and this should be more strongly emphasised.

Any modernization of nuclear systems along the lines of the so-called Montebello decision may harm the prospects for more disarmament in Europe. And it is difficult to understand the necessity of such a modernization when it is doubtful that the East has superiority in all categories of conventional weapons and as long as we have not really investigated the possibilities for asymmetrical reductions in conventional forces.

