

INTERNATIONAL



NATO near split?

Report on the Kissinger-Haig fiasco in Europe

We are publishing below excerpts of certain crucial statements and other documents which recently circulated in Western Europe but not in the United States. They are statements which are most representative of a profound, bitter political war which is taking place at all levels of NATO's political command structure. Alexander Haig's and Henry Kissinger's Center for Strategic International Studies at the Jesuit Georgetown University is pitted against an equally notorious NATO strategic center, the London-based International Institute of Strategic Studies.

During the first week of the present month, CSIS held an auspicious convention at Brussels, Belgium, where Messrs. Kissinger and Haig delivered the statements presented below. Their argument, part of the effort to revive the sagging presidential bid of Gen. Haig, was in essence this: Western Europe must rearm and deploy its own strategic nuclear capability against the Soviet Union because a) the "aggressive" Soviet Union has virtually developed strategic superiority and b) the "nuclear umbrella" with which the United States has protected Western Europe in the postwar period is no longer operative—has been virtually withdrawn.

London's IISS during the following week held its own annual convention in a Swiss resort and was addressed by, among others, Mr. McGeorge Bundy of

New York's Council on Foreign Relations. Both Bundy and the other IISS conferees engaged in a tough polemic against the policy proposed by Kissinger, Haig and the CSIS group. Mr. Bundy went as far as to reveal certain hitherto well concealed secrets relating to basic national security strategy in the 1950s and 1960s. The IISS basic argument was: a) there is no Soviet strategic superiority (a reversal of IISS's own annual estimates published two weeks earlier) and b) the United States "nuclear umbrella" over Western Europe still remains a fundamental, unaltered commitment and, thus, West European governments should not modify their defense postures.

In the next few days, a major war of words broke out in the European press. The chief editors of the Italian *La Stampa*, the Parisian *Le Monde* and the West German *Die Zeit*, published major prominent essays reporting on the fight between Kissinger and Bundy. With headlines approaching the sensational, IISS member Arrigo Levi of *La Stampa* informed the Italian public that a factional war over strategy has broken out at the top level of NATO. Himself, along with his colleagues in the rest of the European press, unhesitatingly took the side of McGeorge Bundy and went to great lengths to characterize Kissinger as "absurd," "incompetent," and suggest that he is a downright liar.

It was the first time that the former secretary's former friends cut his ego down to size—in very small bits.

So what is really happening in Europe?

The situation in Western Europe is much more substantial than a mere fight between two major strategic evaluation centers of NATO. The falling out among thieves between IISS and CSIS is simply symptomatic of the fact that the French and West German governments are taking a series of unprecedented steps to alter the world strategic balance in a way which displeases both London and Washington. IISS and CSIS merely reflect the bickering in Anglo-American circles over how best to respond to the challenge of the Continental System constructed by President Giscard d'Estaing of France and Chancellor Schmidt of the Federal Republic of Germany.

France and the Federal Republic are now in the final stages of dumping the International Monetary Fund and proceeding to establish a new world monetary system based on a series of industrial development agreements among the Franco-German European Monetary System, the major institutions of the Third World (Group of 77) and the Soviet Union. A similar attempt had been made by France and the Federal Republic in 1975, but it failed when then Secretary of State Henry Kissinger warned them that "any initiative against the IMF will be considered as a threat against the national security of the United States."

Now, finally, the strategists of the EMS have defined and adopted a military strategy to ensure the successful implementation of the New World Economic Order. Two days after Henry Kissinger demanded in Brussels a full scale nuclear rearmament of Western Europe, West German Defense Minister Hans Apel went on nationwide television to announce that the Federal Republic's national security policy is based on three factors: first, maintenance of the strategic parity between the two principal military pacts; second, increased emphasis on SALT II, SALT III, the MBFR talks and general disarmament and detente efforts, and third, a strategic commitment by Europe to industrialize and modernize the Third World.

The following day, a major piece of strategic analysis was published in the Parisian *Le Monde* by editor-in-chief and IISS member André Fontaine. Taking off from the just concluded Nonaligned Conference in Havana, Cuba, Mr. Fontaine, who represents a powerful body of opinion hitherto hostile to President Giscard, argued that the world at the present time is on the verge of

general thermonuclear war—more so now than during the 1962 Cuban Missile Crisis. He argued that this intense threat would persist throughout the 1980s unless the policies of Henry Kissinger are repudiated and unless the industrialized sector of the world undertook seriously to industrialize and modernize the developing sector. Fontaine, finally reaching agreement with the French president, identified the continuing economic disaster in the Third World as the principal source of world-war danger.

His proposal to counter the war danger was, in essence, an endorsement of Giscard's current strategy: Western Europe must lead the initiative to industrialize the Third World while the United States is unable to do so as long as its domestic political paralysis lasts.

Economic preparations and East-West issues

The willingness of Western Europe to break with NATO, if NATO does not break with its current policy of confrontation, can best be gauged by the depth of its economic preparations and the degree of coordination with the Soviet Union and the leading spokesmen of the Nonaligned Movement.

We are presently witnessing the last stages of the IMF's existence as an international lending and policy institution. Through a series of financial coups conducted by a coalition of French and West German banks and Arab dollar-holders, the European Monetary System has scooped up over 50 percent of world liquidity in reserve currencies and gold. The price of gold in the market reached the level of \$375 per ounce as a result of cooperation between German private banks, the Soviet Union and Arab depositors. The combined effect of the policies to concentrate world liquidity and bolster the price of gold, has been to virtually totally cut the IMF out of the lending business. It is no longer possible to propose IMF conditionalities and austerity, let alone implement them—and this state of affairs has been evident for at least two months.

So what is occurring during these last two months is the preparatory work in the back rooms, to put together a new world monetary system which will be able to finance the industrialization of the Third World. The economic resolutions of the Nonaligned Conference in Havana dovetail the West European developments with surprising complementarity. These resolutions will be brought to the floor of the United Nations General Assembly which opens next week. The possibility is now beginning to emerge that a majority consensus at the United Nations, composed of the Group of 77,

Western Europe, and the Soviet Union and its allies, might be able to suspend the charter of the IMF and the World Bank and establish a new world credit organization to finance Third World industrialization. A prerequisite for this is a further normalization of East-West relations on the European continent in matters of collective security and economic and cultural cooperation.

Such further normalization is very much in evidence. The principal reason why Kissinger and Haig were so strongly rebuked by the West German and French governments is that Kissinger and Haig now represent the main threat against this process of normalization. In all three principal nations, France, West German and the Soviet Union, there are powerful forces at work which, with each passing day, strengthen the impetus for further peaceful cooperation and normalization. This process was formally started with the historic agreements between Chancellor Schmidt and Soviet President Brezhnev in the spring of 1978. The policy was further strengthened by the agreements signed between Presidents Giscard and Brezhnev during the former's visit to Moscow this year. All three principal statesmen, Giscard, Schmidt and Brezhnev, have been strengthened very substantially in their domestic positions.

The intervention by Kissinger and Haig in Brussels was principally aimed at creating an international climate which would give certain "hard line" opponents of President Brezhnev the opportunity to gain the upper hand. Such a reversal of the domestic political situation in the USSR was then meant to be taken advantage of and exploited in West Germany and France to undermine the position of Schmidt and Giscard.

This strategy, so much reminiscent of well studied Jesuit maneuvers of past centuries, has so far backfired dramatically. The net effect of Kissinger and Haig's efforts has been an increase in the potential for NATO to split. Right now, the West German and French governments are working on a political timetable which culminates during the month of December, in which two major events will further clarify the world situation: the annual meeting of NATO in which basic conflicting concepts of what national security is will be clarified and, secondly, the scheduled East-West "European Security and Cooperation" ("Helsinki") Conference in Madrid, which will attempt to expand industrial, scientific and cultural cooperation on the basis of the Schmidt-Brezhnev and the Giscard-Brezhnev agreements. The government of the Federal Republic of Germany is presently anticipating the possibility of a "breakthrough agreement" on security with the Soviet Union which, observers believe, will probably include a spectacular final settlement of the Berlin question.

—*Criton Zoakos*
Contributing Editor



CSIS: prepare

Henry Kissinger: arm for tactical war

The following are the central portions of Henry Kissinger's speech to the CSIS conference in Brussels.

... My proposition to this group is that NATO is reaching a point where the strategic assumptions on which it has been operating, the force structures that it has been generating, and the joint policies it has been developing, will be inadequate for the 1980s....

The dominant fact of the current military situation is that the NATO countries are falling behind in every significant military category with the possible exception of naval forces where the gap in our favor is closing. Never in history has it happened that a nation achieved superiority in all significant weapons categories without seeking to translate it at some point into some foreign policy benefit. It is, therefore, almost irrelevant to debate whether there exists a Soviet master plan for world domination or whether there is some magic date at which Soviet armies will head in some direction or another....

I do not believe the Soviet Union planned Angola or created a deadline for the revolution in Afghanistan. But, all of these events happened to the detriment of general relationships. I would consider it a rash Western policy that did not take into account that in the decade ahead we will face simultaneously an unfavorable balance of power, a world in turmoil, a potential economic crisis and a massive energy problem....

Nostalgia for a missile crisis

... When NATO was created, the U.S. possessed an overwhelming strategic nuclear superiority ... for a long period of time we were likely to prevail in a nuclear war, certainly if we struck first and for a decade perhaps even if we struck second. We were in a position to wipe out the Soviet strategic forces and to reduce the counterblow to an acceptable level....

If we think back to the Cuban Missile Crisis of 1962, which all the policymakers of the time were