U.S. Foreign Policy for the 1970's
SHAPING A DURABLE PEACE

A report to the Congress
By Richard Nixon
President of the United States
May 3, 1973
TO THE CONGRESS OF THE UNITED STATES:

This Administration attaches fundamental importance to the articulation as well as the execution of foreign policy.

Public understanding is, of course, essential in a democracy. It is all the more urgent in a fast changing world, which requires continuing, though redefined, American leadership. One of my basic goals is to build a new consensus of support in the Congress and among the American people for a responsible foreign policy for the 1970's.

These were the reasons that I began the practice of annual Presidential Reports to the Congress. This fourth Review, like the previous ones, sets forth the philosophical framework of our policy and discusses major trends and events in this context. Two other important documents complement this one with the more detailed record of current questions and policies. The Secretary of State's third annual report of April 19, 1973, covers our specific country, regional, and functional policies and provides basic documentation. The Secretary of Defense's yearly report of April 3, 1973, presents a thorough accounting of our policies and programs for national defense.

It is my hope that his Report will inform and lift the national dialogue on our purposes and our place in the world.

THE WHITE HOUSE
May 3, 1973
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INTRODUCTION

In January 1969, America needed to change the philosophy and practice of its foreign policy. Whoever took office four years ago would have faced this challenge. After a generation, the postwar world had been transformed and demanded a fresh approach. It was not a question of our previous policies having failed; indeed, in many areas they had been very successful. It was rather that new conditions, many of them achievements of our policies, summoned new perspectives.

The World We Found

The international environment was dominated by seemingly intractable confrontation between the two major nuclear powers. Throughout the nuclear age both the fears of war and hopes for peace revolved around our relations with the Soviet Union. Our growing nuclear arsenals were largely directed at each other. Alone had the capacity to wreak catastrophic damage across the planet. Our ideologies clashed. We both had global interests, and this produced many friction points. We each led and dominated a coalition of opposing states.

As a result, our relationship was generally hostile. There were positive interludes, but these were often atmospheric and did not get at the roots of tension. Accords were reached on particular questions, but there was no broad momentum in our relationship. Improvements in the climate were quickly replaced by confrontation and, occasionally, crisis. The basic pattern was a tense jockeying for tactical advantage around the globe.

This was dangerous and unsatisfactory. The threat of a major conflict between us hung over the world. This in turn exacerbated local and regional tensions. And our two countries not only risked collision but were constrained from working positively on common problems.

The weight of China rested outside the international framework.

This was due partly to its own attitude and its preoccupation with internal problems, and partly to the policies of the outside world, most importantly the United States. In any event, this Administration inherited two decades of mutual estrangement and hostility. Here the problem was not one of a fluctuating relationship but rather of having no relationship at all. The People’s Republic of China was separated not only from us but essentially from the world as a whole.

China also exemplified the great changes that had occurred in the Communist world. For years our guiding principle was containment of what we considered a monolithic challenge. In the 1960’s the forces of nationalism dissolved Communist unity into divergent centers of power and doctrine, and our foreign policy began to differentiate among the Communist capitals. But this process could not be truly effective so long as we were cut off from one-quarter of the globe’s people. China in turn was emerging from its isolation and might be more receptive to overtures from foreign countries.

The gulf between China and the world distorted the international landscape. We could not effectively reduce tensions in Asia without talking to Peking. China’s isolation compounded its own sense of insecurity. There could not be a stable world order with a major power remaining outside and hostile to it.

Our principal alliances with Western Europe and Japan needed adjustment. After the devastation of the Second World War we had helped allies and former adversaries alike. Fueled by our assistance and secure behind our military shield, they regained their economic vigor and political confidence.

Throughout the postwar period our bonds with Europe had rested on American prescriptions as well as resources. We provided much of the leadership and planning for common defense. We took the diplomatic lead. The dollar was unchallenged. But by the time this Administration took office, the tide was flowing toward greater economic and political assertiveness by our allies. European unity which we had always encouraged, was raising new issues in Atlantic relations. The economic revival of Europe was straining the Atlantic monetary and commercial framework. The relaxation of tensions with the Communist world was generating new doctrines of defense and diplomacy.

The imperatives of change were equally evident in our Pacific partnership with Japan. Its recovery of strength and self-assurance carried political and psychological implications for our relationship. Its spectacular economic growth had made it the world’s third industrial power; our entire economic relationship was undergoing transformation. The earlier paternalism of U.S.-Japanese relations no longer suited either partner.

The Vietnam war dominated our attention and was sapping our self-confidence. Our role and our costs had steadily grown without decisive impact on the conflict. The outlook at the conference table
was bleak. The war was inhibiting our policy abroad and fostering dissent and self-doubt at home. There was no prospect of either an end to the fighting or an end to our involvement.

Although the historical imperatives for a new international approach existed independently, the war made this challenge at once more urgent and more difficult. More than any other factor, it threatened to exhaust the American people’s willingness to sustain a reliable foreign policy. As much as any other factor, the way we treated it would shape overseas attitudes and American psychology.

The context for our national security policy was fundamentally altered. From the mid-1940’s to the late 1960’s we had moved from America’s nuclear monopoly to superiority to rough strategic balance with the Soviet Union. This created fresh challenges to our security and introduced new calculations in our diplomacy. The U.S. defense effort remained disproportinate to that of our allies who had grown much stronger. The threats from potential enemies were more varied and less blatant than during the more rigid bipolar era. These changes, combined with spiraling military costs and the demands of domestic programs, were prompting reexamination of our defense doctrines and posture. They were underlining the importance of arms control as an element in national security. They were also leading some in this country to call for policies that would seriously jeopardize our safety and world stability.

Around the world, friends were ready for a greater role in shaping their own security and well-being. In the 1950’s and 1960’s other nations had looked to America for ideas and resources, and they found us a willing provider of both. Our motives were sound, the needs were clear, and we had many successes. By 1969, scores of new nations, having emerged from colonial status or dependency on major powers, were asserting themselves with greater assurance and autonomy.

Four years ago this growing capacity of friends was not reflected in the balance of contributions to security and development. This meant that others could do more, and the United States need do proportionately less, in the provision of material resources. More fundamentally, it meant that increasingly the devising of plans belonged outside of Washington. The sweeping American presence was likely to strain our capabilities and to stifle the initiative of others.

There were new issues that called for global cooperation. These challenges were not susceptible to national solutions or relevant to national ideologies. The vast frontiers of space and the oceans beckoned international exploration for humanity’s gain. Pollution of air, sea, and land could not be contained behind national frontiers. The brutal tools of assassination, kidnapping, and hijacking could be used to further any cause in any country. No nation’s youth was immune from the scourge of international drug traffic. The immediate tragedies of national disasters and the longer-term threat of overpopulation were humanitarian, not political, concerns.

At home we faced pressures that threatened to swing America from over-extension in the world to heedless withdrawal from it. The American people had supported the burdens of global leadership with enthusiasm and generosity into the 1960’s. But after almost three decades, our enthusiasm was waning and the results of our generosity were being questioned. Our policies needed change, not only to match new realities in the world but also to meet a new mood in America. Many Americans were no longer willing to support the sweeping range of our postwar role. It had drained our financial, and especially our psychological, reserves. Our friends clearly were able to do more. The Vietnam experience was hastening our awareness of change. Voices in this country were claiming that we had to jettison global concerns and turn inward in order to meet our domestic problems.

Therefore the whole underpinning of our foreign policy was in jeopardy. The bipartisan consensus that once existed for a vigorous American internationalism was now being torn apart. Some of the most active proponents of America’s commitment in the world in previous decades were now pressing for indiscriminate disengagement. What was once seen as America’s overseas obligation was now seen as our overseas preoccupation. What was once viewed as America’s unsselfishness was now viewed as our naivete. By 1969 we faced the danger that public backing for a continuing world role might be swept away by fatigue, frustration and over-reaction.

This Administration’s Approach

We were determined to shape new policies to deal with each of these problems. But our first requirement was philosophic. We needed a fresh vision to inspire and to integrate our efforts.

We began with the conviction that a major American commitment to the world continued to be indispensable. The many changes in the postwar landscape did not alter this central fact. America’s strength was so vast, our involvement so broad, and our concerns so deep, that to remove our influence would set off tremors around the globe. Friends
would despair, adversaries would be tempted, and our own national security would soon be threatened. There was no escaping the reality of our enormous influence for peace.

But the new times demanded a new definition of our involvement. For more than a score of years our foreign policy had been driven by a global mission that only America could fulfill—to furnish political leadership, provide for the common defense, and promote economic development. Allies were weak and other nations were young, threats were palpable and American power was dominant.

By 1969, a mission of this scale was no longer valid abroad or portable at home. Allies had grown stronger and young nations were maturing, threats were diversified and American power was offset. It was time to move from a paternal mission for others to a cooperative mission with others. Convinced as we were that a strong American role remained essential for world stability, we knew, too, that a peace that depends primarily on the exertions of one nation is inherently fragile.

So we saw the potential and the imperative of a pluralistic world. We believed we could move from an environment of emergencies to a more stable international system. We made our new purpose a global structure of peace—comprehensive because it would draw on the efforts of other countries; durable because if countries helped to build it, they would also help to maintain it.

To pursue this fundamental vision, we had to move across a wide and coordinated front, with mutually reinforcing policies for each challenge we faced.

**Peace could not depend solely on the uneasy equilibrium between two nuclear giants.** We had a responsibility to work for positive relations with the Soviet Union. But there was ample proof that assertions of good will or transitory changes in climate would not erase the hard realities of ideological opposition, geopolitical rivalry, competing alliances, or military competition. We were determined not to lurch along—with isolated agreements vulnerable to sudden shifts of course in political relations, with peaks and valleys based on atmosphere, with incessant tension and maneuvering. We saw as well that there were certain mutual interests that we could build upon. As the two powers capable of global destruction, we had a common stake in preserving peace.

Thus we decided to follow certain principles in our policy toward the Soviet Union. We would engage in concrete negotiations designed to produce specific agreements, both where differences existed and where cooperation was possible. We would work with Moscow across a broad front, believing that progress in one area would induce progress in others. Through the gathering momentum of individual accords we would seek to create vested interests on both sides in restraint and the strengthening of peace. But this process would require a reduction in tactical maneuvering at each other's expense in favor of our shared interest in avoiding calamitous collision, in profiting from cooperation, and in building a more stable world.

**Peace could not exclude a fourth of humanity.** The longer-term prospects for peace required a new relationship with the People's Republic of China. Only if China’s weight was reflected in the international system would it have the incentive, and sense of shared responsibility, to maintain the peace. Furthermore, the time was past when one nation could claim to speak for a bloc of states; we would deal with countries on the basis of their actions, not abstract ideological formulas. Our own policies could be more flexible if we did not assume the permanent enmity of China. The United States had a traditional interest in an independent and peaceful China. We seemed to have no fundamental interests that need collide in the longer sweep of history. There was, indeed, rich potential benefit for our two peoples in a more normal relationship.

So we launched a careful process of private diplomacy and public steps to engage the People's Republic of China with us and involve it more fully in the world. We did so, confident that a strong, independent China was in our national interest; resolved that such a process need not—and would not—be aimed at any other country; and looking for a reciprocal attitude on the part of the Chinese.

**Peace must draw upon the vitality of our friends.** Our alliances with Western Europe and Japan would continue as major pillars of our foreign policy, but they had not kept pace with the changed international environment. We thus sought to forge more equal partnerships based on a more balanced contribution of both resources and plans.

America had been the automatic source of political leadership and economic power. Now we needed new modes of action that would accommodate our partners' new dynamism. The challenge was to reconcile traditional unity with new diversity. While complete integration of policy was impossible, pure unilateralism would be destructive.

Before, we were allied in containment of a unified Communist danger. Now Communism had taken various forms; our alliances had stabilized the European and Northeast Asian environments; and we had laid the foundations for negotiation. We had to decide together not only what we were against, but what we were for.
Peace required the ending of an ongoing war. Our approach to the Vietnam conflict and our shaping of a new foreign policy were inextricably linked. Naturally, our most urgent concern was to end the war. But we had to end it—or at least our involvement—in a way that would continue to make possible a responsible American role in the world.

We could not continue on the course we inherited, which promised neither an end to the conflict nor to our involvement. At the same time, we would not abandon our friends, for we wanted to shape a structure of peace based in large measure on American steadiness. So we sought peace with honor—through negotiation if possible, through Vietnamization if the enemy gave us no choice. The phased shifting of defense responsibilities to the South Vietnamese would give them the time and means to adjust. It would assure the American people that our own involvement was not open-ended. It would preserve our credibility abroad and our cohesion at home.

Given the enemy's attitude, peace was likely to take time, and other problems in the world could not wait. So we moved promptly to shape a new approach to allies and adversaries. And by painting on this larger canvas we sought both to put the Vietnam war in perspective and to speed its conclusion by demonstrating to Hanoi that continued conflict did not frustrate our global policies.

Peace needed America's strength. Modifications in our defense policy were required, but one central truth persisted—neither our nation nor peace in the world could be secure without our military power. If superiority was not longer practical, inferiority would be unthinkable.

We were determined to maintain a national defense second to none. This would be a force for stability in a world of evolving partnerships and changing doctrines. This was essential to maintain the confidence of our friends and the respect of our adversaries. At the same time, we would seek energetically to promote national and international security through arms control negotiations.

Peace involved a fresh dimension of international cooperation. A new form of multilateral diplomacy was prompted by a new set of issues. These challenges covered a wide range—the promise of exploration, the pollution of our planet, the perils of crime—but they were alike in going beyond the traditional considerations of doctrine and geography. They required cooperation that reached not only across boundaries but often around the globe. So we resolved to work both with friends and adversaries, in the United Nations and other forums, to practice partnership on a global scale.

Above all, peace demanded the responsible participation of all nations. With great efforts during the postwar period we had promoted the revitalization of former powers and the growing assurance of new states. For this changed world we needed a new philosophy that would reflect and reconcile two basic principles: *A structure of peace requires the greater participation of other nations, but it also requires the sustained participation of the United States.*

To these ends, we developed the Nixon Doctrine of shared responsibilities. This Doctrine was central to our approach to major allies in the Atlantic and Pacific. But it also shaped our attitude toward those in Latin America, Asia, and Africa with whom we were working in formal alliances or friendship.

Our primary purpose was to invoke greater efforts by others—not so much to lighten our burdens as to increase their commitment to a new and peaceful structure. This would mean that increasingly they would man their own defenses and furnish more of the funds for their security and economic development. The corollary would be the reduction of the American share of defense or financial contributions.

More fundamental than this material redistribution, however, was a psychological reorientation. Nations had habitually relied on us for political leadership. Much time and energy went into influencing decisions in Washington. Our objective now was to encourage them to play a greater role in formulating plans and programs. For when others design their security and their development, they make their destiny truly their own. And when plans are their plans, they are more motivated to make them realities.

The lowering of our profile was not an end in itself. Other countries needed to do more, but they could not do so without a concerned America. Their role had to be increased, but this would prove empty unless we did what we must. We could not go from overinvolvement to neglect. A changing world needed the continuity of America's strength.

Thus we made clear that the Nixon Doctrine represented a new definition of American leadership, not abandonment of that leadership. In my 1971 Report, I set forth the need for a responsible balance:

"The Nixon Doctrine recognizes that we cannot abandon friends, and must not transfer burdens too swiftly. We must strike a balance between doing too much and thus preventing self-reliance, and doing too little and thus undermining self-confidence.

"The balance we seek abroad is crucial. We only compound insecurity if we modify our protective or development responsibilities without giving our friends the time and the means to adjust, materially
and psychologically, to a new form of American participation in the world.

"Precipitate shrinking of the American role would not bring peace. It would not reduce America's stake in a turbulent world. It would not solve our problems, either abroad or at home."

**Peace had a domestic dimension.** Steadiness abroad required steadiness at home. America could continue to make its vital contribution in the world only if Americans understood the need and supported the effort to do so. But understanding and support for a responsible foreign policy were in serious jeopardy in 1969. Years of burdens, Cold War tensions, and a difficult war threatened to undermine our constancy.

While new policies were required to meet transformed conditions abroad, they were equally imperative because of the changing climate at home. Americans needed a new positive vision of the world and our place in it. In order to continue to do what only America could, we had to demonstrate that our friends were doing more. While maintaining strong defenses, we also had to seek national security through negotiations with adversaries. And where American families were most directly affected, we had to gain a peace with honor to win domestic support for our new foreign policy as well as to make it credible abroad.

We have thus paid great attention, as in these Reports, to the articulation, as well as the implementation, of our new role in the world.

**The Past Year**

My previous Reports chronicled our progress during the first three years of this Administration. Despite shifting currents, and recognizing that the calendar cannot draw neat dividing lines, there has been a positive evolution.

In 1969, we defined our basic approach, drawing the blueprint of a new strategy for peace.

In 1970, we implemented new policies, building toward peace.

In 1971, we made essential breakthroughs, and a global structure of peace emerged.

This past year we realized major results from our previous efforts. Together they are shaping a durable peace.

—Three years of careful groundwork produced an historic turning point in our relations with the People's Republic of China. My conversations with Chinese leaders in February 1972 reestablished contact between the world's most powerful and the world's most populous countries, thereby transforming the postwar landscape.

The journey to Peking launched a process with immense potential for the betterment of our peoples and the building of peace in Asia and the world. Since then we have moved to concrete measures which are improving relations and creating more positive conditions in the region. China is becoming fully engaged with us and the world. The process is not inexorable, however. Both countries will have to continue to exercise restraint and contribute to a more stable environment.

—The May 1972 summit meeting with the leadership of the Soviet Union achieved a broad range of significant agreements. Negotiations across a wide front, which set the stage for the meeting, were successfully concluded in Moscow. Progress in one area reinforced progress in others. For the first time two nations agreed to limit the strategic weapons that are the heart of their national survival. We launched cooperative ventures in several fields. We agreed on basic principles to govern our relations. Future areas of cooperation and negotiation were opened up. There has been, in sum, major movement toward a steadier and more constructive relationship. On the other hand, areas of tension and potential conflict remain, and certain patterns of Soviet behavior continue to cause concern.

—The attainment of an honorable settlement in Vietnam was the most satisfying development of this past year. Successful Vietnamization and intensive negotiations culminated in the Agreement signed on January 27, 1973. This was quickly followed by a settlement in neighboring Laos in February. The steady courage and patience of Americans who supported our policy through the years were echoed in the moving salutes of our returning men. But the coals of war still glow in Vietnam and Laos, and a ceasefire remains elusive altogether in Cambodia. Much work remains to consolidate peace in Indochina.

—In Western Europe the inevitable strains of readjustment persisted as we moved from American predominance to balanced partnerships. Generally these were healthy manifestations of the growing strength of countries who share common values and objectives. With less fanfare, but no less dedication, than in our negotiations with adversaries, we consulted closely with our friends. Such a process may not be as susceptible to dramatic advances, but we believe that we have paved the way for substantial progress in Atlantic relations in the coming months. Major political, security and economic negotiations are on the agenda. They will test the wisdom and adaptability of our Alliance.
There was continued evolution toward a more mature and equitable partnership with Japan. Confidence in our shared purposes, which appeared shaken in 1971, has since been reaffirmed. Nevertheless we have not yet fully defined our new political relationship, and serious economic problems confront us. Our relations with Tokyo will be an area of prime attention during the coming year.

In the past year we advanced toward major reform of the international economic system. With others we have launched proposals to create a more stable international monetary system, and a more open world trading order through new international trade negotiations. This process of readjustment is not without crises, however, and voices of narrow nationalism are heard on both sides of the ocean. We have a long and difficult way to go.

The explosive Middle East continued in the twilight zone between peace and open conflict. The ceasefire arranged at our initiative lasted into its third year, but no genuine progress was made toward a permanent settlement. Some foreign military forces were withdrawn from the region, but the mix of local animosities and external power still makes the Middle East a most dangerous threat to world peace. Efforts to find political solutions are menaced by the upward spiral of terrorism and reprisal.

For the South Asian Subcontinent it was a year of rebuilding and readjustment after the conflict in 1971. India, Pakistan, and the new nation of Bangladesh made tentative moves toward accommodation. But there is still a long road to the stability and reconciliation that are required if the massive human needs of one-fifth of mankind are to be met.

In the Western Hemisphere the United States followed its deliberate policy of restraint, encouraging others to furnish concepts as well as resources for Hemispheric development. A healthy process of regional initiatives and self-definition is now underway, and the foundations have been established for a more mature partnership with our Latin American friends. The common task of redefining and imparting fresh purpose to our community, however, is far from completed.

Asia has witnessed a settlement of the Vietnam war and major developments in relations among the principal powers. It is there that the Nixon Doctrine has been most extensively applied. There has been positive growth in self-help and regional cooperation. But these nations are entering a period of delicate readjustment and American steadiness will be crucial.

In Africa our goals remained economic development, racial justice, and a stable peace resting on independent states. We continue to recognize, however, that these are largely the tasks of the African nations themselves—and there were both hopeful and discouraging events this past year. Our policies of political restraint and economic support are designed to help Africa realize its rich potential.

We moved down the interrelated paths of national security, arms control, and a strong defense. The strategic arms limitation pacts with the Soviet Union were a milestone, but major tasks remain—the extension of limitations on strategic arms and then their reduction; the mutual and balanced reduction of conventional forces in Central Europe. In our defense posture we have maintained a clearly sufficient power, and we reached an all-volunteer army. But we are still searching for doctrines and deployments fully adequate to changing times and surging costs. Our fundamental principle remains keeping America strong enough to preserve our vital interests and promote the prospects of peace.

We paid increasing attention to global issues that more and more demand international solutions. Progress was encouraging in some areas, such as reducing the flow of drugs. The world community still refused to grapple effectively, however, with other issues such as terrorism. The global dimension of diplomacy has been developing unevenly.

Since last year's Report, there has been historic progress. A changed world has moved closer to a lasting peace. Many events were colorful, but their true drama is that they can herald a new epoch, not fade as fleeting episodes.

As in any year, however, there were disappointments as well as successes. And wherever there is progress, new challenges are added to an always unfinished agenda.

Shaping a peaceful world requires, first of all, an America that stays strong, an America that stays involved.

But the United States alone cannot realize this goal. Our friends and adversaries alike must share in the enterprise of peace.

The President and the Administration alone cannot pursue this goal. We need the cooperation of the Congress and the support of the American people.

It is to these audiences at home and abroad that this Report is addressed.
PART I

BUILDING NEW RELATIONSHIPS

China

The Soviet Union
CHINA

In this Administration we have begun a new chapter in American-Chinese relations, and as a result the international landscape has been fundamentally changed.

For two decades our two countries stared at each other icily across a gulf of hostility and suspicion. Misunderstanding was assured. Miscalculation was a constant danger. And constructing a permanent peace was impossible.

This estrangement had global ramifications that went far beyond our bilateral relationship. So long as we were not dealing with the People's Republic of China, our foreign policy could not truly reflect the emerging multipolar world. The isolation of one-fourth of the human race, partly self-imposed and partly the result of the policies of others, distorted the international scene. It also tended to reinforce China's own sense of insecurity. There could be no stable world order if one of the major powers remained outside it and antagonistic toward it.

In the past four years this situation has been transformed. Bilaterally, deep differences in ideology and policy remain; neither we nor the Chinese leaders have illusions that our discussions will convert each other. But extensive and frank dialogue has greatly increased mutual understanding. The risk of confrontation therefore has been sharply reduced, and in any event it should no longer flow from miscalculation. Without either side abandoning its principles, we now have the potential for positive enterprises.

There are concrete manifestations of this new chapter in our relationship.

Before, there was no dialogue at all between our governments, except for desultory meetings in third countries. Now we have held hundreds of hours of direct talks at the highest levels. Liaison Offices are being established in Peking and Washington.

Before, there was virtually no contact between a quarter of the world's population and the American people. Now there is a significant exchange of groups and persons in a wide spectrum of fields. This will increase substantially.

Before, our bilateral trade was miniscule. Now it is reaching very substantial levels. There will be further expansion.
This process in turn has helped to create new possibilities on a global scale. Our own diplomacy has been broadened; we can more effectively promote an inclusive peace. The People's Republic of China has become more fully engaged in the world scene; much more than before, it is making its contributions to shaping the international order.

The turning point came at the summit in February 1972 when the leaders of the People's Republic of China and the United States met and put their personal imprint on a new direction for our two nations, and with it new contours for the world.

The Road to the Summit

Three years of meticulous preparation preceded my trip to Peking. When I took office, I was determined to reestablish contact between the most populous and most powerful countries in the world. The following considerations prompted us and served as policy guidelines:

- We could not build toward a global structure of peace while excluding 800 million people. A more stable international system had to reflect the massive weight and potential of China.

- Changes in the world generally, and in the Communist world particularly, called for a broader American approach. Having recovered from the ravages of World War II, our allies began asserting their autonomy. Independent voices began to be heard in the once solid Socialist community. The international environment had become multipolar; it was time our diplomacy did too.

- The United States has had a traditional interest in a peaceful, independent, and self-reliant China. This remained a more positive prospect than a China that felt isolated or threatened.

- There were many potential areas where bilateral contact could enrich the lives of our two peoples.

- There did not seem to be major clashes of national interest between our two countries over the longer term. Our policies could be less rigid if we and the Chinese did not treat each other as permanent adversaries.

- A new approach was not to be directed against other countries. Indeed it could serve to broaden the horizons of international dialogue and accommodation.

- We believed that the People's Republic of China might be receptive to our approach.

So the times called for a fresh approach to China. But formidable obstacles, technical as well as political, lay in the way. In last year's Report I described the problems and the policies we employed to overcome them. Against a twenty-year backdrop of non-communication and sterile mutual recrimination, our task was twofold: to convey privately our views to the Chinese leadership and to indicate publicly the direction of our policy.

We had to find discreet and reliable means to transmit our views to Peking and get authoritative Chinese responses. We began this effort during the first weeks of my Administration. Up until the summer of 1971, we engaged in a delicate diplomatic minuet during which mutual confidence gradually increased and mutual intentions became more concrete.

Meanwhile we carefully orchestrated a succession of unilateral initiatives and positive statements. From mid-1969 onwards, we took a series of steps to relax trade and travel restrictions. They did not require a response from the Chinese; they were therefore neither dependent on Chinese reciprocity nor vulnerable to Chinese rejection. Individually these were not major steps, but cumulatively they etched the pattern more and more clearly. At the same time in official speeches and statements, such as my annual foreign policy reports, we mapped in increasingly sharp relief the road we were taking.

During the spring of 1971 the tempo accelerated in public and in private, with greater responsiveness from the Chinese. Peking's invitation to an American table tennis team to visit China in April was one among many public signals. Privately during that period we agreed that Dr. Kissinger should visit Peking from July 9 to July 11.

On that trip we opened the door. Dr. Kissinger held intensive discussions with Premier Chou En-lai, and agreement was reached that I would visit the People's Republic of China. In the brief joint announcement that I read on July 15 we stated that "the meeting between the leaders of China and the United States is to seek the normalization of relations between the two countries and also to exchange views on questions of concern to the two sides."

In October, Dr. Kissinger returned to Peking to discuss the broad agenda for my visit and settle on the other major arrangements. The groundwork was thus laid for meetings at the highest levels.

The Journey to Peking

My trip to the People's Republic of China from February 21 to February 28, 1972 was the watershed in reestablishing Sino-American relations.

The carefully nurtured preparation held out the promise of a new direction; my meetings with Chairman Mao Tse-tung and Premier
Chou En-lai firmly set our course. The Joint Communiqué at the end of my visit established the framework for progress; developments since then have accelerated the process of normalization.

Seldom have the leaders of two major countries met with such an opportunity to create a totally new relationship. It had taken two and a half years to cross the gulf of isolation and reach the summit. At the same time, the very factors which had made this journey so complicated offered unusual opportunities. The absence of communication, while making initial contact complex to arrange, also gave us a clean slate to write upon. Factors such as geography and China’s recent concentration on internal matters meant that we had few bilateral matters of contention, though we lined up often on different sides of third country or multilateral problems.

Accordingly, the agenda for our discussions could be general and our dialogue philosophical to a much greater extent than is normally possible between nations. Indeed, it was this context and these prospects that, in our view, called for a summit meeting. With the Soviet Union a meeting at the highest levels was required to give impetus to, and conclude, a broad range of concrete negotiations. With the People’s Republic of China, on the other hand, such a meeting was needed to set an entirely new course. Only through direct discussions at the highest levels could we decisively bridge the gulf that had divided us, conduct discussions on a strategic plane, and launch a new process with authority.

The primary objective, then, of my talks with the Chinese leaders was not the reaching of concrete agreements but a sharing of fundamental perspectives on the world. First, we had to establish a joint perception of the shape of our future relationship and its place in the international order. We needed a mutual assessment of what was involved in the new process we were undertaking and of one another’s reliability in carrying the process forward. If we could attain this type of mutual comprehension, agreements could and would flow naturally.

Last February I described our expectations as I set out on my journey: “Both sides can be expected to state their principles and their views with complete frankness. We will each know clearly where the other stands on the issues that divide us. We will look for ways to begin reducing our differences. We will attempt to find some common ground on which to build a more constructive relationship.

“If we can accomplish these objectives, we will have made a solid beginning.”

Our discussions ranged broadly and freely. Both sides set forth their views with candor, neither evading nor downgrading differences. We were able to fulfill the expectations I had set forth earlier.

On February 27, 1972 we issued a Joint Communiqué in Shanghai that reflected this solid beginning. This document purposely was very unorthodox. Communiques often use general language, stress agreements, gloss over disputes, and use ambiguous formulas to bridge differences.

The Chinese leaders and we thought that such an approach would be unworthy of our unique encounter and our discussions. To pretend that two nations, with such a long separation and such fundamental differences, suddenly were in harmony would have been neither honest nor credible. The use of general or compromise language to paper over disputes would have been subject to misinterpretation by others; and it ran the risk of subsequent conflicting interpretations by the two sides.

We decided instead to speak plainly. We echoed the frankness of our private talks in our public announcement. Each side forthrightly stated its world and regional views in the communiqué, and the lines of our ideology and foreign policy were clearly drawn.

Against this candid background, the areas where we could find agreement emerged with more authority. Our conversations made clear that in addition to genuine differences there were also broad principles of international relations to which we both subscribed. There was as well a joint determination to improve our relations both by accommodating our differences and developing concrete ties.

Accordingly, in the communiqué we agreed that despite differences in social systems and foreign policies, countries should conduct their relations on the basis of respect for sovereignty and territorial integrity, non-aggression against other states, non-interference in the internal affairs of others, equality and mutual benefit, and peaceful coexistence. International disputes should be settled on this basis without the use or threat of force. We and the People’s Republic of China agreed to apply these principles to our mutual relations.

With these international principles in mind we stated that:

“—progress toward the normalization of relations between China and the United States is in the interests of all countries;

“—both wish to reduce the danger of international military conflict;

“—neither should seek hegemony in the Asia-Pacific region and each is opposed to efforts by any other country or group of countries to establish such hegemony; and

“—neither is prepared to negotiate on behalf of any third party or to enter into agreements or understandings with the other directed at other states.

“Both sides are of the view that it would be against the interests of the peoples of the world for any major country to collude with another
against other countries, or for major countries to divide up the world into spheres of interest.

These principles were of major significance. They demonstrated that despite our clear disagreements and our long separation we shared some fundamental attitudes toward international relations. They provided both a framework for our future relations and a yardstick by which to measure each other's performance.

With respect to the relationship of Taiwan to the mainland, the United States reaffirmed its interest in a peaceful solution of this question by the Chinese themselves. We based this view on the fact that all Chinese on either side of the Taiwan Strait maintain that there is but one China and that Taiwan is a part of China.

The communique then laid down the foundations for tangible improvements in our relations. These would allow us to move from the elimination of mistrust and the establishment of broad understandings to more concrete accomplishments:

--- We agreed to facilitate bilateral exchanges in order to broaden the understanding between our peoples. Specific areas mentioned were science, technology, culture, sports, and journalism.

--- We undertook to facilitate the progressive growth of trade between our countries. Both sides viewed economic relations based on equality and mutual benefit as being in the interests of our peoples.

--- We decided to maintain contact through various channels, including sending a senior U.S. representative to Peking periodically to exchange views directly. This reflected a mutual desire to expand our communications.

--- We also subsequently established a formal channel through our two embassies in Paris. This would institutionalize our contacts and facilitate exchanges, trade, and travel.

Major Advances in the Past Year

Since my visit to Peking the momentum of our relations has grown in all the fields covered by the Shanghai Communique.

As foreseen in the communique, Dr. Kissinger returned to Peking in June to review international issues with the Chinese and to stimulate progress in the various bilateral programs. Our embassies in Paris also facilitated the flow of groups and goods.

The growth of our bilateral trade has exceeded expectations. In 1971, U.S. imports from China totalled $4.9 million, while our exports were negligible. In 1972 we imported $32.3 million worth of goods and exported $60.2 million, an expansion of trade helped by the attendance of more than 150 American businessmen at the spring and fall sessions of the Canton Export Commodities Fair. In 1973, two-way trade is likely to show substantial additional growth, and may well place the United States among China's five largest trading partners. To encourage this expansion of commercial relations, a National Council for U.S.-China Trade was formed in early 1973 by a distinguished group of private business executives. This organization will seek to promote the orderly development of bilateral trade through exchange of information and facilitation of contacts between Chinese and American manufacturers, exporters, and traders.

A substantial beginning was made in the development of exchanges between our two countries. A championship table tennis team from the People's Republic toured the United States in April 1972, in return for the visit of the American team which had played in Peking a year earlier. Groups of Chinese doctors and scientists visited their counterparts in this country during the fall, under the sponsorship of the Committee on Scholarly Communication with the People's Republic of China. And in December, the Shenyang Acrobatic Troupe performed in four major American cities in a visit facilitated by the National Committee on U.S.-China Relations.

In turn, increasing numbers of Americans visited the People's Republic of China. The Majority and Minority leaders of the Senate were guests of the Chinese People's Institute of Foreign Affairs in April 1972, as were the House leaders in June. A group of doctors from the National Medical Association and a delegation of computer scientists visited their counterparts in China in the summer and fall. Among the journalists who toured the People's Republic during the year was a delegation from the American Society of Newspaper Editors. And in the scholarly areas, groups of distinguished American economists and China specialists toured the country, as well as substantial numbers of individual scientists and scholars from various fields.

Thus there was a significant resumption of cultural, scientific, and scholarly contacts, and the public media began to inform our peoples about one another. Chinese and Americans were rebuilding historic bonds.

A solid foundation was therefore established before Dr. Kissinger returned to Peking in February of this year in the wake of the Vietnam peace settlement. The joint announcement after that trip pointed to major progress in our relations with the People's Republic of China:

--- There were "earnest, frank, and constructive" talks in an "unconstrained atmosphere" with Chairman Mao, Premier Chou, and other Chinese officials.
--The two sides reaffirmed the principles of the Shanghai Communique and agreed to accelerate the normalization of relations.
--We agreed to broaden contacts in all fields, and establish a concrete program to expand trade and exchanges still further.
--We decided to settle in a comprehensive manner the long-standing issues of private U.S. claims against the Chinese government and blocked Chinese assets in the United States. Secretary of State Rogers and Chinese Foreign Minister Chi Peng-fei reached agreement in principle on this issue a week later in Paris. Final settlement will open the way for further expansion of our bilateral commercial relations.
--Most importantly, we agreed that each country would establish a Liaison Office in the capital of the other. They will be functioning very shortly. Both sides have appointed senior representatives with long diplomatic experience. This major step both reflects—and will promote—the increase in our communications and bilateral programs. Practically, the offices will enable us to deal with each other directly in Washington and Peking. Symbolically, they underline the progress made to date and our joint intention to proceed on the path we have chosen. They represent a milestone in our developing relationship.
--The Chinese agreed to free the two American pilots captured during the Vietnam War. They also promised to review later the already shortened sentence of another American prisoner. The pilots were released on March 15, 1973, while the other American was released early on March 10, 1973.

We thus moved decisively from the conceptual to the concrete. What was theoretically desirable was increasingly being practiced. What was still partly tentative and experimental would now be reinforced and expanded. What was indirect could now be made direct.

Several factors contributed to this major advance in our relationship:
--Eighteen months of authoritative and wide-ranging discussions had made clear to each side the other's philosophy and principles. We both decided that our shared interests in bettering relations, outweighed our differences on specific questions. Where differences existed, we had found ways to accommodate them without sacrificing principles.
--Since the initial openings, the two sides had established considerable reliability in our dealings, both bilateral and multilateral.
--Implementation of the Shanghai Communique had proceeded satisfactorily, and it was agreed that new steps were required to accelerate progress. Both we and the Chinese believed that it was important to institutionalize our new relationship.
--Finally, while most of these factors had been developing for many months, the Vietnam War had still inhibited our progress. With the achievement of a negotiated settlement, the major obstacle to improved relations was removed.

Our Future Course

In my first term we moved a long way with the People's Republic of China. Together we have revived our historic association, set a new direction, and launched a purposeful process.

We are resolved to continue on this course. We are under no illusions, however, that its development is inexorable. There will be a continuing need for meticulousness and reliability, for although we have come a remarkable distance, two decades of blanket hostility cannot be erased completely in two years. In any event, our ideologies and views of history will continue to differ profoundly. These differences, in turn, will be translated into opposing policies on some issues which will continue to require mutual restraint and accommodation. And over the longer term the inevitable changes in the world environment will continually inject new factors that could test our relationship.

We nevertheless remain basically confident that relations between the United States and the People's Republic of China will continue to develop in a positive direction. The driving force behind this process is not personalities, or atmosphere, or a sense of adventure, or transitory tactical benefits. Our two nations undertook this course in full knowledge of our differences. We chose to change our relationship because this served our fundamental national purposes.

America maintains its historic concern for an independent and peaceful China. We see in this prospect nothing inimical to our interests. Indeed, we consider it to be strongly in the interest of regional and world stability. China, in turn, has nothing to fear from America's strength. The broadening of diplomatic horizons has already paid dividends for us both and represents an enduring asset. Our past differences notwithstanding, we have many positive elements to draw upon—the traditional friendship of our two peoples, the cultural and scientific contributions we offer one another, the lack of any directly conflicting interests, and the commonly shared principles of international relations expressed in the Shanghai Communique.

This Administration will pursue the further improvement of relations with the People's Republic of China with dedication and care. The same
considerations that prompted us to begin this process four years ago motivate us now to continue it. And our guidelines remain constant:

—Our objective is to build a broader and steadier structure of peace.
—We seek the tangible dividends of a flourishing relationship between the Chinese and American peoples.
—Our relations will be based on equality and reciprocity.
—This process is not directed against any other country.
—We shall pursue our policy in close consultation with our friends.

Within this framework we will work increasingly to realize the perspectives that we and the Chinese envisioned at the close of the Shanghai Communique:

“The two sides expressed the hope that the gains achieved during this visit would open up new prospects for the relations between the two countries. They believe that the normalization of relations between the two countries is not only in the interest of the Chinese and American peoples but also contributes to the relaxation of tension in Asia and the world.”

THE SOVIET UNION

In the week of May 22–29, 1972, the United States and the Soviet Union took a decisive turn away from the confrontations of the past quarter-century. We agreed to limit the growth of strategic weaponry. We established a set of basic principles to govern our relations. And we constructed a framework of agreements leading to more normal bilateral cooperation.

Each of the accords signed in Moscow was a significant achievement in itself. Never before have two adversaries, so deeply divided by conflicting ideologies and political rivalries, been able to agree to limit the armaments on which their survival depends. Nor has there been, at any time in the postwar period, a code of conduct that both sides could accept as the basis for regulating their competition and channeling their efforts toward more constructive endeavors.

But beyond their individual merits, the summit agreements taken together represent a major advance toward a goal set forth at the beginning of this Administration: to effect a basic change in our relations with the Soviet Union in the interest of a stable world peace from which all countries would benefit.

In considering the course of Soviet-American relations during the past year, it is important to understand the nature of the specific agreements, the conditions that have made these achievements possible, and what the future may hold.

The Initial Approach: 1969–70

Four years ago, our relations with the Soviet Union and international relations generally were still dominated by the fears, anxieties, and atmosphere of the Cold War. The invasion of Czechoslovakia had recently occurred. While the Soviet Government made overtures for better relations, its motives seemed largely tactical. Yet, beneath the surface, it was apparent that the pattern of world politics was in the process of major transformation. The salient features of this change have been described in my previous Reports. Certain elements had special relevance for our relations with the Soviet Union.

—Divisions within the Communist world had deepened; state and national interests of the major Communist powers were increasingly reflected in their policies toward non-Communist countries.
The realignment of political forces in the Communist world coincided with the economic revival of Western Europe and Japan, reinforcing the trend toward multipolarity.

In particular, the more nearly equal strategic balance between the United States and the Soviet Union suggested that conditions might be optimal for reaching agreement to limit strategic competition.

Recognizing these international trends, this Administration began in 1969 to reassess our relations with the Communist countries. Certain aspects of Soviet-American relations were clear: the postwar rivalry with the Soviet Union was not a result simply of misunderstanding, or personal animosities, or a failure to create a good atmosphere for negotiations. The conflict was rooted in deeper differences: irreconcilable ideologies, the inevitable geopolitical competition of great powers conducting global policies and, to a certain degree, bureaucratic momentum and the disillusionment created by decades of fluctuation between hopes and tensions.

To break the pattern of the postwar period required policies that distinguished between the sources of conflict and their external or temporary manifestations. We needed not merely a better climate for our relations, but a new environment in which the United States and the Soviet Union could exercise their special responsibilities for peace. Ultimately we hoped to create mutual interests in maintaining and improving the situation in Berlin. The Berlin negotiations would be critical, not only because that divided city had been the scene of tense confrontations in the past, but because it was also the keystone in West Germany's effort to create a more normal relationship with its Eastern neighbors. That normalization would, in turn, influence the new prospects for a wider discussion of European security and cooperation, including a possible conference of European governments, Canada, and the United States.

As for economic relations, I indicated that the United States was prepared to have normal economic exchanges with any country that was equally willing to move toward normal relations in both political and economic fields.

On the Middle East, we agreed to discussions with the United Kingdom, France, and the Soviet Union, and we encouraged the Arab governments and Israel to undertake direct negotiations.

In this initial period, we tried to create circumstances that would offer the Soviet leaders an opportunity to move away from confrontation through carefully prepared negotiations. We hoped that the Soviet Union would acquire a stake in a wide spectrum of negotiations and would even an isolated agreement of importance. Experience had shown that isolated accomplishments were likely to fall victim to tensions and crises in other aspects of the relationship. Thus, if we were to achieve more than a superficial change, we had to address a broad range of issues.

Finally, we would judge Soviet actions rather than words. The basic criterion would be a willingness to act with restraint. We would respond constructively to Soviet initiatives; progress in one area would help maintain momentum in other negotiations. We would also make it clear that aggressive behavior could imperil our entire relationship. By linking all aspects of Soviet-American relations, we could hope that progress, if it came, could lead to a broadly based understanding about international conduct.

These general principles were translated into specific proposals during 1969 and 1970.

After a painstaking evaluation of all aspects of limiting strategic arms, we agreed to begin negotiations in November 1969. On other disarmament matters, we revived negotiations on prohibiting nuclear arms from the seabeds and took up the new challenge of limiting biological warfare.

In Europe, we reconfirmed NATO proposals to begin discussing mutual and balanced force reductions in Central Europe where the concentrations of opposing forces were heaviest. We proposed to approach the issue of European security by negotiating, first of all, improvements in the situation in Berlin. The Berlin negotiations would be critical, not only because that divided city had been the scene of tense confrontations in the past, but because it was also the keystone in West Germany's effort to create a more normal relationship with its Eastern neighbors. That normalization would, in turn, influence the new prospects for a wider discussion of European security and cooperation, including a possible conference of European governments, Canada, and the United States.

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become convinced that its interests, like ours, would be best served if this process involved most of our relations. We sought, above all, to create a vested interest in mutual restraint.

Our relations with the Soviet Union passed through several tactical phases. It was apparent that Soviet policy had contradictory tendencies. Some factors pointed toward a more stable relationship with the United States; others suggested a continued probing for tactical gains. In this period, we dealt with these contradictory manifestations by responding to positive efforts and demonstrating firmness in the face of pressures. I opened a direct channel to the Soviet leaders so we could discuss the issues frankly and privately.

The first phase, lasting throughout 1969, was marked by obvious caution, as we made only limited progress in engaging major issues but achieved some improvement in the tone of exchanges. In the spring of 1970 we agreed to negotiate on Berlin, and the Strategic Arms Limitations Talks (SALT) moved from initial explorations to concrete discussions.

A period of tension, however, occurred in 1970 over the Soviet role in Egyptian ceasefire violations in the Middle East, the Syrian attack on Jordan, and Soviet naval activities in Cuba. Similar tension arose from the crisis in the Indian subcontinent for a period in late 1971. Such developments gave us grounds for serious concern, and we reacted vigorously.

At the same time, the Soviet Union pursued a policy of relaxing tensions in Europe, suggesting that its strategy was to differentiate between the United States and our allies. This tactic, however, had limited potential since European issues were inseparable from the strategic framework of U.S.-Soviet relations. Moreover, the Soviet emphasis on certain bilateral relations lacked a general European framework, which could not be developed without the United States or without considering the impact of a controlled relaxation of tensions in East Europe.

The Road to the Summit

Thus we passed through a series of episodes that gave the Soviet Union no advantage and achieved no fundamental change. In each phase we sought to demonstrate the wisdom of restraint and the dangers of its absence. At the end of 1970, it appeared that the tensions in U.S.-Soviet relations might lead the Soviet leaders to reconsider their relations with the United States. I felt that an opportune moment had arrived for new initiatives to end tactical maneuvering and to move toward accommodation.

Despite the erratic developments of 1969 and 1970, some positive trends were evident. As I said at the United Nations in the fall of 1970, we shared certain compelling common interests, above all an interest in reducing the dangers of war. That the Soviet Union shared this concern was reflected in the continuation of the negotiations on strategic arms limitations, the mutual willingness to pursue an agreement on Berlin and the insulation of these serious issues from developments in Southeast Asia.

In the winter of 1970-71 Soviet leaders were looking toward their Party Congress, where broad policy guidelines are usually enunciated. It appeared at the time, and even more clearly in retrospect, that the broad changes in the nature of international relations, as well as their experience of the previous two years in relations with us, were having an impact on their preparations. It was thus a promising moment to delineate the progress that could be made if certain decisions were taken.

SALT negotiations were temporarily deadlocked over whether to negotiate an agreement limiting anti-ballistic missiles (ABMs) alone, as the Soviets insisted, or an agreement embracing both defensive and offensive limits. For the United States, it was essential that an initial SALT agreement should begin to break the momentum in the growth of offensive forces. If the buildup continued unchecked, it would almost certainly produce dangerous strategic instabilities—especially if limitations on missile defense created a premium on striking first. This was not a tactical dispute, but a major substantive issue that could only be resolved by high-level political decisions.

The treaty reached between West Germany and the Soviet Union in August 1970 had changed the character and significance of the Berlin negotiations among the Four Powers. Ratification of this treaty depended on the outcome of the negotiations over Berlin. And it was general Western policy that the prospect for a wider European dialogue on security was similarly conditioned on a Berlin agreement that would safeguard access to the city and its links to the Federal Republic. Thus, progress on Berlin would also involve basic decisions in Moscow.

Through intense and private exchanges with the Soviet leaders, a breakthrough was made, first in SALT, then in the Berlin negotiations.

A new framework was created for SALT in May 1971, maintaining the link between offensive and defensive limitations, as the United States believed essential. At the same time, we agreed to concentrate our efforts on ABM limitations. Since these systems were
not extensively deployed, we envisaged a permanent treaty. We also
agreed to work out an interim accord limiting certain offensive
weapons. Both agreements would be completed simultaneously.

The Berlin agreements were blocked by conflicting legal positions
on the status of the city and on West Berlin's ties to the Federal
Republic of Germany. Progress became possible in July and August
1971 when all concerned agreed to seek an agreement that dealt
concretely with the practical question of how to maintain West
Berlin's many links to the Federal Republic, including unimpeded
access to West Berlin by road and rail.

These breakthroughs on major substantive issues made it possible to
look toward a summit meeting.

The SALT discussion resumed in July 1971, building on the political
framework agreed upon with the Soviet leaders. Two agreements were
signed in September—one to improve the "hot line" between Washing­
ton and Moscow, and the other to reduce the likelihood of an accidental
nuclear war by exchanging information on certain missile testing activi­
ties. The breakthrough on Berlin led to the signing in September of 1971
of the first part of the Four Power Agreement, which in turn opened the
way for further negotiations between East and West Germany on the
technical questions of access to the city.

My private communications with the Soviet leaders had included the
possibility of a meeting at the highest level. My views on this question
of a meeting had been stated in the first weeks of my Administration: a
meeting at the summit would only be justified if it were carefully pre­
pared and if there were sufficient reasons to believe that it would be the
most effective way of proceeding toward solutions of major questions.
By the fall of 1971, it appeared we could meet these conditions. Thus,
when Foreign Minister Gromyko visited Washington in October 1971, we
agreed that a summit meeting would be held, not for its own sake, but
as a culmination of concrete progress and as a means of stimulating further
advances. It was agreed the meeting should be held in May 1972.

I envisaged this meeting as having four aspects:

- As political relations improved, it became possible to initiate dis­
cussions on a wide range of projects for bilateral cooperation. In
themselves, these projects were not crucial to our relationship. But
cumulatively, as cooperation in such fields widened and deepened,
they would reinforce the trend toward more constructive political
relations. In the pre-summit period we discussed cooperation in
science, technology, health, the environment, outer space, and mari­
time activities. The prospect of a summit meeting gave these dis­
cussions a special impetus and high-level attention. At the summit,
these discussions could culminate in a series of agreements.

- Advances in political relations had by that time made it possible
to address economic relations. The starting point was the removal
of long-standing obstacles to closer commercial contacts—such as
the unsettled World War II lend-lease debt. Then we could go on
to establish longer-term arrangements for expanding trade and
other types of economic cooperation on a scale appropriate to the
size of our two economies.

- The summit could complete the first phase of the SALT negotia­
tions and provide impetus for the next, even more far-reaching
phase.

- Finally, on the basis of all of these specific achievements, carefully
prepared in the previous months of painstaking negotiations, the
summit would afford an opportunity to review the whole range of
international issues and to delineate certain fundamental principles
to govern U.S.-Soviet relations in the future.

Thus, the summit could redirect the momentum of the past and chart
a new direction in our relations with the Soviet Union, creating in the
process a vested interest in restraint and in the preservation of peace.

The Moscow Summit

We prepared for and conducted the summit on this basis. We sought
to establish not a superficial "spirit of Moscow" but a record of solid prog­
ress. The number and scope of the agreements that emerged make it
clear we accomplished that goal.

Bilateral Cooperation. The prospect of a meeting at the highest level
accelerated the negotiations on bilateral matters. At the summit it was
thus possible to conclude agreement on significant cooperative projects.

- Cooperation in the exploration of outer space, including a joint
experiment in rendezvous and docking of Apollo and Soyuz space
vehicles during 1975.

- Cooperation in solving the most important of the problems of the
environment.

- Joint efforts in the field of medical science and public health.

- Expanded cooperation in many areas of science and technology and
establishment of a Joint Commission for this purpose.

- Cooperation between the American and Soviet navies to reduce the
chances of dangerous incidents between ships and aircraft at sea.

Since the summit, all of the agreements have been carried out as ex­
pected. Our space agencies have conducted preliminary tests of models
of the spacecraft docking system and crew training will begin this sum-
mer. The Joint Committee on Environmental Protection met in Moscow
in September 1972 and planned 30 collaborative projects on a variety
of subjects, including air and water pollution. Programs for cooperative
research on cancer and heart disease were developed by our public health
authorities in October and November 1972. The Joint Commission on
Science and Technology met in Washington in March 1973 and agreed
to carry out some 25 projects in such fields as energy, chemistry, biology,
and agricultural research. American and Soviet naval officers will meet
this year to review the agreement on reducing incidents between ships
and aircraft.

This process of cooperation has begun to engage an ever widening
circle of people in various professions and government bureaus in both
countries. Direct contact, exchanges of information and experience, and
joint participation in specific projects will develop a fabric of relation-
ships supplementing those at the higher levels of political leadership. Both
sides have incentives to find additional areas for contact and cooperation,
and I anticipate further agreements patterned on those already
concluded.

**Economic Relations.** In the past, many in the United States believed
trade could open the way to improved political relations. Others argued
that increased economic relations would only strengthen the power of a
potential adversary. In fact, trade and other aspects of economic relations
could never flourish if political relations remained largely hostile. Occa-
sional business transactions might be worked out on an individual
basis. But without some reasonable certainty that political relations would
be stable and free from periodic turbulence, both sides would be reluctant
to enter into long-term commercial relations. Nor would the Congress
support an expanding economic relationship while our basic relations
with the Soviet Union were antagonistic. With these considerations in
mind, in the earlier years of this Administration I linked the expansion
of economic relations with improved political relations.

Since progress was being made in the pre-summit period in removing
sources of political tension, I authorized explorations in the economic
sphere. I sent the Secretaries of Commerce and Agriculture to the Soviet
Union for discussions. The Soviet Ministers of Foreign Trade and Agricul-
ture came to the United States for the same purpose. We began negoti-
tations on a maritime agreement to make concrete arrangements for
orderly transport of goods between the two countries.

By the time of the summit, sufficient progress had been made so that
in my discussion with the Soviet leaders we were able to agree on a gen-
eral plan for moving toward a more normal economic relationship. We
agreed it was essential to clear away the long-standing Soviet lend-lease
debt to the United States. We also decided that a formal trade agreement
was needed to provide the basis for resolving the many technical prob-
lems resulting from the long absence of economic intercourse. We agreed
to act in accord with generally established international practice as re-
gards: arbitration of disputes, establishment of commercial facilities in
each country, procedures to prevent market disruption, reciprocal ex-
tension of Most Favored Nation (MFN) treatment, reciprocal exten-
sion of commercial credits, and determination of the general level of
trade. We established a Joint Commercial Commission to maintain con-
tacts, to resolve issues that might arise, and to be responsible for carry-
out the general agreement worked out with the Soviet leaders.

Following the summit, intensive negotiations began under the leader-
ship of U.S. Secretary of Commerce Peterson and Soviet Minister of
Foreign Trade Patolichev. In July 1972, a three-year agreement for the
export of United States agricultural products and for the extension of
credits to finance these sales was concluded. By October, the principal
agreements were completed: a settlement of the lend-lease question, a
formal trade agreement, and a maritime agreement.

---We had tried to work out a lend-lease settlement immediately after
World War II, again in 1951 and in 1960, but had failed on each
occasion. The main issues were the amount of settlement, whether
interest payments should be included, and the length of time for
repayment. The settlement reached in October 1972 provides for a
total repayment of approximately $722 million, to be paid over a
period of about 30 years. This compares favorably with other
settlements of wartime obligations.

---The trade agreement anticipates a total exchange over the next
three years of goods worth about $1.5 billion; it also provides for
expanded business facilities for American firms in the Soviet Union,
a large trade center complex in Moscow, provisions for third-party
arbitration of disputes, and procedures to prevent market
disruptions.

---Each country will reduce tariffs on the other's imports, so that the
level of tariff charges is about the same as that charged against the
products of any other country (MFN treatment). This had been
the practice in Soviet-American relations from 1935 to 1951, when
it was terminated during the Korean War. Extension of Most
Favored Nation treatment is consistent with the principles of the
General Agreement on Tariffs and Trade (GATT).

---The October agreement also provides for the reciprocal extension
of credit arrangements, customary in financing an expansion of
sources; they establish an interdependence between our economies which specific contracts. Since the Soviet Union plans it; economic program requiring dollar payments well into the future. Such ventures do not provides a continuing incentive to maintain a constructive relationship.

An agreement on maritime relations signed on October 14, 1972, was another essential element to the orderly expansion of commerce. We agreed to ease procedures for access of Soviet and American ships to each other's ports. The agreement also provides that the ships of each side will carry equal and substantial shares of future oceangoing commerce. And it provides for a system of equitable freight rates.

These agreements open the way not only for a prompt invigoration of trade but also for developing these relations into a permanent component of the overall relationship projected at the summit. It is not a question of whether certain elements should be separable, or conditional, but whether we wish the entire process of a broadly based new relationship with the Soviet Union to unfold.

The next step is to end discrimination against imports of Soviet goods into this country so that the Soviet Union can earn the dollars to help it pay for imports from the United States. This step will require action by the Congress to provide the President with authority to negotiate the reciprocal extension of Most Favored Nation treatment. I have submitted legislation to the Congress in this regard, as I am committed to do under the agreements reached with the Soviet Union. Extension of MFN is a logical and natural step in the emerging relationship; it is not a unilateral concession but a means to expand commerce in the context of broadly improved relations.

We are also prepared to consider possible longer-term cooperative ventures. The Soviet Union has vast natural resources, such as natural gas, that can be developed with the help of American capital and technology. These resources would then be available for export to the United States, thus enabling the Soviet Union to repay our credit and pay for imports from the United States. The role of our government should be to establish a framework within which private firms might work out specific contracts. Since the Soviet Union plans its economic program for five-year periods, its willingness to enter into long-term ventures of this kind suggests an expectation of cooperative relations and imports requiring dollar payments well into the future. Such ventures do not create a one-sided dependence by the United States upon Soviet resources; they establish an interdependence between our economies which provides a continuing incentive to maintain a constructive relationship.

The SALT Agreements. Of historic significance were the two agreements which General Secretary Brezhnev and I reached limiting strategic arms: a treaty limiting anti-ballistic missile systems, and an interim agreement limiting certain strategic offensive weapons. These agreements are discussed in detail in the Arms Control section of this Report. Technical aspects of arms control were at the core of the negotiations, but the significance of the agreements transcends specific provisions and goes to the heart of the postwar competition between us.

Some years ago, when the United States was strategically predominant, an agreement freezing the strategic balance was unrealistic. It was highly improbable that the Soviet Union would resign itself to permanent inferiority. Indeed, after the 1962 Cuban missile crisis, the Soviet Union began a major expansion in its strategic weaponry. Had this expansion continued unabated through the 1970's, the United States would have had no choice but to launch a massive new strategic armament program. The present moment thus offered a unique opportunity to strike a reasonable balance in strategic capabilities and to break with the pattern of unlimited competition.

Such an opportunity posed a fundamental question: could both sides accept the risks of restraint explicit in arms limitations? In the defensive field, new programs offered some element of protection but beckoned a new round of competition. Offensive systems were required to guarantee security, but their steady accumulation created a momentum toward capabilities that threatened strategic equilibrium.

Each of us had the power singlehandedly to destroy most of mankind. Paradoxically, this very fact, and the global interests of both sides, created a certain common outlook, a kind of interdependence for survival. Although we competed, our conflict did not admit of resolution by victory in the classical sense. We seemed compelled to coexist. We had an inescapable joint obligation to build a structure for peace. Recognition of this reality has been the keystone of United States policy since 1969.

Obviously, no agreement could be reached involving weapons that guaranteed national survival if both sides did not believe their interests were served despite the risks. No decision of this magnitude could have been taken unless it was part of a broader commitment to place relations on a new foundation of restraint, cooperation, and steadily evolving confidence. Even agreements of such overriding importance cannot stand alone, vulnerable to the next crisis. Their tremendous historical and political significance is guaranteed, in part, by the fact that they are woven into the fabric of an emerging new relationship that makes crises less likely.
There is reason to hope that these accords represent a major break in the pattern of suspicion, hostility, and confrontation that has dominated U.S.-Soviet relations for a generation.

Principles of U.S.-Soviet Relations. The fourth area of major progress at the summit was the agreement on twelve Basic Principles signed on May 29, 1972. This far-reaching step placed all our other efforts on a broader foundation. A new relationship would require new attitudes and aspirations. It was appropriate that this change be reflected in a formal statement. These principles codify goals that the United States had long advocated, as I did for example, in my address to the United Nations in October 1970. The main provisions state that both sides will:

- do their utmost to avoid military confrontations and to prevent the outbreak of nuclear war;
- always exercise restraint in their mutual relations and will be prepared to negotiate and settle differences by peaceful means. Discussions and negotiations on outstanding issues will be conducted in a spirit of reciprocity, mutual accommodation, and mutual benefit.
- recognize that efforts to obtain unilateral advantage at the expense of the other, directly or indirectly, are inconsistent with these objectives;
- make no claim for themselves, and not recognize the claims of anyone else, to any special rights or advantages in world affairs.

These are specific obligations. They meet some of our fundamental concerns of the postwar period. They are the elements that made it possible to summarize one general principle governing Soviet-American relations:

"They will proceed from the common determination that in the nuclear age there is no alternative to conducting their mutual relations on the basis of peaceful coexistence. Differences in ideology and in the social systems of the United States and the Soviet Union are not obstacles to the bilateral development of normal relations based on the principles of sovereignty, equality, non-interference in internal affairs, and mutual advantage."

What we have agreed upon is not a vain attempt to bridge ideological differences, or a condominium of the two strongest powers, or a division of spheres of influence. What we have agreed upon are principles that acknowledge differences, but express a code of conduct which, if observed, can only contribute to world peace and to an international system based on mutual respect and self-restraint.

These principles are a guide for future action, not a commentary on the past. In themselves, they will have no meaning if they are not reflected in action. The leaders of the Soviet Union are serious men. Their willingness to commit themselves to certain principles for the future must be taken as a solemn obligation. For our part we are prepared to adhere to these principles, and hope that the Soviet leaders have the same serious intention.

The Road Ahead

In reporting last year to the Congress on prospects for a summit meeting, I noted that we could not expect to solve the accumulated problems of two decades in one meeting, but that we did have the opportunity to open a new era in international relations. If we were successful, I said, the transformation of Soviet-American relations could become one of the most significant achievements of our time.

I believe we have now taken that essential first step in freeing both of our countries from perpetual confrontation. From confrontation we have moved to negotiation and then to a broadening range of fields. The promise of this beginning obliges us to see it through.

The tasks ahead reflect the successes of this past year as well as the disappointments:

- We are now in the second phase of our effort to limit strategic arms. We can build on what has been achieved. We understand each other's concerns better now than four years ago. We have established a common vocabulary and a technical framework in which to examine issues. And we have developed a measure of respect and confidence in each other's seriousness of purpose.
- But we face a severe challenge: each side is called on to make commitments, limiting its strategic offensive weapons for this decade and beyond. This will require political decisions to respect each other's basic security requirements and a willingness to balance each other's legitimate interests in an equitable and mutually satisfactory settlement.
- In Europe, the progress in Soviet-American relations has been a catalyst for further change. Whereas East-West relations in Europe were confined to bilateral relations in the past few years, we are now entering negotiations that involve fuller participation by our allies. The issues of European security and cooperation or reciprocal and balanced force reductions cannot be settled by the United States and the Soviet Union alone. We and the Soviet Union, however, can each make a significant contribution to progress on these issues—and that progress, in turn, will reinforce the favorable mo-
mentum in our bilateral relations by demonstrating that detente is broadly based and serves the interest of all European countries.

--In the Middle East, the United States and the Soviet Union, separately and perhaps together, can also make a contribution to peace. Each of us plays a different role and has different interests and conceptions. But we have a common interest in averting confrontation. Proceeding from this principle, we can both exert our influence in the direction of a peaceful settlement among the parties directly concerned.

In bilateral relations we can build on the progress already achieved at the summit. Though less dramatic than the larger political issues, harnessing our technological expertise and creativity in the service of both our peoples can produce lasting benefits for all.

We have an opportunity and obligation to convert the promise of our agreements on economic relations into reality. We are discovering areas where the American and Soviet economies are complementary. The Soviet Union has certain resources that meet our needs, while we can export commodities and products which the Soviet Union wishes to import.

A year ago, I reported that a new momentum had been given to efforts for achieving a more constructive relationship with the Soviet Union. I believe that this momentum has carried us across a new threshold.

We are now in a new period, but we have only witnessed its initial phase. It is only realistic to recognize that there have been periods of relaxed tensions before, and earlier hopes for a permanent end to the hostilities of the Cold War. Present trends of course can be reversed; new factors will appear; attitudes can shift. This may be particularly true in a period of transition.

In the past, changes in our relations with the Soviet Union proved episodic, in part because they reflected tactical motives or were limited to changes in climate rather than substance. What we created at the summit last year is more durable. It rests on solid, specific achievements that engage the interests of both sides. But it will take patience, hard work, and perseverance to translate our broad understandings into concrete results. If we can do this, the United States and the Soviet Union can move from coexistence to broad cooperation and make an unparalleled contribution to world peace.
PART II
ENDING CONFLICT
Vietnam
Laos and Cambodia
VIETNAM

On January 27, 1973, when the United States and the three Vietnamese parties signed "The Agreement on Ending the War and Restoring Peace In Vietnam," we completed one of the most difficult chapters in our history. It was an honorable ending to a long and costly effort.

Peace in Indochina is not yet solid or comprehensive. But four years of intensive negotiations and the steady transfer of responsibilities to our friends achieved the fundamental goals we had set. As a result of the Agreement:

- Our military forces have left South Vietnam with honor.
- Our prisoners have returned to their homes and families. A full accounting for all those missing in action is stipulated.
- There is a ceasefire, though still imperfectly observed, in Vietnam and Laos.
- The South Vietnamese people have the opportunity to determine their own political future.

The settlement is a tribute to the brave people of South Vietnam. It is also a monument to the valor of American fighting men and the steadfastness of the American people who supported an unselfish but extremely difficult mission until that mission was accomplished.

What We Found

From the moment I took office, my highest priority was to bring an honorable end to the war in Vietnam. America had been involved for eight years in a well-motivated but costly and seemingly endless effort. Every year we had sent more men to Vietnam. Our casualties, draft calls, and financial costs had risen steadily. The war dominated our national attention. Abroad it complicated our efforts to adjust to changing conditions. At home it fostered growing dissent.

Clearly we needed to end the war, or at least our involvement in it. But if this was our most urgent task, it was also our most difficult. For the way we went about it would have much to do with the future of American foreign policy and the future of our own society.

The costs and frustrations of our involvement had led an increasing number of Americans to urge extreme solutions—either massive military escalation or immediate retreat. We rejected both options. Trying to win the conflict by all-out military measures would have deepened the divisions in our society, and risked drawing other nations into the war. It would not have addressed the complex nature of the struggle and therefore was likely to be indecisive.

Immediate withdrawal from Vietnam might have brought a sense of temporary relief in this country. But soon this mood would have turned to regret and recrimination. We could not suddenly abandon allies with whom we had stood for so many years. We could not mock the sacrifices of Americans who had given their lives. We could not set out to shape a responsible American foreign policy with a first step of heedless abdication. Reckless withdrawal certainly would have brought neither peace to South Vietnam nor honor to America. It might have led to the collapse of Southeast Asia, and it would have crippled our efforts to build peace in the world.

But neither could we continue on the path we found. Our troop levels had risen steadily for five years and had reached an authorized level of 549,500. Our combat deaths had mounted to an average of 278 weekly during 1968. We were spending an additional $22 billion each year on the war. Draft calls had risen to a monthly average of 30,000. And despite this investment, there was no decisive outcome on the battlefield.

The picture was similarly bleak at the conference table. As a result of our bombing halt, public negotiations had been launched in Paris, but they had proved sterile. Only procedural matters had been settled. No comprehensive plans for a settlement lay on the table. No prospects for a breakthrough existed.

The Basic Foundation: Vietnamization

Faced with this situation, we chose what we believed to be the only responsible course—to follow the parallel tracks of negotiation and Vietnamization. Our first preference was a negotiated settlement, and we undertook both public and private diplomacy to this end. Our irreducible conditions were that the people of South Vietnam be allowed to determine their own future and that all our prisoners be returned. We also looked toward a ceasefire to end the war for all participants.

But one side cannot negotiate a peace, and the North Vietnamese constantly made two unacceptable demands. First, they insisted we withdraw totally from South Vietnam before any other conditions were even discussed. Secondly, they demanded we overthrow the existing government in South Vietnam and replace it with a Communist-dominated structure. This was the only way, they said, to get our prisoners back or obtain an overall settlement. Unless we were prepared to hand South
Vietnam over to the enemy, there was no prospect of an early breakthrough at the conference table.

Therefore, even while we sought peace through negotiations, we needed an alternative course of action. We wanted to ensure that:

—Our withdrawal would not depend on the enemy’s reasonableness at the conference table. We wanted to reduce our involvement to demonstrate that it was not open-ended.

—The act of our withdrawal would not overthrow the non-Communist forces. We were determined to disengage responsibly.

We thus developed the Vietnamization program in close cooperation with the Government of the Republic of Vietnam (GVN). This policy was designed to strengthen the armed forces and the people of South Vietnam so that they could defend themselves. As their forces increased in numbers, equipment, combat skills, and leadership, they progressively assumed responsibility for their own defense. The process also involved the extension of governmental authority in the countryside through the pacification program, the growth of economic capacities, the development of political institutions—all the elements that would allow South Vietnam to stand on its own.

While negotiations foundered on Communist intransigence, Vietnamization was an honorable and convincing alternative. We had the following considerations in mind:

—Vietnamization allowed us unilaterally to achieve our objective of winding down our involvement.

—We had to ensure that our friends over the longer term could take over their self-defense completely, since we could not stay there indefinitely.

—Our policy reflected our overall approach to friends and allies around the world—we would continue to play a strong supporting role, but we would increasingly look to our partners to assume greater responsibilities for their security and development.

—We needed to demonstrate to Hanoi and its allies that we had an option so long as they blocked progress at the conference table—one that enabled our allies to stand on their own and could gain the support of the American people for a continuing role until our allies were ready.

The tangible progress of Vietnamization was reflected in the statistics. In four years, we progressively reduced our presence from more than half a million men to 27,000, a 95 percent cut, by December 1, 1972. Other allied forces from Korea, Thailand, Australia, New Zealand, and the Philippines were withdrawn or phased down during the period. American casualties in South Vietnam fell from almost 300 a week when we took office to 26 a week in 1971, and to four a week during the final six months of our involvement. Over 60 percent of the casualties under this Administration occurred in 1969 before our policies could take hold. We reduced the cost of the war by billions of dollars each year.

During this period, the South Vietnamese progressively took over the battle. Our ground combat role was steadily reduced and officially ended on June 30, 1972. Our friends also assumed all naval missions and an increasing share of direct air support. The South Vietnamese armed forces and people shouldered the burdens with courage and skill. And all the other crucial indicators of the struggle stayed promising also—the security situation in the countryside, the performance of the economy, and the cohesiveness of the political fabric.

The Need for Decisive Action

During this process, firm but measured military actions were also required:

—To protect our men in Vietnam as their numbers declined.

—To assure the continued success of Vietnamization and thus reduce our presence, our casualties, and our costs.

—To demonstrate that the enemy could not wage war on South Vietnam with impunity while using the rest of Indochina as a base area and stalling us at the conference table.

The North Vietnamese stepped up their pressure during the first months of each year, after building up their potential during the dry season. In 1969 shortly after we took office, they increased their attacks in South Vietnam. In 1970, they launched major attacks in Cambodia, attempting to link up their base areas into one continuous hand. In 1971 they staged a major buildup in southern Laos.

These operations threatened American and allied forces. Beyond that, they challenged the whole Vietnamization program. The Communists were intent on expanding their base areas bordering South Vietnam, strengthening their logistics network, and linking up conventional and guerilla forces for future assaults.

Our basic strategy was to blunt the threat to our men, meet the challenge to our program, and buy the time needed to make our ally self-sufficient. Our actions were defensive and limited in both duration and scope. In 1970 there were joint U.S.-South Vietnamese operations against the North Vietnamese base areas in Cambodia. In 1971 the South Vietnamese, with our support, attacked the enemy base areas in Laos.

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These actions achieved the objectives we set. In the months following each action, our troop levels and casualties showed a marked decline while South Vietnam’s security situation and self-confidence improved.

Each of these phases in turn demonstrated the continuing success of Vietnamization. The 1969 Communist attacks made little headway because the enemy had suffered heavy losses in their Tet Offensive the year before and our own forces were still at a peak level. In the 1970 Cambodia operation, the South Vietnamese conducted large scale military operations of their own alongside U.S. forces. In 1971 in Laos our allies carried on all of the ground combat while our role was limited to air and logistic support. At each stage the South Vietnamese did more and we did less; and after each stage we were able to accelerate the shifting of responsibilities. In 1972, when the most severe test of all came, the South Vietnamese were ready.

By early 1972, South Vietnam had made impressive progress across the board. Militarily, its forces had taken over virtually all of the ground fighting and much of the close air support mission. Over one million civilians had joined the People’s Self-Defense Forces. The government had the confidence to supply this local militia with weapons. The pacification program was succeeding. Eighty percent of the population lived in areas under government control. Nearly all of South Vietnam’s 2,200 villages had elected their own local leaders. Comprehensive economic reforms had cut the rate of inflation and stabilized South Vietnam’s economy. Industrial output, exports, and tax revenues had reached their highest point in many years. A vigorous land reform program had transferred nearly one million acres of farm land to former tenants, and the government had established a widespread system of low interest agricultural loans. The rice harvest promised a bumper crop, thanks in part to high yield grains introduced with our assistance. School attendance and classroom construction had reached new high levels. Nearly one million refugees—most of them displaced by the Communists’ Tet Offensive in 1968—had resettled or were being cared for.

In the spring of 1972, faced with South Vietnam’s growing military, economic, and political strength, North Vietnam launched its most massive challenge. On March 30, its troops poured through the Demilitarized Zone separating North and South Vietnam which the 1954 Geneva Agreements had established. In so doing, Hanoi abandoned its previous tactics and fundamentally changed the nature of the fighting, for it employed almost its entire army in an all-out frontal assault.

This challenge came just as we were trying to revive private negotiations in Paris to get a response to a comprehensive U.S.-GVN peace proposal that had been tabled on January 27, 1972. While Hanoi was preparing its major military assault—and even after it was underway—we tried every route of restraint. After months of effort, we finally arranged a secret meeting in Paris on May 2 with the North Vietnamese. This proved abortive as they rejected all possibilities for de-escalation or for settlement. They were obviously determined to settle matters through military action.

South Vietnamese valor and America’s forceful support blunted the Communist offensive. On May 8, faced with aggression in Vietnam and intransigence in Paris, I announced that we were mining all major North Vietnamese ports and were resuming air and naval attacks in North Vietnam to interdict the flow of troops and supplies into the South. At the same time, I held out the alternative of a peaceful settlement along lines that eventually began to emerge five months later to the day.

I took these actions only after all other options had been exhausted and the imperatives were clear. We could not passively acquiesce in all-out aggression, fueled by the arms of outside powers and conducted in total disregard of international agreements and understandings. Most immediately, the enemy attacks threatened our remaining forces in South Vietnam as well as regional stability. Beyond that, it challenged America’s credibility and thus the chances for stability around the world. Finally, it was the eve of my journey to Moscow: how could the President of the United States go to a summit meeting while our ally was being overrun with the help of arms supplied by the country he was visiting?

The South Vietnamese stood up well under the massive attack, which was designed to inflict political, psychological, and economic damage as well as to gain territory. Enemy guns pounded civilian centers, such as Quang Tri City and An Loc, into rubble, but the Communists kept little territory, and they failed to crack the spirit of the South Vietnamese. Buoyed by our actions, our allies rolled back most Communist territorial gains and liberated Quang Tri City, the only provincial capital the Communists had been able to take. More than one million South Vietnamese “voted with their feet” by moving into areas controlled by their government rather than staying with the enemy. Local leaders performed well under pressure. Even opposition groups closed ranks with the government against the common enemy. The inevitable economic dislocations were slight. The land reform program continued and, by March 1973, two and a half million acres had been distributed by the government, virtually eliminating land tenancy in South Vietnam.

Thus, the North Vietnamese offensive had failed. The steady development of Vietnamization and the allied military reactions of 1970 and 1971 had made possible the defense of South Vietnam in 1972. The cli-
mactic military phase gradually underlined to all parties the futility of
continued conflict and the need for genuine negotiations.

In sum, the military measures we took in Indochina were a difficult
but essential aspect of our peace-making efforts. In each case we made
clear our limited objectives. Throughout we emphasized the alternative
route of a negotiated end to the conflict. Reinforcing the tracks of Viet­
namization and negotiations, these decisive actions made an indispensable
contribution to the peace that was finally achieved.

**Negotiating the Peace**

The Agreement which was signed in Paris on January 27, 1973,
culminated four years of intensive negotiating effort. Throughout this
process, our fundamental attitude was as I described it on November 2,
1972:

"We are going to sign the agreement when the agreement is
right, not one day before. And when the agreement is right, we
are going to sign without one day's delay."

In Vietnamization the guiding principle was to give the South Viet­
namese the chance to defend themselves; in negotiations it was to give
the South Vietnamese the chance to choose for themselves.

In reviewing the long negotiating record, certain basic elements should
be kept in mind.

Our preference was always to solve military questions alone. The best
way to ensure that the South Vietnamese could determine their own
political future was to leave political questions to them. We believed that
we should not negotiate a political settlement for South Vietnam.
Furthermore, we knew that military issues would be easier to resolve
than political issues that would be extremely difficult given Vietnam's
long and bitter history. We were neither qualified, nor justified, in
detailing specific political formulas such as governmental bodies or
electoral processes for the Vietnamese people. Nor did we wish to be
directly involved in—or responsible for—the functioning of the political
machinery.

We preferred to concentrate on those aspects of a settlement that
directly involved us—the military activity, withdrawals, and prisoners.
We felt the political future should be negotiated by the South Vietnamese
themselves, hopefully in a calmer atmosphere. We did not seek to impose
a political victory, any more than a military victory, but we were not
prepared to impose a political defeat.

Until the final stage the North Vietnamese and their allies insisted
on a settlement that would effectively guarantee that the future of South
Vietnam would be Communist. Public speculation and commentary to
the contrary, they never agreed to separate military from political issues
until the end of 1972. And when, in light of this position, we presented
comprehensive proposals, including political elements, they never
wavered from their basic goals.

However they packaged their proposals, the fundamental provisions
were a fixed date for our total and unconditional withdrawal; the re­
moval of the leadership of the Government of South Vietnam; and the
installation of Communist rule disguised as a so-called coalition
government.

This basic philosophic clash, not the failure to find precise formulas,
delayed a settlement for four years. So long as the Communists insisted
on their basic demands, we were faced at the conference table with one
overriding issue. I addressed this question in last year's Report:

"Will we collude with our enemies to overturn our friends? Will
we impose a future on the Vietnamese people that the other side
has been unable to gain militarily or politically? This we shall
never do."

The only solution offered by our domestic critics was to turn our ally
over to the Communists, either through accepting their terms in Paris or
removing all our support from South Vietnam. And neither course
provided any guarantee that we would obtain the release of our prisoners.

Instead—as we pursued fruitless negotiations in Paris—we wound
down our presence in South Vietnam responsibly. Vietnamization re­
assured our allies and spurred their initiative. South Vietnam's steady
advance toward self-reliance was certainly a factor in the enemy's ulti­
mate decision to negotiate seriously.

In the end we emerged with a settlement that met our basic principles
and gave the South Vietnamese people a chance to determine their own
future.

The First Three Years. In last year's Report I detailed our public
initiatives and secret diplomacy for peace during the first three years
of this Administration. Briefly, the record was as follows:

—At the outset we took unilateral steps to induce negotiations, such
as the progressive withdrawal of our troops and reduction in air
sorties in Vietnam. Each of our measures was met by fresh and
more stringent demands by the enemy.

—We also moved publicly to define the framework for a negotiated
settlement, emphasizing the withdrawal of foreign troops and
general principles to allow the South Vietnamese to deter­
mine their own political future. On May 14, 1969, we proposed
On October 7, 1970, we presented an overall proposal for a settlement that would remove all outside forces from South Vietnam and establish internationally supervised elections. On July 11, 1969, the Republic of Vietnam offered free elections to be run by a mixed electoral commission, in which all parties could participate. On April 20, 1970, I spelled out the principles of a political solution that would reflect the choice of the South Vietnamese people and the existing relationship of political forces within the country. I pledged that the United States would abide by the outcome of any political process chosen by the South Vietnamese.

On October 7, 1970, we presented an overall proposal for a settlement that looked to the resolution of military questions and free political choice for the South Vietnamese. We proposed an internationally supervised ceasefire; an Indochina Peace Conference; the withdrawal of all American forces from South Vietnam; a political solution based on the principles of April 20; and the immediate unconditional release of all prisoners of war.

Throughout this period we intensively pursued secret diplomacy in the hopes that a private forum might produce genuine negotiations. Dr. Kissinger went to Paris regularly to meet with the North Vietnamese Special Advisor Le Duc Tho and Minister Xuan Thuy.

In these secret sessions we spelled out positions that were more detailed and forthcoming than our public stance, as we made maximum efforts to make a breakthrough toward peace. On May 31, 1971, we offered a special settlement of military issues alone—the withdrawal of all U.S. forces in exchange only for an Indochina ceasefire and release of all prisoners. All other questions would be left to the South Vietnamese.

The North Vietnamese continued to insist that political questions also be included, specifically that a coalition government dominated by their side be installed. During the following months the Communists followed a particularly cynical negotiating procedure designed to mislead public opinion. On June 26, they tabled a secret nine-point proposal; five days later, on July 1, the South Vietnamese Communists made a public seven-point proposal. Our own subsequent secret positions responded to both plans. Meanwhile the North Vietnamese castigated us publicly for not responding to the seven-point proposal even though privately they said we should respond to their nine-point proposal, and we had done so.

In view of Hanoi's insistence that political issues be addressed, we presented during the summer a series of increasingly generous and comprehensive peace plans which were designed to frame a political process as well as settle the military questions. By August we offered our total withdrawal in nine months; a political process which included elections and our pledge to neutrality and acceptance of the outcome; limitations on military aid to South Vietnam providing there were limits on aid to North Vietnam as well; non-alignment for South Vietnam and all of Indochina; and reunification to be worked out between North and South Vietnam.

On October 11, in response to North Vietnamese comments, we conveyed still another comprehensive plan to Hanoi and proposed another secret meeting in November to consider it. They agreed to meet on November 20, but abruptly cancelled the session just three days before, on November 17.

On January 25, 1972, after waiting in vain for more than three months for the North Vietnamese to answer our proposal to meet, we were compelled to explain the situation to the American people and try to elicit Hanoi's reaction to our offers. We revealed the scope of our private diplomacy, and President Thieu and I offered a new comprehensive plan for peace. Once again we sought to make the political process as free and open to all parties as possible while resolving the military conflict.

Our proposal provided that within six months of a settlement all U.S. and allied forces would withdraw from South Vietnam; all prisoners throughout Indochina would be released; there would be a ceasefire throughout the region; and a new Presidential election would take place in South Vietnam. In addition, President Thieu offered to resign one month before the elections. We spelled out these provisions and others in considerable detail. We also made clear, as we had proposed in May 1971, that we were prepared to settle only the military issues and to leave political matters for later resolution by the South Vietnamese.

January—October 1972. The North Vietnamese response to our comprehensive offer was to continue their massive military buildup in South Vietnam and to launch their Easter invasion. They never replied to our negotiating proposal; they refused to meet us privately; and they repeated their same negotiating demands publicly.

The North Vietnamese finally agreed to meet again in Paris privately on May 2. We made every effort to find a way to end or scale down military conflict. We proposed a variety of approaches: mutual de-escalation; a de facto ceasefire; a partial withdrawal of the invading
forces; an overall military settlement; or more comprehensive solutions. All of our proposals were rejected.

Accordingly, we had little choice but to respond with the decisive measures of May 8, 1972. At the same time we proposed a fair settlement, one that would prove eventually to be the framework for peace: the cessation of all our military activities and the withdrawal of all our forces within the same period, and a ceasefire. We told Hanoi that we would resume private negotiations at any time.

The North Vietnamese eventually decided to resume talks in Paris on July 19, 1972. As these discussions went on throughout the summer, the enemy continued to insist on a comprehensive political and military solution along familiar lines. While there were marginal changes in their approach, enough to justify continuing the negotiations, there was no real progress toward a solution. In the July, August, and September sessions, their positions, however modified around the edges, contained the unacceptable core—imposition of a coalition government that the Communists would control.

Until October 1972, therefore, the basic stumbling block remained North Vietnam’s demand that political victory be handed to them as a pre-condition for settling all military questions. In that case, of course, the latter would become totally irrelevant since the very issue that the struggle was all about would have been settled.

The October Breakthrough

On October 8, 1972, the North Vietnamese presented a new plan in Paris accepting the basic principles of our position. It was the essential breakthrough toward a negotiated settlement. For the first time, Hanoi agreed, in effect, to separate military questions from the principal political issues. They spelled out specific solutions to the former while the latter were to follow later and were left basically up to the South Vietnamese. Moreover, they dropped their insistent demand for President Thieu’s resignation and formation of a coalition government.

To be sure, there were major problems in their plan, and tough negotiations lay ahead. But, in their own words, the North Vietnamese had essentially accepted the approach that I had outlined in my May 8th speech. We could see that, given a constructive attitude on their part, there was, at long last, the genuine prospect of a negotiated peace.

Once this breakthrough was achieved, we moved decisively and quickly toward a final settlement. The North Vietnamese negotiated seriously as well. In areas where there had never been significant movement, there was now rapid progress. Through intensive negotiations from October 8–12 and on October 17, and diplomatic communications, we hammered out a basic draft agreement.

Perhaps to catch the South Vietnamese off balance, perhaps to pin us down to a settlement before our own elections, the North Vietnamese insisted on a very short timetable, with October 31, 1972, the date for final signature. After refusing to negotiate seriously for three years, the enemy now demanded that we complete the negotiations within three weeks of their proposal. We promised to make a maximum effort to meet the deadline, subject to discussions with Saigon and a final negotiating round to complete the draft.

To prove our serious intentions and to reflect the progress that was being made, I ordered suspension of all bombing above the 20th parallel in North Vietnam on October 23, 1972. During this period, as a result of several developments since the October 17 meetings in Paris, we told the North Vietnamese privately that, while we stood by the basic draft agreement, we could not meet the October 31 target date.

There were three main reasons we could not do so:

— During the last half of October, we received mounting evidence that the Communists were planning to take advantage of the ceasefire with military offensives. This threw a different light on their eagerness to complete the agreement rapidly. Our South Vietnamese friends would have minimum time to prepare for the new situation. It also made more imperative the need to tighten up certain aspects of the agreement, including the supervisory mechanisms. Failure to settle on international machinery would mean that any violations would occur in an unsupervised context.

— At the very time we were conducting delicate consultations with our ally, Hanoi’s leadership made public comments suggesting the possibility of a coalition government, which both sides had firmly agreed was not envisaged in the settlement. These and other ambiguities had to be put to rest.

— We ran into opposition in Saigon. Our South Vietnamese ally wanted many changes in the agreement, and they wanted more time for consultations. We were not prepared to accept all their proposals, but their deep concerns and the other factors made it essential to take a little more time. We believed a country that had suffered so much was entitled to have its views fully considered. We made clear, however, that we would maintain the integrity of the draft settlement.

On October 26, Hanoi publicly revealed the outlines of the agreement we were negotiating and repeated its insistence that we sign by the end
of the month. We had agreed to keep the content of the negotiations private so as not to jeopardize their outcome. The North Vietnamese disclosures, however, gave us the choice of either breaking off negotiations or affirming our commitment to the framework of the settlement while describing the types of changes still needed. We chose the latter course and publicly outlined our position in response to North Vietnam’s propaganda offensive.

Our primary audiences were Hanoi and Saigon. We believed that peace was very near, and we wanted to underline the message to both capitals. To our adversary, we committed ourselves publicly to the essence of the draft agreement. To our friends, we emphasized that we would take their concerns very seriously into account, but we left no doubt that we considered the basic settlement fair to all parties. We sympathized with Saigon’s perspective. The war, after all, was on their soil; they would have to live with any agreement after we departed. But we were determined to conclude a settlement as soon as we were satisfied it was sound.

We emphasized our conviction that the remaining problems could be solved in one more negotiating round of three or four days, as had been foreseen earlier in October, if Hanoi continued to share our serious attitude. We did not wish to release the full text of the draft agreement or to get into specifics. To do so would only give observers a scoreboard on which to register points won by each side in subsequent bargaining. It would hurt the chances for a final settlement by making the outstanding problems matters of prestige for the parties.

Therefore, we indicated the general nature of the issues that still needed resolution in order to solidify the settlement:

— We wished to elaborate the details of the control and supervisory machinery which was established in principle.
— We wanted to speed up ceasefires in neighboring Laos and Cambodia, for the conflict affected all of Indochina.
— We needed clarification of certain ambiguities. For example, the North Vietnamese and we clearly agreed that no coalition government was contemplated in the settlement, but the Vietnamese text of the agreement could be read to suggest a new governmental organ.
— We needed to work out the signing procedure for the four parties.
— We wished to clarify a few other technical problems in the text.

These matters were important in order to solidify the agreement, but they were minor compared to the hurdles that had already been surmounted. We would not be stampeded into an agreement by an arbitrary deadline. We would negotiate until it was right. And once we believed it was right, we would not be deflected from signing it. Only the terms of the settlement would determine the date of our signature—not enemy pressures, nor excessive requests from our friends, nor an electoral deadline.

The Final Stages

In retrospect, peace certainly was near in late October—the ending of a twelve-year conflict was reached twelve weeks later. But the record of those twelve weeks makes it equally clear that peace could have come even sooner if it were not for a cynical North Vietnamese approach at the end of 1972.

On November 20, negotiations resumed and lasted five days. We took up the remaining problems in the agreement and presented draft protocols designed to supplement it. These were technical documents. They introduced no new issues but spelled out in neutral detail the implementation of such aspects as ceasefire supervision and prisoner release. At first the North Vietnamese remained serious. We made significant progress in the agreement itself, although we received no responses on the protocols. A stalemate developed over the few residual issues, however, and both sides agreed to recess until December 4 to reconsider their positions.

Throughout this period we continued our intensive discussions with the Republic of Vietnam. We consulted through our Ambassador in Saigon, with South Vietnamese representatives in Paris, and through high level emissaries to each other's capital. We listened closely to South Vietnam's concerns and presented many of them forcefully in Paris. We did not adopt all of them as our own, however. We determined what we thought would make a fair agreement, and we stayed within the framework of the October draft.

On December 4, when we resumed the talks, the North Vietnamese attitude had changed fundamentally. The final issues could have been resolved in a few days given a serious attitude on both sides. The North Vietnamese began this round, however, by withdrawing all the changes they accepted in November. We spent the next few days working arduously back to where we had been two weeks previously. Then we reached a total impasse. Throughout the last several days of the negotiations in December it became very clear that Hanoi had no intention of settling at that time. We therefore recessed on December 13 after several fruitless and exasperating sessions.
Many of the problems we had pointed to on October 26 had been settled: the prospects for an early ceasefire in Laos at least were firmer, and various technical improvements had been made in the agreement. But other problems remained and, because of the North Vietnamese approach, they were growing, rather than shrinking.

On December 16, we explained the reasons for the stalemate. Although many ambiguities in the provisions had been clarified, a few remained. We still had to work out a signing procedure for the agreement that would accommodate the sensibilities of the various participants. We were still far apart on the concepts of supervisory machinery for the ceasefire, and the North Vietnamese had allowed no serious discussions of any of the protocols.

The impasse was created both by North Vietnamese rigidity on these specific issues and by their whole negotiating approach. They kept a settlement continuously out of reach by injecting new issues whenever current ones neared solution. At technical level meetings, scheduled only to conform the English and Vietnamese texts, they raised fresh substantive problems. Questions already resolved in the agreement were revived by the North Vietnamese in the protocols. Instead of the constructive approach of October, there were now determined, often frivolous, tactics designed to frustrate the negotiations.

In mid-December, therefore, we had little choice. Hanoi obviously was stalling for time, hoping that pressures would force us to make an unsatisfactory agreement. Our South Vietnamese friends, in turn, still had some strong reservations about the settlement. The more difficult Hanoi became, the more rigid Saigon grew. There was a danger that the settlement which was so close might be pulled apart by conflicting pressures. We decided to bring home to both Vietnamese parties that there was a price for continuing the conflict.

On December 18, we moved strongly in both directions. We resumed bombing north of the 20th parallel in North Vietnam, which we had suspended while serious negotiations were underway. We had to make clear that Hanoi could not continue to wage war in the South while its territory was immune, and that we would not tolerate an indefinite delay in the negotiations.

At the same time, we talked sternly with our friends in South Vietnam. In our view they were holding out for terms that were impossible to achieve without several more years of warfare—if then. We therefore re-emphasized our determination to conclude the agreement if the North Vietnamese should once again prove reasonable in Paris.

During this time we maintained direct private communications with Hanoi. Once we had been assured that serious talks could again be undertaken, we suspended our bombing of North Vietnam above the 20th parallel on December 31, 1972.

On January 2, 1973, the technical talks on the protocols to the agreement resumed in Paris and serious drafting began. From January 8 to 13, Dr. Kissinger and Le Duc Tho met. The serious approach of October reappeared. There was rapid progress on the remaining issues in the agreement on the protocols. The residual ambiguities in the text were resolved. We agreed on a procedure for signing the agreement that satisfied all parties. Four protocols were elaborated into final, agreed form, detailing such key military provisions as ceasefire supervision and release of prisoners. In short, we had achieved essentially all that we had set out to do on October 26.

Simultaneously, we continued consultations with the South Vietnamese Government, and these moved to a successful conclusion. On many questions we had improved the agreement to our ally's satisfaction; on others, the South Vietnamese changed their positions for the sake of concluding the settlement.

On January 23, 1973, Dr. Kissinger returned to Paris for a final meeting. On that date the United States and North Vietnam, with the concurrence of their allies, initialled the agreement.

That evening in announcing the settlement, I said:

"We must recognize that ending the war is only the first step toward building the peace. All parties must now see to it that this is a peace that lasts, and also a peace that heals, and a peace that not only ends the war in Southeast Asia, but contributes to the prospects of peace in the whole world."

In Paris, on January 27, 1973—the first anniversary of the comprehensive U.S.-GVN peace plan—Secretary of State Rogers signed the agreement for the United States.

The Agreement

This Agreement met the essential conditions that we had laid down on January 27, and on May 8, 1972; a ceasefire, return of all prisoners, the withdrawal of American forces, and the political future of the South Vietnamese to be determined by the people themselves. The major elements were:
The release within 60 days of all captured Americans held throughout Indochina, and the fullest possible accounting for those missing in action.
The parallel withdrawal of all United States and allied forces and military personnel from South Vietnam.
A ban on infiltration of personnel into South Vietnam.
A ban on the introduction of war material into South Vietnam except one-for-one replacement of military equipment worn out, damaged, destroyed, or used up after the ceasefire.
The reduction and demobilization of both sides' forces in South Vietnam.
The withdrawal of all foreign troops from Laos and Cambodia.
A ban on the use of Laotian or Cambodian base areas to encroach on the sovereignty and security of South Vietnam.
The determination of the political future of South Vietnam by the South Vietnamese themselves.
Formation of a non-governmental National Council of National Reconciliation and Concord operating by unanimity, to organize elections as agreed by the parties and to promote conciliation between the parties and implementation of the Agreement.
Respect for the Demilitarized Zone dividing South and North Vietnam.
The eventual reunification of North and South Vietnam through peaceful means, step by step, through direct negotiations.
Respect for the independence, sovereignty, unity, territorial integrity, and neutrality of Laos and Cambodia.
In accordance with traditional United States policy, U.S. participation in postwar reconstruction efforts throughout Indochina.
An International Commission of Control and Supervision (ICCS) composed of Canada, Hungary, Indonesia, and Poland to control and supervise the elections and various military provisions of the Agreement.
Joint Military Commissions of the parties to implement appropriate provisions of the Agreement.
An International Conference within thirty days to guarantee the Agreement and the ending of the war.

There were also four protocols which spelled out the implementation of the Agreement in the following areas: the ceasefire and the Joint Military Commission; the ICCS; the release of prisoners; and mine clearance in North Vietnam.

These then are the principal provisions of the Agreement and the negotiating history that produced it. The following points emerge.

The Agreement corresponded to our overall approach. We consistently held the view that a settlement should involve specific resolution of military questions alone. This was, we believed, the most feasible and rapid route to peace. The final settlement embodied this principle. The military issues—such as the ceasefire, prisoner release, withdrawals, and supervision—were spelled out in detail in the Agreement and accompanying protocols. On the political side, the provisions were general, leaving those matters to be negotiated between the two South Vietnamese parties.

The Agreement included the basic features of our earlier peace plans. An internationally supervised ceasefire, return of all prisoners, the withdrawal of Americans and allied forces, and an international conference were basic provisions of all our plans since October 1970. Internationally supervised elections were always the centerpiece of the U.S.-GVN political approach. And the National Council corresponded in many respects to the mixed electoral commission of our January 1972 plan.

The settlement represents a compromise by both sides. While our essential principles were met, we and the Communists had to make compromises. Many of these were more significant for our ally than for us. For example, we did not insist on the withdrawal of North Vietnamese forces from South Vietnam. On the other hand, this had not been part of our negotiating position since our October 7, 1970, plan. There were other mutual compromises. But the fact these were made reflected the de facto situation and represented an outcome fair to all parties. Neither side could expect to impose at the conference table what it had not gained on the battlefield. The military outcome was not clear-cut and therefore the political future was yet to be determined. For us the important principle is that the Agreement does not hand over this political future to the Communists. Our friends have every opportunity to demonstrate their inherent strength.

It was not possible to reach this Agreement any sooner than we did. Some observers have asked why we did not negotiate this settlement four years ago. The answer is simply that it was impossible to do so at any time before October 1972. As the record makes clear, the North Vietnamese from the very outset always insisted on linking political and mili-
tary issues. They always demanded removal of the government in South Vietnam and the installation of a Communist-dominated structure. They never varied from that basic approach until the final months of this Administration’s first term. Once we had achieved this breakthrough, we moved as rapidly as possible to complete the settlement.

Peace in Vietnam will depend not only on the provisions of the Agreement but on the spirit in which it is implemented. It was vital to reach a settlement that would provide a framework for South Vietnamese self-determination and for our honorable disengagement. We have never been under the illusion, however, that any single document would instantly move the people of the region from a generation of war and hatred to peace and reconciliation.

We have laid the best obtainable foundation for the beginning of this process. We hope that the contending factions will now prefer to pursue their objectives through peaceful means and political competition rather than through the brutal and costly methods of the past. This choice is up to them. We shall be vigilant concerning violations of the Agreement. We are always ready to encourage accommodation among the South Vietnamese. But the peace and progress of South Vietnam and its political future depend on the people themselves.

Ongoing Efforts To Maintain the Peace

In the period immediately following the signing of the Agreement, we moved on several fronts to promote its implementation. We talked to our adversaries, to our friends, and to other countries principally involved in guaranteeing the peace.

Prisoners of War and Missing in Action. The Four Party Joint Military Commission started immediately to make the arrangements for release of our prisoners of war. The two sides exchanged lists of prisoners of war on January 27, the date of the signing. The list of prisoners captured in Laos was furnished by North Vietnam on February 1. A U.S. team from the State and Defense Departments flew to Hanoi on February 12 to pick up the first group of returnees; another group was freed in South Vietnam the same day, and further releases were due at 15 day intervals. When there appeared to be stalling, we immediately held up U.S. force withdrawals to emphasize the importance we attached to prompt and full compliance with the Agreement and Protocols. Releases then continued on schedule. A final dispute over the release of the U.S. prisoners of war captured in Laos was resolved when the Communist side agreed to release them in Hanoi on March 28. In the meanwhile, the Republic of Vietnam, with our support released the more than 26,000 prisoners of war in its custody.

With the return of our prisoners, our efforts turned to the missing in action. More than 1300 U.S. military personnel and civilians remain in this category. The Vietnam Agreement contained unprecedentedly specific language on this issue—with similar provisions in the Laos ceasefire agreement—and we made clear to the Communist side our determination to secure the fullest possible accounting for each of our men. As stipulated in the protocol, a Four Party Joint Military Team is being maintained to gather information about the missing in action. We also established a Joint Casualty Resolution Center (JCRC) in Thailand—near the Laos and Vietnam borders—to search for the missing. These efforts will continue until we have exhausted all possible means to find information on each of our men.

North Vietnam. Dr. Kissinger visited Hanoi from February 10 to 13, for direct conversations with Prime Minister Pham Van Dong and other North Vietnamese leaders. As stated in the Joint Communique after the visit, the two sides carefully reviewed implementation of the Agreement, problems in Laos and Cambodia, postwar economic reconstruction, and the International Conference on Vietnam that was held shortly afterwards. They also considered the bilateral relationship between our two countries and concrete steps to normalize our relations.

A significant result of this trip was an agreement to establish a Joint Economic Commission to develop economic relations between the United States and the Democratic Republic of Vietnam. This Commission began its work in Paris on March 15, 1973. Its agenda includes not only economic assistance but the whole range of economic matters. And it could become not only a technical group but a forum for a more constructive dialogue between our two nations.

The essential message we have for North Vietnam’s leaders, and which was conveyed during this trip, is as follows.

We do not assume Hanoi will give up its long-range goals. We do expect it to pursue those goals without using force. Hanoi has two basic choices. The first is to exploit the Vietnam Agreement and press its objectives in Indochina. In this case it would continue to infiltrate men and materiel into South Vietnam, keep its forces in Laos and Cambodia, and through pressures or outright attack renew its aggression against our friends. Such a course would endanger the hard won gains for peace in Indochina. It would risk revived confrontation with us. It would, of course, destroy the chances for a new and constructive bilateral relationship with the United States, including economic assistance.
The second course is for North Vietnam to pursue its objectives peacefully, allowing the historical trends of the region to assert themselves. This would mean observance of the Vietnam settlement and the removal of foreign forces on both sides from Laos and Cambodia. It would transform years of military conflict in Indochina into political struggle. It would enable the United States and the Democratic Republic of Vietnam to normalize relations. If Hanoi follows this path, the United States will abide by whatever the historical process produces in Indochina.

If North Vietnam chooses the peaceful option, the United States remains committed to better relations. We are convinced, as stated in the Joint Communique at the conclusion of Dr. Kissinger's visit to Hanoi, that this process would “help to ensure stable peace in Vietnam and contribute to the cause of peace in Indochina and Southeast Asia.”

**Indochina Reconstruction.** Thus the basic challenge in Indochina is to move from two decades of violent struggle to peaceful evolution. It will not be easy to make this transition after a generation of conflict, to discard familiar techniques and join in constructive enterprises, and to rely on political competition and the forces of history for the achievement of goals.

The economic assistance we propose in concert with others, for the reconstruction and development of the entire region would help make this transition a reality. To be effective it must include the Democratic Republic of Vietnam. The rebuilding of war-torn economies of former enemies is a traditional policy of this country and served the goal of reconciliation the period after World War II. This concept was first proposed for Indochina by the previous Administration in 1965. We have reaffirmed it on many occasions during this Administration, including last year's Report. It would be a sound investment in peace, providing avenues and incentives for an insulated and suspicious country to engage in peaceful and cooperative pursuits. It responds to humanitarian needs as well as to political and psychological necessities.

We will pursue this program with determination. The funds required will not be drawn from any domestic programs. As we proceed, however, we will be guided by two fundamental principles:

- We will observe Constitutional requirements both in letter and spirit and consult closely with the Congress at every step of the way.
- We will not provide aid to the Democratic Republic of Vietnam if it violates the Agreement. Hanoi cannot expect to receive our economic assistance while pursuing its goals through military pressure.

We believe that the American people and the Congress will agree to provide the relatively modest amounts to help keep the peace that ended such a long and costly war.

**South Vietnam.** The Republic of Vietnam and the United States fought and suffered together many years. We supported that government and its people in their valiant efforts against aggression. And we consulted closely with them throughout the long, torturous road of negotiations. We now look forward to working together in peace as we did on the battlefield and at the conference table.

The Republic of Vietnam will find us a steady friend. We will continue to deal with its government as the legitimate representative of the South Vietnamese people, while supporting efforts by the South Vietnamese parties to achieve reconciliation and shape their political future. We will provide replacement military assistance within the terms of the Agreement. We expect our friends to observe the Agreement just as we will not tolerate violations by the North Vietnamese or its allies.

We will also continue to contribute generously to South Vietnam's economic rehabilitation and development. That country is making a major effort to make its economy self-sufficient, but the peace agreement does not lessen its need for substantial outside assistance. South Vietnamese requirements will, in fact, increase in the short term. The government's heavy military budget will decline only slowly, for it must maintain a vigilant defense and support the total military responsibility created by the withdrawal of the American and allied forces. Simultaneously, South Vietnam will bear the double burden of creating new jobs for demobilized personnel and of meeting massive expenditures for relief of refugees and war victims. Finally, the country faces other heavy financial drains as it reconstructs the many destroyed towns, repairs the country's transportation and irrigation systems, and brings back into production large arable regions abandoned during twenty years of fighting.

None of the country's major economic tasks can be accomplished without substantial economic assistance. With such aid, none of these problems is insuperable. South Vietnam has the natural and human resources to be economically independent and viable. What is needed is time for these resources, diverted or idled by the war, to be put back to productive use.

The Republic of South Vietnam now seeks the economic counterpart to Vietnamization. As we helped them take over their own defense in conflict, we will help them now become economically self-sustaining in peace.
These were the principles I expressed to President Thieu when we met at San Clemente a few weeks ago. His visit to the United States symbolized both our common struggle in past years and our common endeavors in the years to come. As we said in our joint communique:

"... both Presidents agreed that through the harsh experience of a tragic war and the sacrifices of their two peoples a close and constructive relationship between the American and the South Vietnamese people has been developed and strengthened. They affirmed their full confidence that this association would be preserved as the foundation of an honorable and lasting peace in Southeast Asia."

The International Conference. From February 26, 1973, to March 2, 1973, the International Conference on Vietnam met in Paris. Twelve nations—the four parties to the Agreement, the four ICCS countries, and the permanent members of the United Nations Security Council—plus the Secretary General of the United Nations, attended. The Final Act signed on March 3, 1973, endorsed the Vietnam Agreement; called for its strict observance by the four parties; pledged respect for the Standing and ambiguities was to be expected in the first months of

A single meeting lasting several days cannot guarantee the peace. But the gathering and the statements of the nations involved underlined the reality that all countries, not just those directly concerned, have a stake in peace in Indochina. We expect the nations that signed the Act of the Conference to live up to their obligations. We will take their performance into account in the conduct of our bilateral relations.

Future Tasks

Achieving an end to the war was exceptionally difficult, but keeping the peace will be no less challenging. It involves not just Vietnam but all of Indochina, and not just the Indochinese countries but outside nations as well. The following are the major tasks:

- Strengthening the peace in Vietnam.
- Implementing the agreement on Laos.
- Achieving a ceasefire and beginning negotiations on Cambodia.
- Ensuring restraint toward the region by outside powers.

The peace in Vietnam itself remains fragile. A period of misunderstandings and ambiguities was to be expected in the first months of
withdraw its forces from Laos and Cambodia in the near future, and to comply with the other provisions regarding those countries. As I have stated repeatedly, there cannot be stable peace in Vietnam until its neighbors are also at peace. The conflict has been indivisible. The peace must be too.

Countries outside the region have a strong interest in the maintenance of peace in Indochina. If the flames of conflict flare up again, there will be renewed suffering for the peoples of the area, the danger of another war, and a threat to the improvement of relations among the major world powers.

Accordingly, we look to outside powers to lend a moderating influence to the affairs of Indochina. This means, first of all, that there can be no reasonable justification for sending Hanoi large arms shipments now that there is a negotiated settlement. North Vietnam certainly is not threatened by its neighbors. A military buildup would raise questions not only about its intentions, but also about the motivations of the suppliers. Restraint in the North on this matter will be matched by restraint in the South.

Beyond that, we believe that friends of the Vietnamese belligerents can helpfully underline to them the advantages of maintaining the peace instead of rekindling the war. This will be our approach. For there cannot be a global structure of peace while conflict persists in Indochina.

This is a complex and difficult agenda. Unlike that of the last dozen years, our role will not be dominant. But it will remain substantial and important. And it will require both generosity and firmness, both patience and vigilance.

America has those qualities and will exercise them in the interest of peace in the region.

LAOS AND CAMBODIA

There cannot be lasting peace in Vietnam until its neighbors are at peace.

As of this writing, the situation in both Laos and Cambodia remains fluid. In Laos, the parties reached a ceasefire settlement in February 1973, but the framework is fragile, and the Communists have delayed negotiations which were stipulated in the Agreement to reach a definitive settlement. In Cambodia, the Communists have stepped up their military attacks since the Vietnam and Laos ceasefires, rejecting both the Government's unilateral military restraint and its call for negotiations. In both countries, North Vietnam continues to violate the past international agreements to which it was a party. And in both countries it is now violating the Vietnam Agreement it signed in January 1973.

North Vietnam, as well as the other parties to the Vietnam Agreement, has unambiguous obligations with respect to Laos and Cambodia. Article 20 of that Agreement stipulates that:

— The parties participating in the Paris Conference on Vietnam shall strictly respect the 1954 Geneva Agreements on Cambodia and the 1962 Geneva Agreements on Laos, and shall respect the neutrality of Cambodia and Laos.
— They will undertake to refrain from using the territory of Cambodia and the territory of Laos to encroach on the sovereignty and security of one another and of other countries.
— Foreign countries shall put an end to all military activities in Cambodia and Laos, totally withdraw from and refrain from reintroducing into these two countries troops, military advisers and military personnel, armaments, munitions, and war materiel.
— The internal affairs of Cambodia and Laos shall be settled by the people of each of these countries without foreign interference.
— The problems existing between the Indochinese countries shall be settled by the Indochinese parties on the basis of respect for each other's independence, sovereignty, and territorial integrity, and non-interference in each other's internal affairs.

These provisions are clear. They are not tied to any other conditions. To date they have been ignored by Hanoi. Although fighting has subsided in Laos, attacks there by the North Vietnamese and their allies continue. In Cambodia, Communist forces have increased their attacks
in a major effort to isolate Phnom Penh and other population centers. Hanoi has continued to infiltrate men and supplies into and through Laos and Cambodia. It gives no sign of ending this flow or withdrawing its forces from either country.

The U.S. position is clear. We will not tolerate violations of the Vietnam Agreement. We have every interest in seeing peace observed in Laos and peace attained in Cambodia. The legitimate governments of the two countries are working toward this end. In both countries we will honor whatever agreements are worked out by the peoples themselves. We firmly intend to implement all the provisions of the Vietnam Agreement, and we insist that all other parties do so as well.

The Setting and U.S. Policy

Hanoi has always exploited Laos and Cambodia in its conduct of the Vietnam War. It has etched a similar, distressing pattern in both of South Vietnam's neighbors in recent years:

—Neither Laos nor Cambodia has ever threatened North Vietnam, nor could they threaten it.
—The neutrality, independence, sovereignty, and territorial integrity of both countries were established by international agreements signed by Hanoi and its allies.
—The North Vietnamese have continually violated all these principles for years by sending tens of thousands of their troops into both countries and organizing insurgent forces.
—Hanoi's primary target has been South Vietnam. It has used Laos and Cambodia for infiltration corridors for its troops and supplies, for base areas for launching attacks on South Vietnam, and for sanctuaries.
—In the process, North Vietnam has also threatened the neutral governments in Vientiane and Phnom Penh.
—The helpless people of both nations, wanting nothing but to be left alone, have been subjected for years to outside aggression and exploitation.

Given the indivisibility of the Indochina conflict, our policy toward Laos and Cambodia has always been closely related to our policy in Vietnam. A fundamental concern has been with the Communist use of Laos and Cambodia in pursuit of their main objectives in South Vietnam. We also have been concerned with Hanoi's breaking of international agreements on these countries, and we have an interest in the independence and neutrality of the states in Southeast Asia.

Diplomatically, all our negotiating proposals on Vietnam have included Laos and Cambodia as well. The basic elements of our plans, such as ceasefire, release of American prisoners, the ban on infiltration and base areas, and the holding of an international conference concerned all of Indochina. Militarily, we have provided air and logistic support to the internationally recognized governments in Vientiane and Phnom Penh. This policy has been essential to protect the independence of South Vietnam and to enforce the Indochina aspects of the Vietnam peace settlement.

In Laos and Cambodia we have never undertaken the primary role but have confined our efforts to supporting those of the indigenous governments. This is true both at the conference table and on the battlefield:

—We have supported the attempts of the Laotian and Cambodian Governments to negotiate peace either on their own or as part of an overall Indochina settlement. In these efforts they have taken the lead and shaped the nature of the settlements they were seeking.
—While negotiations have been blocked by Hanoi's intransigence, the Lao and Cambodians have carried the ground combat responsibility while we provided military and economic assistance and, at their request, air and logistic support. We also supported South Vietnamese defensive strikes into North Vietnamese base areas in these two countries.
—Our role has been, and will continue to be, strictly limited: no U.S. ground combat personnel, a minimum American presence overall, and military support strictly tailored to the pressures of the North Vietnamese, the situation in South Vietnam, and the requests of the threatened governments.
—Our help has nevertheless been crucial for the independence of these countries and the pursuit of our objectives in Vietnam.

Laos

The United States Government has always favored a stable peace in Laos and the genuine independence and neutrality of that nation. Our objective has been a Laos free of conflict, free of outside forces, and free to determine its own future.

We therefore welcome the Agreement on Laos negotiated and concluded by the Laotian parties themselves on February 21, 1973. We hope that this Agreement, coupled with the related provisions of the Vietnam settlement, will secure a lasting peace in Laos and finally per-
mit that country to devote itself to the tasks of reconstruction and development.

A Fragile Peace. In the negotiations on Vietnam we took the consistent position that there should be an early ceasefire in Laos as well as Vietnam. The shaping of a settlement there was, of course, up to the parties themselves. Our friends needed no encouragement from us to negotiate the end of the conflict, so we pressed in Paris for Hanoi to ensure Pathet Lao readiness to conclude a settlement.

Negotiations between the Laotian parties began on September 18, 1972, and ran parallel to our talks with the North Vietnamese. One of the issues still not resolved to our satisfaction in late October in Paris was the prospect for early peace in Laos. As we moved toward a final settlement for Vietnam, the Laotian parties made progress in their talks. By the time we signed the Vietnam Agreement on January 27, 1973, we were confident that a ceasefire in Laos would be achieved within a matter of weeks, and we knew that our prisoners captured in Laos would be released within sixty days. Final obstacles to a Laos settlement remained, however, when Dr. Kissinger visited Vientiane, Bangkok, Hanoi, and Peking in mid-February and accordingly the Laos situation was a major topic on the agenda for those visits.

During this period, the final issues were settled by the Laotian parties and the Agreement was signed on February 21, 1973. It has the following main provisions:

- An immediate in-place ceasefire supervised by a Joint Military Commission with the assistance of the current International Control Commission (ICC), composed of India, Canada, and Poland.
- The formation of a new bipartite coalition government (the Provisional Government of National Union) and a consultative political council within 30 days of the ceasefire. The two Laotian parties were to negotiate and agree on the modalities and the exact membership in these bodies during the interim.
- The withdrawal of all foreign forces within 60 days after the installation of the new political bodies.
- The release of all POWs within the same 60-day period, except for Americans captured in Laos who were released within the 60 days provided for prisoner release under the Vietnam Agreement.
- The eventual holding of legislative elections to be organized by laws adopted by the new Consultative Council and Provisional Government.

Pending these elections and the formation of a permanent government of national union, the separate administration by the two sides of the areas under their respective control.

Following signature of the Agreement, the Royal Laotian Government made a maximum effort to reach final agreement on the protocols implementing its political and military provisions. The government presented concrete proposals to the Pathet Lao in order to obtain agreements on these matters necessary to form the Provisional Government within the specified 30-day period and to speed the withdrawal of North Vietnamese and other foreign forces. However, the Laotian Communists adopted obvious delaying tactics in the implementing talks, including keeping their senior negotiator away from the conference table for weeks on end. As a result, the 30-day period for the establishment of a new government and a Consultative Council passed without agreement.

The same pattern persisted on other related questions such as the talks concerning a Joint Military Commission and a revitalized ICC. Meanwhile, in blatant violation of its international obligations, North Vietnam has continued its military activities in Laos and expanded its logistics and base network there, threatening South Vietnam.

U.S. Support. We have consistently maintained the supporting role that the previous Administrations inaugurated. On the diplomatic plane, as already indicated, we have continually backed Prime Minister Souvanna Phouma's efforts to negotiate a peace.

In the face of enemy aggression, and in light of the threats to South Vietnam, we have also responded to the Laotian government's request for military and economic assistance. By Congressional action, our total assistance expenditures in Laos were limited to $375 million in fiscal year 1973. Our economic aid efforts were devoted primarily to programs for the care of refugees and the stabilization of the heavily burdened Laotian economy. Military assistance involved primarily the delivery of supplies and equipment to the Laotian forces. These forces carried the ground combat role and, even in the air war, the Laotian Air Force provided much of the air support.

With the conclusion of a ceasefire in Laos, we look forward toward reductions in U.S. operations and expenditures there. Since the ceasefire, limited U.S. military activities in Laos have been conducted at the request of the government. They were necessitated by and taken in direct response to North Vietnamese and Pathet Lao violations of the Laos
ceasefire agreement. Considerable financial assistance will continue to be needed.

—When requested, and within the provisions of the Agreement, we will provide military supplies so that Lao forces can maintain a high level of readiness in the future.

—We will continue an adequate economic aid program to help the Lao move ahead to better their conditions and their lives.

—We will include Laos in the overall reconstruction effort in Indochina which we consider to be an important investment in peace.

Hanoi will largely determine whether the peaceful people of Laos will at long last gain a respite from conflict and enjoy a period of tranquility and progress. If North Vietnam and its allies observe the ceasefire in Laos, move toward completion of a definitive settlement, and honor the obligations of both the Vietnam and Laos settlements, they will find a forthcoming response from the Royal Laotian Government and its friends. If they choose instead to maintain an aggressive course, the whole fabric of regional peace will be jeopardized.

Cambodia

Our objectives and our policies in Cambodia run parallel to those in Laos.

We aim for an independent, neutral and stable country. We do not insist on any particular political orientation, but we believe any course should be the free choice of the people themselves, not one imposed by North Vietnamese arms. Nor should Cambodia be used as a sanctuary or staging area for Vietnamese Communist assaults on South Vietnam.

In light of these objectives, we have supported the Cambodian government. That government favors independence, neutrality, and stability. It is willing to deal with its indigenous opponents at the conference table. It is fighting North Vietnamese aggression not only against Cambodia but also against South Vietnam.

The Cambodians, like the Lao, are clearly innocent victims who wish only to live in peace. Like the Lao they are carrying the brunt of the battle for their self-defense, while we supply military and economic assistance and, when specifically requested, air support.

The Past Year. Since last year's Report, there has been little progress in Cambodia. The military picture has remained spotty and at times precarious. The Khmer armed forces have managed to contain most enemy thrusts and maintain control of the major population centers. However, Communist forces have often temporarily interdicted key routes and lines of communication in an attempt to isolate the urban areas. This has on occasion generated short-term needs for airlift or special land and water convoys to bring supplies to the capital and other cities.

The mixed security situation in Cambodia should be kept in perspective. Three years ago many observers thought that it would only be a matter of months, if not weeks, before the Communists would topple the Lon Nol government. Since then the Cambodian people have shown courage and resilience against repeated pressures. The Cambodian army has grown from a largely ceremonial force of 35,000 in 1970 to some 200,000, most of whom are volunteers. It has undertaken an internal reorganization, further training, and important reforms to develop its full potential for future self-defense. Progress in self-defense efforts, however, has been uneven and needs to be accelerated.

The crucial ingredient in Cambodia remains political stability. Since 1970 most of the population and opposition leaders have rallied in opposition to Communist aggression. Politically, there were both positive and negative developments during 1972. In the past year, the Khmer Republic adopted a Constitution, elected a president and a bicameral legislature, and put into operation various organs of government provided by the new Constitution. The government also initiated programs to improve community self-defense and to encourage the return of Khmer who have taken up arms against it. On the other hand, the leading non-Communist groups and personalities have not always worked effectively together and, at times, they have been openly at odds. This only serves to undercut morale, jeopardize the security situation, and prevent the establishment of an effective base from which to negotiate with the enemy if the enemy ever chooses to do so. Greater efforts for a unified front against the Communists are clearly needed. Recently, the Lon Nol government moved to broaden its political base by including more of the non-Communist opposition.

The Continuing Conflict. In the Vietnam negotiations we pressed very hard for an early peace in Cambodia to accompany the ceasefires in Vietnam and Laos. We succeeded in getting the distinct provisions for both Laos and Cambodia of Article 20 included in the Vietnam Agreement. In response to our insistence that all American prisoners throughout Indochina be released within sixty days of that Agreement, we were assured that there were no Americans held captive in Cambodia. But while we signed the Agreement with the expectation that there would be an early cessation of hostilities in that country, we did not have the firm confidence in this prospect that we held for Laos.

During the final stage of the Paris negotiations, the other side repeatedly pointed out that the situation in Cambodia was more complex
than in Laos because of the many factions involved and the lack of an established framework for negotiations. However, Communist actions in the Khmer Republic since the Vietnam and Laos Agreements raise serious questions about Hanoi's professed desire for early peace in that country.

The signing of the Vietnam Agreement brought a brief ray of hope to Cambodia. On January 28, 1973, the day the Vietnam ceasefire went into effect, President Lon Nol ordered his forces to cease all offensive activities and urged the enemy to follow suit. He repeated his willingness to enter into direct negotiations to turn a de facto ceasefire into a more definitive settlement.

We welcomed these measures, suspended our own combat air operations in support of the Khmer forces, and hoped that the North Vietnamese and the Khmer insurgents would respond favorably. Unfortunately, then—and since—the Communist side rebuffed this gesture and all other efforts by the government to inaugurate contacts with a view to ending the fighting.

Instead, Hanoi to date has chosen to pursue its aggression in Cambodia. Indeed, since the Vietnam and Laos settlements, Communist military operations in Cambodia have reached new levels. Widespread attacks have continued, chiefly against the important lines of communications and the population centers. In light of this situation and at the request of the Khmer Government, the United States resumed the air operations in Cambodia which we had suspended in an effort to promote a ceasefire. The objective of our assistance to Cambodia is the full implementation of the Vietnam Accords and an end to the fighting in Cambodia which threatens the peace in Vietnam.

The Cambodian Government has repeatedly declared its desire for a ceasefire and prompt political negotiations. We are prepared to halt our military activity in Cambodia as soon as there is a ceasefire. On the other hand, if Hanoi still pursues aggression in Cambodia, we will continue to provide the Khmer Republic with U.S. air support and appropriate military assistance. We will not introduce U.S. ground forces into Cambodia.

The Cambodian situation is a serious threat to the hard-won peace in Vietnam. The only feasible solution is an end to the conflict and direct negotiations among the Cambodians themselves. We fully support the efforts of the present government to launch this process.

We call on North Vietnam to observe its solemn pledges in the Vietnam Agreement and to give the people of both Laos and Cambodia the chance to live their own lives.
PART III

STRENGTHENING PARTNERSHIPS

Europe and the Atlantic Alliance
Japan
Asia and the Pacific
Latin America
EUROPE AND THE ATLANTIC ALLIANCE

The United States has regularly renewed its commitment to the flourishing of trans-Atlantic unity with our oldest and closest allies. I carried this message to Europe immediately after taking office in 1969. It is a central element of this Report to the Congress, for no aspect of U.S. foreign policy commands greater attention and care than our relations with Western Europe.

I have referred to 1973 as the year of Europe, not because we regarded Europe as less important in the past or because we expect to overcome the problems of the Atlantic Community in any single year. This will be a year of Europe because changes in the international environment, and particularly in Europe, pose new problems and new opportunities.

The alliance between the United States and Western Europe has been a fundamental factor in the postwar era. It provided the essential security framework for American engagement in Europe and for Western defense. It created the political confidence that allowed the countries of Europe to recover from the devastation of the war. It helped to reconcile former enemies, a prerequisite for European unity. And it was the principal means of forging the common policies that were the source of Western strength in an era of tension and confrontation.

When the alliance was created, power relations, economic factors, and political conditions were far different than today: traditional power centers in both Europe and Asia were greatly weakened, and the United States and the Soviet Union had emerged with vastly enhanced strength and influence as leaders of hostile coalitions in Europe. Western Europe looked to America for protection and for leadership. The alliance came to rely on American prescriptions and became accustomed to ratifying American solutions to the major military, political, and economic problems.

When this Administration took office, a period of transition had begun; new trends affecting America's relations with Europe were already evident:

— Western Europe's economic and political revival coincided with deepening divisions in the Communist world. The bipolar confrontation of the postwar period no longer dominated international relations. Alliance relationships in Europe coexisted with increas-ingly fluid international relationships. Both sides of the Atlantic had to recognize that a new balance of power in the world would challenge our unity.

—in Europe, as the military vacuum was filled by the strength of the Atlantic coalition, the danger of war receded. But the altered strategic environment created totally new problems of deterrence and defense.

— The European unity forged by the original six members of the Common Market made Europe a formidable economic power. Expansion of the European Community to include the United Kingdom, Denmark, and Ireland added a new political dimension to economic integration.

In these conditions, America's relations with the new Europe were bound to change. In the three fundamental aspects—economic, military, and political—trans-Atlantic relations had come to be based on different principles that led to different modes of action:

—in economics, members of the European Community, individually and collectively, stressed regional autonomy, while the United States remained dedicated to the integrity of an open international system.

—in military unity was the predominant factor: the NATO allies operated on the principle of integrated forces and common strategic planning. But forces designed when the United States enjoyed an unqualified strategic advantage had not been fully adjusted to the reality of a more nearly equal strategic balance with the Soviet Union.

—in politically, the Western Allies shared abstract goals of detente, but we had not developed new principles to reconcile national objectives with demands for a unified Western policy.

Now, America and Europe are challenged to forge a more mature and viable partnership in which we cooperate:

—in developing a new and more equitable international economic system that enables the Europeans to reinforce their unity, yet provides equitable terms for the United States to compete in world markets;

—in providing a strong defense with the forces necessary to carry out a realistic strategy in light of the nuclear balance of the 1970's while meeting our mutual defense commitments with an equitable sharing of the burdens;

—in building a common framework for diplomacy to deal with fundamental security issues—such as mutual and balanced force reductions—in the new international environment, reconciling the requirements of unity with those of national interest.
In the past four years we have progressed toward these goals. The advances have been more pronounced in diplomacy and defense because habits of consultation were long-standing in these areas and common interests were easier to define. Fundamental problems persist in economic relations with the European Community. Though Europeans have begun to pursue a collective economic policy, their lack of a comparable degree of political unity handicaps the resolution of economic issues with the United States.

Atlantic Partnership and European Unity

Throughout the postwar period, the United States has supported the concept of a unified Western Europe. We recognized that such a Europe might be more difficult to deal with, but we foresaw manifold advantages. Unity would replace the devastating nationalist rivalries of the past. It would strengthen Europe's economic recovery and expand Europe's potential contributions to the free world. We believed that ultimately a highly cohesive Western Europe would relieve the United States of many burdens. We expected that unity would not be limited to economic integration, but would include a significant political dimension. We assumed, perhaps too uncritically, that our basic interests would be assured by our long history of cooperation, by our common cultures and our political similarities.

The Economic Dimension. The advance toward the goal we supported for so long has, in fact, created a new dimension in European-American relations. Mutual prosperity developed on the principle of relatively free trade. As the European Community progressed, however, it designed policies to protect its own special interests. Moreover, its growing economic weight stimulated other states to protect their access to that thriving market of more than 250 million persons. The prospect of relatively closed trading systems within Europe, notably in agriculture, and in preferential arrangements with third countries, was proceeding as the United States was suffering an increasingly unfavorable balance of payments.

In the area of monetary policy, the European Community has to a large degree been preoccupied with the search for a reasonable path toward internal monetary unity. At the same time, the growing strengths of some of its national economies—and relative weakness of others—have both impeded that progress and limited the will and ability of Europe to deal effectively and expeditiously with fundamental reform of the international monetary system.

The Europeans have thus been pursuing economic regionalism; but they want to preserve American protection in defense and an undiminished American political commitment. This raises a fundamental question: can the principle of Atlantic unity in defense and security be reconciled with the European Community's increasingly regional economic policies?

We have also faced challenges in redefining our relationships with the other North American member of the Atlantic Alliance—Canada. Our northern neighbor has been reassessing its position in the world just as we have been establishing a new view of our own. Frank reappraisals of our respective interests have brought some new problems to the fore, particularly in economic relations between the two countries. When I visited Ottawa in April 1972, I reaffirmed with Prime Minister Trudeau our common belief that mature partners must have autonomous, independent policies and explored with him how we might work together while respecting Canada's right to ensure its own identity and to chart its own economic course.

A Comprehensive Approach. We thus face a new situation. There are elements of economic conflict, and there has been a lack of direction. Concrete economic issues, not abstract principles, must be addressed. But if economic issues are confronted in isolation, or from purely technical perspectives, each party will try to protect its own narrow commercial interests. The outcome will be a deadlock, with the prospect of constant conflict.

The overriding task is to develop a broader political perspective from which we can address these economic questions, one that encourages reconciliation of differences for the sake of larger goals. Each partner will have to subordinate a degree of individual or regional autonomy to the pursuit of common objectives. Only by appealing to interests that transcend regional economic considerations can inevitable deadlocks be broken.

We have begun to move toward a comprehensive European-American dialogue. An essential first step was the European decision on the nature and scope of the relations with the United States. Last October, the leaders of the European Community met to chart their long-term course. The keynote was sounded by President Pompidou:

"Our links with this great country, the world's foremost economic power, with which eight of our countries are united within the Atlantic Alliance, are so close that it would be absurd to conceive of a Europe constructed in opposition to it. But the very closeness of these links requires that Europe affirm its individual
personality with regard to the United States. Western Europe, liberated from armies thanks to the essential contribution of American soldiers, reconstructed with American aid, having looked for its security in alliance with America, having hitherto accepted American currency as the main element of its monetary reserves, must not and cannot sever its links with the United States. But neither must it refrain from affirming its existence as a new reality."

This was an invitation to begin the complex process of redefining our basic partnership, a goal we had set in 1969. Accordingly, on October 27, I strongly endorsed the European Community declaration:

"It is, and has always been my own deeply held view that progress toward a unified Europe enhances world peace, security, and prosperity.

"It is also of the highest importance that the United States and Europe work closely together. For this reason I particularly welcome the Community's declared intent to maintain a constructive, forthcoming dialogue with us... I wish to reaffirm our commitment to work with the members of the European Community for reform of the international economic system in a way which will bring about a new freedom of world trade, new equity in international economic conduct and effective solutions to the problems of the developing world.

"These are the objectives with which the United States will approach forthcoming negotiations on monetary and trade reform. We will be prepared to take bold action with our European partners for a more equitable and open world economic order."

The stage is now set for comprehensive negotiations with our European partners. In effect, these negotiations began in my meetings with Prime Minister Heath, NATO Secretary General Luns, Premier Andreotti, and Chancellor Brandt. They will continue when I meet with President Pompidou and when I visit Europe later this year.

The issues we face are not abstract. European unity is not at issue. Nor are the requirements for common internal and external policies which reinforce that unity. Our aim is to examine concrete problems that impinge on the specific interests of the United States and to agree on a comprehensive way to resolve these issues.

Major negotiations will begin next fall on international trade. Our basic objectives are to restore the integrity of a more open trading system that was the underlying principle of the General Agreement on Tariffs and Trade (GATT), and to halt the drift toward economic protectionism on both sides of the Atlantic. We believe there should be a gradual reduction in tariffs and other barriers to trade in both industrial and agricultural products. We believe also that the adverse effects of preferential trading arrangements between Europe and less developed countries should be eliminated. Such arrangements should not work against the ability of the United States or others to compete in European markets or those of the countries with which it has special trade arrangements.

These, and many broader problems discussed in the chapter on international economic policy in this Report, require major reforms. The negotiations will be protracted and difficult. If, however, we can confront our economic differences in the same spirit of partnership developed in defense, we can reinforce Atlantic unity.

**Alliance Defense**

In April 1969 the North Atlantic Alliance completed its twentieth year. For two decades the nations of the Atlantic community had been united in a formidable coalition. No military alliance in modern times has so successfully maintained the peace. Unity had come naturally in military affairs because the threats to Europe were unambiguous, the requirements to meet them were generally agreed upon, and the basic strategy of nuclear retaliation was credible and effective.

By the mid-1960's, however, it was increasingly clear that military conditions had changed and that earlier strategic assumptions were no longer realistic. At the meeting of NATO foreign ministers in April 1969, I stressed the need to reexamine the Alliance's military position in light of the strategic and political environment of the 1970's. Certain factors were of overriding concern:

—The West no longer enjoyed the nuclear predominance it once possessed. The Soviet Union was greatly expanding its strategic forces; the United States had ended its building programs in favor of qualitative improvements. Strategic arms talks, if they succeeded, would almost certainly codify a balance that was roughly equal.

—Anticipating this new strategic balance, the allies had quite correctly developed a new doctrine of flexible response to meet threats with means other than immediate and massive nuclear retaliation.

—in conditions of near strategic parity, the ability to defend Western Europe with conventional forces assumed far greater significance than in the 1950's, when the West could afford temporary weaknesses because of the American nuclear guarantee.

In these circumstances, actual alliance performance was inconsistent with the implications of the strategic balance:
Despite adoption of a new doctrine, the composition, levels, and armaments of NATO forces remained virtually unchanged. Indeed, with U.S. redeployments in 1968, as well as previous reductions, the level of NATO forces had declined.

Soviet forces in Eastern Europe, on the other hand, were being reequipped and modernized. After the invasion of Czechoslovakia, the forward deployment of Soviet forces increased by several divisions. Meanwhile, the United States had withdrawn one and one-third divisions.

Spending for defense in the NATO area, measured in real purchasing power, declined steadily from 1964 through 1969.

The distribution of defense costs had shifted. Manpower absorbed an increasingly larger share of expenditures while equipment purchases declined.

There was no agreement among the allies on a common level of supplies in critical munitions. Yet, obviously, if certain countries could sustain combat for only a few days, it was irrelevant that others had stocks for much longer periods.

There was agreement on the importance of conventional defense, but a reluctance, especially in Europe, to give priority to non-nuclear capabilities. Europe feared that doing so might imply a weakening of the credibility of the nuclear deterrent.

In addition, there was concern in the United States about our heavy commitments to the Alliance in manpower and expenditure. Critics persistently asked why the United States could not reduce its forces in Europe. Moreover, there was a growing opinion that our European deployments only further aggravated an already adverse balance of payments.

This environment of 1969-70 led me to insist on a full-scale review, not only of the American commitment but also of the Alliance's policies. It was futile to simply debate whether the United States could not reduce its forces in Europe. Moreover, there was a growing opinion that our European deployments only further aggravated an already adverse balance of payments.

All agreed it was essential to reverse the trend of declining capabilities and adopt a concerted, long-term program to improve existing conventional forces.

The European allies agreed to a specific five-year program to improve and modernize their own forces by spending more for equipment.

The Alliance concluded that a commitment of substantial U.S. forces was indispensable to Western Europe's defense.

We, in turn, reaffirmed our commitment to maintain and improve our own forces in Europe, given a similar effort by the allies.

**Force Improvements.** Our European allies increased defense expenditures in both 1971 and 1972. Even allowing for inflation, the net increase was three to four percent. In each year since 1970, they have committed an additional $1 billion through the European Defense Improvement Program. Their defense budget increases in 1972 were more than $1 billion, and last December the European Defense Ministers announced that in 1973 their additional contributions would total $1.5 billion. Since 1970, the European allies have increased equipment expenditures by $1.4 billion. During 1971 and 1972 they bought 1,100 main battle tanks, 700 antitank weapons, and 400 modern combat aircraft, as well as other equipment. This has been an impressive response in a period of rising costs and of growing demands of domestic programs.

**Sharing the Defense Burden.** Improvements in European forces are the most important aspect of sharing the defense burden. As almost all European defense expenditures are directly related to NATO, increased European effort means in practice that the U.S. share is less. This is an appropriate solution, since the United States maintains forces to meet global commitments and therefore devotes a much higher share of its economic product to defense than do the Europeans.

There is another aspect of the defense burden, however, that has not been satisfactorily resolved. Our position is unique in that our deployments in Europe add significantly to our general balance of payments deficit. In 1972 the United States spent about $2.1 billion in other NATO countries to support our NATO deployments. Allowing for NATO military spending in the United States, mainly for equipment and training, our net military deficit was about $1.5 billion. This net deficit has risen since 1970 and for a variety of reasons, including the devaluation of the dollar, will continue to rise.

In previous years, the Federal Republic of Germany offset a large part of this deficit, primarily by purchases of military equipment in the United States. In the current agreement for 1972-73, the German government also contributed to the costs of rehabilitating the barracks for U.S. forces in Germany.
Nevertheless, the Alliance as a whole should examine this problem. As a general principle, we should move toward a lasting solution under which balance of payments consequences from stationing U.S. forces in Europe will not be substantially different from those of maintaining the same forces in the United States. It is reasonable to expect the Alliance to examine this problem this year. Eliminating the periodic requirement to renegotiate a temporary arrangement with only one ally would strengthen the solidarity of the Alliance as a whole.

The Role of United States Forces. The efforts undertaken by our allies since 1970 are the basis for my pledge to maintain our NATO commitments. At the NATO Council meeting last December, I reaffirmed my position:

"In light of the present strategic balance and of similar efforts by our allies, we will not only maintain but improve our forces in Europe and will not reduce them unless there is reciprocal action by our adversaries."

This pledge rests on a fundamental view, as valid today as it has been since World War II, that the security of Western Europe is inseparable from our own.

The conditions of this decade require the United States to maintain substantial forces in Europe. In conditions of near strategic parity, a strong capability to defend with non-nuclear forces becomes increasingly important; the United States contributes about one-quarter of NATO's forces in Europe's vital central region, though our allies' proportionate share of forces in the entire European NATO area is far higher.

The balance of conventional forces in the center of Europe would be seriously upset by the unilateral withdrawal of a substantial number of U.S. forces. Unless our reductions were completely replaced by European forces, deterrence would be weakened. In the event of hostilities, a weaker conventional defense could confront the Alliance with the choice of either capitulating or using nuclear weapons immediately.

Defense cooperation within Europe may be a long-term alternative to the American troop contribution. But the prerequisite for such an alternative is a far greater degree of European political unity. Yet even if such unity develops, it is unlikely that the Europeans alone could maintain a strategic balance against the enormous nuclear power of the Soviet Union.

In short, disengaging our forces would risk serious instability in Europe, the consequences of greatly enhanced Soviet influence, and the dangerous implications of a greater reliance on nuclear weapons. If, on the other hand, we and our allies maintain our strength, we can contribute to political stability, reduce the likelihood of war, and conduct a credible diplomacy to negotiate a mutual reduction of forces.

We cannot enter serious negotiations if, at the outset, we or our allies allow our positions to weaken. I intend to maintain an effective American military contribution to the alliance and to pursue negotiations for a mutual force reduction that will create a viable balance in which the incentives for attack are effectively eliminated.

Unfinished Tasks. In the past four years the Alliance has diagnosed some fundamental weaknesses and agreed on remedies. In 1971 and 1972 we embarked on a concerted effort to improve our forces. The immediate and, in many ways, the most urgent problem has been faced. We are now in a position to examine more systematically some of the longer-term issues:

—In the later 1970's, all allies will face the enormous expense of maintaining more sophisticated equipment, paying larger costs for personnel, and maintaining a high degree of combat readiness while national conscription may be eliminated or the terms of service reduced.

—In these circumstances, it is essential to define more precisely what we mean by an adequate NATO defense. Specifically, what do we mean by forward defense? Should we plan for maximum effort during some initial period of combat? Should we plan for a sustained effort over a longer period? If so, for what purpose? Can we maintain the logistical support for a sustained defense?

—If we can maintain the high level of conventional defense that is our goal, we still must examine our nuclear doctrines. When, in what way, and for what objective should we use tactical nuclear weapons? How do independent national nuclear forces affect Alliance decisions? Do we require different institutions to examine such overriding issues within the Alliance?

—What is the relationship between existing and planned defense programs and the diplomatic effort to reduce forces?

The answers to these questions are vital to Alliance policy in the 1970's. They require urgent but careful consideration. The United States believes that a strong conventional defense is essential to credible deterrence and that the Alliance must also possess a credible nuclear deterrent. But in the strategic conditions of this decade these issues must be reexamined, and the contribution of each ally determined for the long term.

In particular, the prospect of mutual and balanced force reductions in Central Europe raises some immediate questions for the Alliance,
Mutual force reductions are first of all a military problem; specific reductions must be measured against their effect on our defense capabilities. We therefore need a common security concept within which we can contemplate some reductions. If we justify force reductions as part of a political accommodation, or as a means to promote detente, the Alliance will be involved in endless debate over what level of reductions will produce what degree of political relaxation. In such a debate, it would be almost impossible to find an answer that would satisfy everyone and that would not undermine security.

Our objective should be to create a military balance that is more viable because it deals with the concerns of both sides and is seen by all to be in the common interest. We want a greater degree of stability, in which neither side gains an advantage because of lower force levels.

The Alliance should thus proceed on three parallel courses: first, to continue the effort to bring our forces to the level and quality required by the doctrine of flexible response; second, to review the strategic options involved in conducting a nuclear defense if necessary; and third, to prepare within the Alliance a military-political framework that integrates defense planning with the diplomacy of negotiating mutual and balanced force reductions.

Alliance Diplomacy. Through most of the 1960's, the problem of reconciling allied unity with national diplomacy was not critical. East-West relations were virtually frozen. Confrontation required less in the way of creative initiative, but put a premium on allied unity.

This broad cohesion and strength of the Alliance contributed to the changing international conditions that in turn offered a new opportunity for Alliance diplomacy in 1969. But important political problems also emerged.

—International diplomacy is still conducted by nation states. The European members of NATO have regional security interests, which they must accord priority, and each ally has a national stake in European security. Increasingly in recent years, however, individual European states have pursued their bilateral relations with the Soviet Union as well as with other members of the Warsaw Pact.

—The United States has vital interests outside of Europe, and must deal bilaterally with the Soviet Union on strategic matters and on many global issues. Each member of NATO, however, has an interest in, and is affected by, the development of U.S.-Soviet relations; our allies wish to influence our relations with the Soviet Union to strengthen their own security. At times our allies have urged the United States to be more flexible in approaches to the Soviet Union; in other periods, they have criticized us for moving too fast or too far in relations with Moscow.

In 1969, the NATO allies were persuaded that new initiatives were required but, in the wake of the invasion of Czechoslovakia, were uncertain whether to renew contacts with the East. Some allies regarded a European Security Conference as a possible starting point; others urged negotiations on force reductions. The United States was preparing for strategic arms limitation talks. Unless we would agree on a common strategy, no substantial progress could be expected that did not strain our unity. Accordingly, in April 1969, I urged the Alliance to revive the process of close consultations and committed the United States to continuing Alliance review of SALT. Consultations would address certain general tasks.

First, we needed to identify the specific sources of tensions that might be resolved.

Second, we had to agree on how to manage the priorities and interrelationship among major issues: those of primary concern to one country, for example West Germany's Eastern policy; those of regional concern, such as mutual force reductions and a European security conference; and those of international concern, such as SALT.

Third, we had to recognize that issues would be dealt with by different countries in different forums. Such diversity required an essential harmonization of purposes as well as a degree of national autonomy.

Initial Progress. The United States urged that the Alliance take the initiative in proposing negotiations on Berlin as an essential first step. Berlin was a natural starting point for several reasons. It was a source of recurrent confrontations. If the Soviet Union chose, it could continue exploiting the vulnerability of West Berlin's access routes across East Germany to exert pressure against West Germany and the three Western Powers. On the other hand, there was no objective reason why the Soviet Union could not permit practical improvements in travel to Berlin if, as it claimed, it had a serious interest in a relaxation of European tensions. If we could not resolve this one specific issue, there was little prospect of resolving broader security questions.

Thus, the negotiations over Berlin were an initial opportunity to explore whether East-West relations could move away from the rigidities of the Cold War. Moreover, the Federal Republic of Germany had embarked on an Eastern policy to normalize its relations with the Soviet Union. Ultimately, the Federal Republic's ratification of its August 1970 treaty with the Soviet Union became dependent on the success of the Berlin negotiations being conducted by the United States, the United Kingdom, France, and the Soviet Union.
In September 1971, the first part of a Berlin agreement was reached. Unimpeded access between West Germany and West Berlin was guaranteed by the Soviet Union, without affecting the rights and responsibilities of the three Western powers in Berlin. The agreement provided for subsequent negotiations between the Federal Republic, the West Berlin government, and East Germany over the modalities of access to Berlin and travel from West Berlin to East Berlin and East Germany. During my meeting with the Soviet leaders in May 1972, it was agreed that the final Protocol, bringing all parts of the Berlin agreements into effect, would be signed on June 3, 1972. The West German government, following parliamentary approval of the treaties with the Soviet Union and Poland, proceeded to bring them into force, opening the way for it to negotiate a general treaty regulating relations with East Germany.

These past four years have been a period of active European and international diplomacy. In addition to the Berlin agreement and the German treaties, France agreed on a set of principles for political consultations with the Soviet Union. Canada agreed on a somewhat similar arrangement during Premier Kosygin's visit. West Germany and Italy negotiated long-term economic agreements with the Soviet Union. There have been several summit meetings between Soviet and West European leaders. And the United States agreed with the Soviet Union on strategic arms limitations, measures of bilateral cooperation, and some basic principles governing our relations.

In sum, the allies have intensified their national diplomacy within a framework of unity. But the very success of the past four years has created some new problems. Each of the European countries will want to continue the development of its own bilateral economic and political relations with the Soviet Union and Eastern Europe. The United States also wishes to pursue the favorable trends that have developed in our relations with the Soviet Union. Each of our allies naturally wants a major voice in negotiations affecting Europe as a whole, and in those aspects of Soviet-American relations that affect international stability.

Two specific issues will test the ability of the Western coalition to reconcile its unity with its diversity: the Conference on Security and Cooperation in Europe and the negotiations on mutual and balanced force reductions.

The Conference on Security and Cooperation in Europe. In March 1969, the Warsaw Pact revived its proposal to convene a European Security Conference. Such a conference would be largely symbolic; its purpose would be to confirm the territorial and political status quo in Europe. There was some feeling in the West that this proposal should be accepted; it was thought that it might be a way to dissipate the tensions over the invasion of Czechoslovakia in August 1968 and to test Soviet policy. Some viewed it as a way of creating a better atmosphere for subsequent talks, while others saw it as a link to more specific issues, such as force reductions.

We were skeptical about symbolic acts that failed to deal with the substance of East-West tensions. The urgent issues of European security were the tensions over Berlin and Germany and the military confrontation in Central Europe. We could not hand over our responsibilities in Berlin to a European conference. If we could not make progress on a central issue such as Berlin, the results of a broad conference would be illusory. To stimulate an atmosphere of detente through symbolic gestures could only lead to disillusionment and insecurity.

The United States, therefore, took the position that a European conference would only be acceptable if there was progress on specific issues, including the Berlin negotiations. A conference might be appropriate if individual countries succeeded in regulating their relations and resolving some of their territorial and political issues.

This was accomplished by West Germany's treaties with the Soviet Union and Poland, the Quadripartite Agreement on Berlin, and the SALT agreements. At my summit meeting with the Soviet leaders in May 1972, I agreed that we now could begin preparing for a European Conference with the aim of broadening European cooperation.

Preparatory talks began last November to find out whether there was sufficient common ground to justify a conference of Foreign Ministers. A provisional agenda is being developed, which the Foreign Ministers could consider. Progress thus far suggests that the conference can be convened this year and that it may be possible to move forward on several important questions.

-The participants will address certain principles of security and cooperation. If all European countries subscribe to common principles of conduct, and carry them out in practice, there could be a further relaxation of tensions. Certain military security matters designed to improve confidence will also be considered.

-The conference would be an appropriate forum to discuss practical cooperation in economics, cultural exchange, science, and technology, on which there has already been progress in bilateral relations.

-The conference can consider how to facilitate contacts among the peoples of Europe and how to encourage countries to exchange ideas and information.
The Conference on Security and Cooperation in Europe thus can set a new tone for European relations and establish new modes of conduct and means of cooperation. These would be practical steps toward normal relations.

**Mutual and Balanced Force Reductions.** The exchanges leading up to the conference also acted as a bridge to negotiations on a more specific and central security issue—mutual and balanced force reductions in Central Europe. The prospects for arms control in Europe are obviously linked to political improvements between East and West. Throughout the 1950's and 1960's there were proposals for arms control in Europe. But it was unrealistic to expect to negotiate a reduction of forces—for example, in Germany, where there were almost continuous crises over Berlin. Moreover, the reduction of military forces in Central Europe was related to the strategic balance between the United States and Soviet Union and to the political situation within the Warsaw Pact.

For these reasons, the NATO proposals of June 1968 to begin negotiations on force reductions were received coolly by the Warsaw Pact. Not until the Berlin and SALT agreements were concluded in 1972 was it possible to work out a sequence for beginning negotiations in separate forums on a Conference on Security and Cooperation in Europe and on mutual and balanced force reductions.

The initial talks on mutual and balanced force reductions, now underway in Vienna, will lay the groundwork for more formal negotiations next fall. The military and arms control aspects of force reductions are treated in other sections of this Report. Certain points that affect Atlantic political unity should be summarized.

Perhaps more than any other single issue, the problem of force reductions crystallizes the basic issue of reconciling Alliance unity and national diversity. We will need an unprecedented degree of unity on fundamental military and political security questions. The outcome of the negotiations will affect the entire Alliance, regardless of who sits at the table or which forces are reduced. Indeed, the very process of negotiating will test our common purposes.

Each member brings to this issue strongly held national viewpoints. We must avoid efforts to protect national interests by procedural devices or tactical solutions. That approach would merely defer or avoid the hard questions. Ultimately it will be disruptive and open the Alliance to exploitation by the other side. Our goal must be agreement on basic security principles. We must meet individual national concerns within a common concept of security, and forthrightly address the question of how to maintain our security at reduced force levels. The issues are highly sensitive, and Alliance discussions will be painstaking and difficult.

The United States is engaged in the most serious consultations with our allies to prepare for negotiations later this year. Force reductions in Central Europe are, of course, an element of the complex of U.S.-Soviet relations. The U.S. and Soviet forces are comparable in that they are not indigenous to Central Europe and might be candidates for reduction.

The United States will not subordinate the security of the Alliance to Soviet-American relations. We are aware of European concerns in this regard. Repeated American reassurances, however, have not alleviated these concerns. Mutual confidence within the Alliance will develop only through an agreement on the basic security framework for the negotiations.

**Relations With Eastern Europe**

The improvement in our relations with the Soviet Union during 1972 has created a better atmosphere for our relations with the countries of Eastern Europe. But we do not regard our relations with any East European countries as a function of our relations with Moscow. We reject the idea of special rights or advantages for outside powers in the region. We welcomed and responded to opportunities to develop our relations with the East European countries long before the Moscow Summit. And we shall continue to seek ways to expand our economic, scientific, technological, and cultural contacts with them. Mutual benefit and reciprocity are governing principles.

As the postwar rigidity between Eastern and Western Europe eases, peoples in both areas expect to see the benefits of relaxation in their daily lives. These aspirations are fully justified. An era of cooperation in Europe should produce a variety of new relationships not just between governments but between organizations, institutions, business firms, and people in all walks of life. If peace in Europe is to be durable, its foundation must be broad.

My visits to Romania in 1969, Yugoslavia in 1970, and Poland in 1972 were designed to help open the door to these broader relationships.

During my visit to Warsaw last June, I agreed with the Polish leaders to increased U.S.-Polish trade and exchanges in science, technology, culture, tourism, and transportation. A joint American-Polish trade commission has been established. After our governments had reciprocally agreed to export financing arrangements, I determined that Export-Import Bank...