cause of geographical density, over-saturation with armaments Europe, like no other continent is vulnerable to an armed conflict, the more so a nuclear one.

This means that Europe's security cannot be ensured by military means, by military force. This is an absolutely new situation and means a departure from traditions, from a mentality and manner of action that took centuries, even milleniums to form. We are feeling this. We have started the rethinking, the adjustment to full conformity with the new realities. We would want such a rethinking to take place both in Western Europe and beyond it. . . .

Many aspects of European cooperation are recorded in the Helsinki Final Act. We hold that it is a serious achievement and fully retains its importance. When the tenth anniversary of the Helsinki accords was marked, all the participants in the all-European process declared for its continuation. The Soviet Union is prepared to take the most vigorous part in this. . . .

The political climate in Europe depends in no small measure on the development of economic ties between the West and the East. Here, too, an innovative approach is necessary. The solution of the tasks of industrial, technical and scientific progress that face each country today could be made much easier by an effective utilization of the international division of labor. . . .

Without uniting the efforts of all European countries it will not be possible really to solve also such an acute problem as preserving and improving the environment on our continent. . . . In our time, it seems, we did not act with sufficient far-sightedness and generated such problems that now simply defy solution within national frameworks. Here truly there is a field in which we all must become aware of the continent's common destiny. . . .

The Soviet Union attaches the most serious importance to ensuring human rights. It is only necessary to free this problem from hypocrisy and speculations, from attempts at interference in the internal affairs of other countries. Such problems are rather acute in present-day Europe as the position of migrant workers, mixed marriages, separation of families. We are for approaching such problems in a positive and humane spirit with full respect for the sovereign rights of all states.

Ladies and Gentlemen,

I believe that in the present situation it is especially important not to emulate medieval fanatics and not to spread ideological differences to inter-state relations. Stability in these relations, their lesser susceptibility to political situations will strengthen also stability in Europe as a whole. . . .

Such, in most general outline, are our views on how really it is possible to achieve, and within a comparatively short period of time at that, an improvement of the situation on our continent and to increase Europe's role in overcoming the present stretch of confrontation. . . .

When proposing an expansion of good neighbourhood and cooperation with Western Europe we have no intention at all to belittle the importance of a possible contribution to this by Canada which belongs to NATO and at the same time has signed the Helsinki Act. Neither does our European policy have an anti-American directedness.

Firstly, we want to have good relations not only with Western Europe but also with the United States. Just as for that matter also with China, Japan and other countries. . . . Secondly, we are realists and we understand how strong are the ties—historical, political and economic—linking Western Europe and the United States.

Esteemed Deputies,

. . . .I know that by far not everybody in this hall accepts our world outlook, our ideology. But despite all differences in political and philosophical views, in ideals and values we must remember one thing; we all are keepers of the fire of life handed down to us by the previous generations.

Each had its own mission and each in its own way enriched world civilization. The giants of the Renaissance and the Great French Revolution, the heroes of the October Revolution in Russia, of Victory and the Resistance—they all have fulfilled their duty to history.

And what about our generation? It has made great discoveries but it has also found recipes for the self-destruction of the human race. On the threshold of the third millenium we must burn the black book of nuclear "alchemy."

We will fulfill this mission if we unite our efforts. The Soviet Union is prepared to make its contribution to ensuring a peaceful, free and flourishing future of Europe and all the other continents.

The Case for Special Cases in the Eastern Bloc

by Lee H. Hamilton

Congressman Hamilton, the chairman of the House Foreign Affairs Subcommittee on Europe and the Middle East, has hosted several sessions of the American Committee's Specialists project. His article is reprinted with permission of the Wall Street Journal, © 1985 Dow Jones & Company, Inc., all rights reserved.

U.S. policy toward Eastern Europe is under attack for being too easy on communist governments. Some critics want to cancel most-favored-nation (MFN) trading status for Romania, charging that Romania's foreign-policy independence is overstated. Some also attack U.S. policy on the basis of human rights. Romania has the worst human-rights record in Eastern Europe, and the imprisonment of Polish political activists has led to calls not only for the continuation of U.S. sanctions against Poland but additional punitive measures.

These arguments, taken together, are pushing U.S. policy toward treating all of Eastern Europe as we do the Soviet Union and its ideological shadow, Czechoslovakia. This is a mistake.

Our paramount interests in Europe since 1945 have been stability and the protection of Western Europe against communist aggression. When governments in Eastern Europe distance themselves from Soviet foreign policy, pursue liberal economic reform or improve their human rights record, they plant a doubt in Moscow about their political reliability, which can enhance U.S. interests. The U.S. has often responded positively to such developments with the modest tools available—increased high-level diplomatic

contacts, MFN status, Ex-Im Bank credit eligibility, cultural and scientific exchange agreements, etc. Known as "differentiation," this policy has been pursued under various names by every administration since Eisenhower's, and has proven value. Nonetheless, many see it as a failure; it hasn't broken up the Warsaw Pact nor brought human rights and democracy to Eastern Europe, while providing those governments legitimacy without tangible benefits for the West.

Some of these goals have never been within our reach. The Soviet Union has made clear repeatedly—Hungary in 1956, Czechoslovakia in 1968, Poland in 1981—it will not tolerate challenges to communist rule. Each of those times we protested vigorously but did not judge it in our interest to confront the Soviets on turf so far from us and so near and important to them.

Security and Separatism

Deviations in Eastern Europe from the Soviet line, ironically, have taken place not through rebellion but through the assertion of nationalist policies by communists securely in power. Yugoslavia and Albania defected from the Soviet Bloc, and since the 1960s Romania in foreign affairs and Hungary in domestic affairs have steadiy tested and stretched the limits of acceptable bloc behavior.

Eastern Europe is now at a critical juncture. During years of aged and indecisive leadership in Moscow, more independent economic and political trends emerged in Eastern Europe. Mr. Gorbachev is now pressured to seek conformity. He wants to cut trade subsidies to Eastern Europe and enlist capital from the bloc for Soviet energy and transportation projects, a strategy that conflicts with the Soviets' other policy goal of political stability in Eastern Europe. Every government in Eastern Europe knows that stable party rule depends upon the improvement of living standards. As Hungary, East Germany and even Bulgaria explore economic reform and trade openings to the West, we should encourage this slow and sometimes even stealthy evolution in their policies. As they increase economic ties with the West, they will become less beholden to the Soviets and more receptive to our concerns, including human rights.

Drawing Distinctions

U.S. policy of differentiation does pose difficult choices. Romania's internal stability is precarious and it has adopted many repressive, neo-Stalinist policies, but in accordance with the Jackson-Vanik amendment it has allowed the emigration of 150,000 of its citizens to West Germany, Israel and the U.S. since it received MFN trading status in 1975. Romania openly criticized Soviet military intervention in Eastern Europe, does not permit Warsaw Pact troops to hold maneuvers on its territory, and is the only communist country with full diplomatic ties to Israel. While we should press human-rights issues when dealing with the Romanians, blocking MFN could affect future emigration levels.

In East Germany, the U.S. faces one of Moscow's closest allies. Yet today there may be a basis for settlement of U.S. and Jewish World War II claims and of several human-rights cases in exchange for some modest increases in trade.

Elsewhere, differentiation might mandate changes in U.S. policy toward Poland. Right now, the U.S. treats Poland more harshly than it does the U.S.S.R. President Reagan met with Chairman Gorbachev, but the U.S. shuns high-level contacts with the Jaruzelski government. The U.S. stopped its pipeline sanctions and grain embargo against the Soviet Union, but has kept key sanctions against Poland.

Poland

Still holding about 265 political prisoners, Poland reneged on its July 1984 amnesty agreement. But open circulation of publications critical of the government, and the ability of Catholics to practice their faith, indicate a freedom of expression unmatched in Eastern Europe. The Jaruzelski government has blamed its failings on U.S. sanctions, an argument many Poles are beginning to believe.

Whatever their original merit, U.S. sanctions against Poland are now counterproductive. It is time for better ties. Poland is current on its debt-rescheduling payments and has paid more than $400 million to the U.S. Treasury this year. Our influence over economic policies in Poland will be greater if it is inside the IMF instead of out. Suspension of MFN makes Poland more dependent upon Soviet trade. Credits suspension is symbolic, since for economic reasons Poland is unable to secure new credits. But we should not block future credits if they are tied to sensible projects or economic-reform policies.

Immediate opportunities for the U.S. to wean Eastern Europe away from the Soviets are few, but we should act when we can. The price of providing legitimacy or modest economic benefits to communist governments is surely outweighed by the development of economic and political ties that contribute to their greater independence. Emotional satisfaction should not frustrate a sound policy of differentiation consistent with long-term U.S. interests.

Trade Policy Development

The American Committee on East-West Accord took part in the Ninth Annual Meeting of the US-USSR Trade and Economic Council in December in Moscow. Coming only three weeks after the Geneva Summit, the meeting attracted more than 400 American business executives and was addressed both by Gorbachev and by U.S. Commerce Secretary Malcolm Baldrige. The Director of East-West Trade for the American Committee, Margaret Chapman, was an active participant.

The economic and policy environment for trade was seen at the meeting as broadly improved by the outcome of the Summit, although a number of well-known sticking points remain: tariff parity (MFN), contract sanctity, export credits, export controls. These were understood as essentially political obstacles, susceptible to erosion over time through a combination of business persistence and continuing summit momentum. Participants were encouraged to carry this message home, and to act on it.

General Secretary Gorbachev took pains in his dinner speech to CEO's to label present trade barriers as political, and to stress as well the political contribution relaxations could bring. *(Please see next page.)*