

U.S. needs a rapid return to the hard-commodity economic policies pioneered by Alexander Hamilton and spelled out in the USLP's Third National Bank proposal. Agreement must quickly be reached on the establishment of such a hard commodity-based national banking system to increase the nation's industrial and related export capabilities. Political and economic measures

must be taken to minimize and contain the potential for uncontrolled damage to the national economy which will ensue if the accelerating European motion towards a new monetary system is not met by resolute and appropriately compatible political action from this side of the Atlantic.

— Christopher White

Euro Press Agrees Carter Is Losing Europe

Les Echos, June 15, by Michel Garibal:

...Mr. Brezhnev does not want the balance to be drawn up in Belgrade for the two years that have elapsed since the signing of the Helsinki agreements.

Paradoxically, Mr. Brezhnev could well receive some rather significant support from several European countries that are right now uneasy over some uncertainties in U.S. foreign policy. France and West Germany do not want to make the Belgrade Conference a tribunal where the Soviet Union would be the No. 1 defendant. Paris and Bonn have already warned Washington that the U.S. is running the risk of provoking an ideological war with Moscow that would bring about effects contrary to those pursued by the agreement. The two capitals consider that the finality of the Helsinki agreements has not been to reform the world morally but foremost to strengthen detente....

West Germany is urging a strengthening of the economic ties (between East and West) as a result of its traditional policy....But on this question also, the BRD has received some support from France and the other western countries....

New York Times, June 15: column by James Reston, written in Bonn, West Germany:

Jimmy Carter didn't think much about the German problem when he started his human rights campaign, but he is running into problems here he didn't expect and, despite his serious discussions with Chancellor Schmidt at the summit meeting in London, didn't resolve....

President Carter helped this process by dramatizing "human rights" at the beginning, officials here say, but they add that maybe he's pushing it too far, at least in Germany. He's creating tension and even fear in Eastern Europe and Moscow, they say, and the more tension, the less chance of getting people out of East Germany....

What may be much more important is that Chancellor Schmidt discussed this dilemma between the principle and the practical with President Carter at the summit and thought they had come to an agreement. The press reported they had resolved their differences, but that's not what I have been hearing in Bonn....Officials here say, President Carter seems to be in the headlines every day proclaiming his allegiance to the Western alliance but provoking the Soviets.

Obviously, there is either a serious problem or a misunderstanding between Mr. Carter and Mr. Schmidt. Their London agreement had broken down, not only on human rights but on consultation over arms control and

the Middle East. Washington and Bonn are the heart of the NATO alliance, and for the moment, if I hear the melody, they are clearly out of touch.

President Carter would probably be startled to hear the doubts being expressed here. They say that Chancellor Schmidt, President Giscard d'Estaing and Prime Minister Callaghan are Carter allies who believe in his objectives, but that he has disappointed them and particularly Mr. Schmidt, since they met last month in London.

Sueddeutsche Zeitung, June 11, editorial by Josef Riedmiller, "An Aspect of Helsinki":

...Carter's truly missionary determination to help human rights become valid all over the world, and especially in the East bloc, is not meeting with unlimited approval in either the United States or among the allies. The reason for this is not any doubts about the truth or legitimacy of Carter's demands, but doubt about the success of his actions....

Carter's advocacy of human rights is giving civil rights advocates the feeling that their cause has now become a negotiating point of international politics, and that they are standing on firm foundations, which cannot be undermined by their opponents without endangering detente and the increasing the economic advantages to the East bloc which come from detente. This may be a correct assumption, so long as the eastern regimes consider the civil rights movement a transient and peripheral phenomenon, which cannot become dangerous to the existing power. But if this dissent between the governing and the governed assumes a form of "destabilizing" the East bloc, then these leaders would not hesitate to take a firm grip on their societies — just like before the detente phase.

Financial Times, June 15, "The Human Rights Time-Bomb Set for Belgrade", by Malcolm Rutherford:

...It is perfectly possible, however, that far from fostering detente, the conference could make existing tensions worse, the Russians could walk out. In that case, a situation like the Cold War could occur. There might also be a much more serious danger — from the western point of view — of a rift between Western Europe and the U.S. as the Europeans blamed the Americans for excessive zeal in the cause of human rights. A few weeks ago, the possibility of such drama would have seemed remote. The western participants in the Belgrade meeting had been quietly drawing up their negotiating position. The Europeans among them thought they had

President Carter tamed. The Russians, though clearly surprised by the behavior of the new American president, did not believe that it would last. Today it is quite different. Some of Mr. Carter's statements on human rights suggest that he is ready to risk a major confrontation with the Russians on this issue, and the Europeans are duly alarmed. The Russians themselves have begun attacking the President in a way normally reserved, if not for the Chinese, at least for West European conservatives.

The prepared western approach is to conduct exchanges "below the level of polemics", and to win a few more concessions from the Russians on human rights questions without making them feel that their very system is being undermined. That would not be easy at the best of times, but it is made more difficult in the evident tenseness of the Soviet approach to the meeting, and the tendency of President Carter to go farther on human rights than some of his allies would wish. The

West Germans for one, are especially nervous. They have had their own not unsuccessful policy of detente in Europe for a number of years.... Any quarrel in Belgrade which led to a hardening of Soviet policy would tend to be attributed to President Carter, and there would be a split in the western camp. It would be ironic indeed if the Conference on Security and Cooperation ended by setbacks to both, between allies as well as adversaries.

Le Monde, June 15:

It is hardly conceivable that, going against the concerns of its allies, the U.S. adopt an aggressive attitude that will lead to the failure of the conference and a return to the cold war climate which Helsinki was set up to prevent in the first place.... No one is innocent on the human rights question, one should sweep under one's own door before pointing at the neighbors....

Carter Administration Split Over Belgrade Policy

Even as the 35-nation Conference on Security and Cooperation (CSCE) in Europe convened in Belgrade, Yugoslavia, the Carter Administration appeared to be hopelessly split over two contending policy options for the meeting: all-out confrontation with the Soviet Union over alleged East Bloc "human rights violations," the policy espoused by National Security Adviser Zbigniew Brzezinski; and discreet compromise, advocated by Secretary of State Cyrus Vance.

In a speech to the Magazine Publishers Association June 12, and a press conference June 13, a Brzezinski-tutored Carter reiterated his intention to "aggressively challenge" the Soviets on human rights. "I have no second thoughts or hesitation about it," he said. Commenting on "the Soviets' reaction against me personally," Carter declared, "I believe that the pressure of world opinion might be making itself felt on them, and perhaps I'm kind of a scapegoat for that adverse reaction on their part."

Vance's plea for moderation was first heard over the weekend as informed international observers concluded that the Carter-Brzezinski "aggressive challenge to the Soviets" had backfired. "The Soviets have sensed an opportunity to use the Belgrade talks to drive a wedge between Washington and its allies," the *New York Times* warned June 14 on behalf of "former" *Times* board of directors member Vance.

The *Washington Post* today observed that West Europeans "have strong praise for the firm yet moderate tone of Secretary of State Cyrus Vance," but are "unsettled at the prospect that Carter may unleash another barrage aimed at Moscow during the conference." To many Europeans, the *Post* reported, Carter "appears unpredictable and emotionally involved in the human rights question."

Enter Kissinger

The success of pre-Belgrade Soviet diplomacy has prompted Nelson Rockefeller, flanked by former U.S.

Ambassador to Moscow Averell Harriman, to initiate fall-back options to mitigate Carter-Brzezinski recklessness. A highly placed observer with input into Belgrade policymaking circles this week revealed that the White House, National Security Council, and State Department are riddled with three competing groups: the Brzezinski "hardliners," Harrimanite "softies" who are working with West Europeans to defuse a Belgrade blow-up, and diplomatic "professionals," primarily in the State Department, who want to resurrect the "balanced diplomacy" of former Secretary of State Henry Kissinger. The observer, who is associated with Georgetown's Center for Strategic and International Studies, and recently met with Kissinger, the long-time protégé of Nelson Rockefeller, identified the negotiating "style" of Brzezinski as the U.S. "problem" at Belgrade.

"There is a definite difference of style between say Carter and Brzezinski on the one hand and Kissinger on the other," he confided. "I'd like to see an intelligent column on the absolutely critical importance of style." If Carter and Brzezinski "go all out, we are definitely back in the Cold War... (but) Europe does not want a real tough confrontation. They are worried about Carter. Quite frankly they are more interested in the 'baskets' dealing with trade, travel, economic cooperation and so forth. The key thing to keep in mind is that it would be a mistake to think that we can force a quick breakthrough with the Russians."

To avoid making such a mistake, he suggested, the Administration must call Kissinger back into active service. "I'd say that Henry is going to hold his water as long as he can, until he's called on... a call from the President or Cy (Vance)... 'til then he'll try to hold his water as long as he can."

Kissinger's re-emergence as the shopworn "globetrotting diplomat par excellence" was noted in other quarters in Washington, D.C. this week. A foreign policy aide to Senator Scoop Jackson (D-Wash) volunteered