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THE WHITE HOUSE

WASHINGTON

February 15, 1989

NATIONAL SECURITY REVIEW - 5

MEMORANDUM FOR THE VICE PRESIDENT
THE SECRETARY OF STATE
THE SECRETARY OF TREASURY
THE SECRETARY OF DEFENSE
THE SECRETARY OF AGRICULTURE
THE SECRETARY OF COMMERCE
THE DIRECTOR OF CENTRAL INTELLIGENCE
THE ASSISTANT TO THE PRESIDENT FOR
NATIONAL SECURITY AFFAIRS
CHAIRMAN, JOINT CHIEFS OF STAFF
DIRECTOR, ARMS CONTROL AND DISARMAMENT AGENCY
DIRECTOR, U.S. INFORMATION AGENCY

SUBJECT: Comprehensive Review of US-West European
Relations (S)

Our approach toward Western Europe in the post-war period was based on shared confidence in a common cultural and ethnic inheritance. There was mutual concern about the external threat posed by the dominant military power on the Eurasian landmass, its totalitarian direction and expansionist inclinations. We shared fears about the renewal of intra-European conflicts that had already ignited two global conflagrations in a generation. We cherished hopes for rebuilding the wealth and resources of once-mighty economies strained or ruined by war. (S)

The structures erected on these foundations now provide much of the political and economic architecture for our modern world. The close bonds of Atlantic friendship, along with the NATO alliance and its commitment of large standing armies to the defense of the West, have provided an unprecedented period of stability and security for Europe. The European Community and the networks of other European bilateral and regional groupings, as well as an economic system predicated on free trade as a source of common affluence, have broken historical patterns of strife and created new incentives for cooperation. All of these institutions are products of lasting postwar concerns. (S)

All are now being challenged for contemporary relevance. Questions are posed about the continued commonality of American and European world views, potential shifts in the priorities and goals of the Soviet leadership, the growing integration of a Europe moving toward the 1992 goals of the Single European Act,

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the related competitive pressures being applied to the free trading system, and whether any voluntary alliance can endure in the absence of a popular consensus that there is a common and dangerous adversary. The coherence of the Alliance is challenged as never before by two developments: internally by European integration plans centered on 1992; and externally by the political success of Gorbachev and the USSR in weakening the perception of European publics of a threat to their security.

(S)

The central importance of American leadership remains. This leadership must set a positive course for the future that is not wedded unalterably only to the familiar assumptions. It should instead play its part in setting the agenda for a reinvigorated Atlantic community, adapting enduring requirements to a changing international context. In examining how the United States should meet this challenge, I ask participants in this review to produce a political concept of the future of Europe, incorporating judgments about the likely evolution of its division between East and West and a sense of new opportunities for the United States in continuing to assure that our relations with Western Europe develop in an environment of stability, prosperity and community.

(S)

The NSC should prepare a comprehensive review of US-West European relations and recommend new policy initiatives that the U.S. might undertake in relation to Western Europe. The review should be completed by March 15, 1989 for consideration by the National Security Council. Any differences of view or recommendation among agencies should be noted in the paper. (S)

This review should be closely integrated with, but not duplicate, on-going reviews of national security strategy, force structure and arms control.

The review should address the following issues:

1. U.S.-European Relations: An overview should indicate the current state of U.S.-European political, military and economic relations and of East-West and intra-European developments that have the potential to affect relations between the United States and Western Europe. (S)
2. NATO Alliance: An assessment should be made of major challenges to the Alliance and of ways to maintain and increase Allied coordination on key foreign policy issues. This section should also assess NATO's current military posture, structure and tactics, and also factor in possible changes in the composition, structure and size of Warsaw Pact forces. The section should also examine the difficult issue of burden-sharing. The assessment should address the impact of differing attitudes in the Alliance toward the evolving threat represented by the USSR. (S)

3. European Defense and Arms Control Issues: Taking into account the above assessment of the impact of differing attitudes toward the Soviet threat, an analysis should be made of the following arms control and defense modernization issues as they relate to the US-European relationship. (S)
 - (a) Prospects for negotiations on Conventional Forces in Europe. This section should also examine the political implications of conventional reductions in Central Europe, with particular emphasis on their effects on the Federal Republic of Germany. (S)
 - (b) The CSCE negotiations on confidence and security building measures. (S)
 - (c) SNF Modernization. This section should outline the military and political requirements for SNF modernization. (S)
4. Intra-European Political-Military Cooperation: This section should address the following issues, including their implications for U.S. defense policies in Europe: trends in the West European Union; greater European Community cooperation on political issues; Franco-German defense cooperation; state of UK and French nuclear modernization programs, including nuclear cooperation between the two countries; and the theory of the "European Pillar" and its implications over the longer term. (S)
5. West European Assessment of the Soviet Union: This section should examine the West European assessment of the Soviet Union. It should outline the policies -- both bilateral and in multilateral fora such as the CSCE -- that Western European countries are likely to pursue regarding the Soviet Union. (S)
6. East-West Trade: This section should include the following issues, outlining potential conflicts between the U.S. and Western Europe: trends in European economic cooperation with the Soviet Union and Eastern Europe; evolution of EC-CEMA relations; European policies toward COCOM; European views on Soviet or East European participation/membership in international financial institutions. (S)
7. European Economic Integration: An assessment should be made of the effects of European economic integration and current EC economic policies on the U.S. This section should include evaluation of implementing the Single European Act of 1992; the continued efforts to reform the European Community's Common Agricultural Policy; and the EC's position in the GATT Uruguay round of negotiations. Assess our chances to influence the process of integration. Do we

have the ability to influence European deliberations with respect to 1992? If not, the review should suggest how to deal with this. (S)

8. European Relations with Japan: This section should assess trends in European political and economic links with Japan and with other countries in East Asia. The section should examine ways in which the U.S. can foster greater coordination between our European and Asian allies on issues of common interest. How does the US-Japanese relationship affect Europe and what are the pros and cons of consulting with the Japanese on European integration? Can the U.S. and Japan develop jointly a more effective means of dealing with Europe? Similarly, would consultations on Europe improve our relationship with Japan? (S)
9. Role for Europe in Out-of-Area Activities: This section should assess the prospects of our West European Allies playing a more active role in out-of-area activities. (S)
10. Recommended Objectives and Policies for Short and Long Term: The concluding section should propose recommended objectives and policies that the United States should pursue over the next 3-5 years and 10 years, focusing in particular on new initiatives that the U.S. might undertake to deal with popular perceptions in the Alliance of a significantly diminished Soviet military threat. The strategy toward Western Europe for achieving these objectives should be broad enough to encompass further dramatic changes in the USSR or in the orientation of key West European governments. (S)

