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CSCE

The Relevance of Economic Issues at the Belgrade Conference

by Bettina S. Hass-Hürni, Washington, D.C. *

Despite or because of the relatively brief concluding document of the Belgrade follow-up meeting mandated to examine the implementation of the Helsinki Final Act, it is worthwhile to review the proposals made in "Basket II" (economics) and relate them to the two other "Baskets" (security and "human rights") in order to understand the process of détente more thoroughly.

This analysis can be viewed as a report on the atmosphere at the CSCE and the problems with which it was grappling, with particular attention to economic issues (Basket II)¹. Comparisons will also be made with the two years of CSCE negotiations in Geneva, which ultimately led to signing of the Helsinki Final Act.

Is Prince Charles-Joseph de Ligne's much-cited comment, "*le congrès danse, mais il n'avance pas*" also applicable to the Belgrade meeting? The Congress of Vienna did agree on a new order in Europe, despite the fact that it was attended by delegations from 90 sovereign states and 53 "mediatized" principalities², i.e., more than the present total membership of the UN. Compared with that attendance, the number of European delegations at the CSCE — 33, or 35 if we add the USA and Canada — seems almost small. Yet 35 sovereign states in the twentieth century appear to be having more trouble in negotiating a "new European order" or even in "moving forward" than their predecessors in Vienna, despite the fact that the Congress in Belgrade did not spend its time dancing. To discover the reasons for this lack of progress, we should first briefly review the three main procedural features of the conference, the climate in which it was taking place, and the main economic issues involved.

The Three Main Procedural Features

Whereas at the Congress of Vienna only the "great powers" engaged in real negotiations while the remainder danced and agreed to what others decided, the first procedural rule for the CSCE was that *consensus* was required. In practical terms this means that even the mini-states had veto power. Twenty years ago it was inconceivable that East and West in Europe could ever decide anything by consensus; however, consensus can gen-

erally be reached only on the *least* common denominator. Given the still prevalent climate of distrust — even though this has eased somewhat compared with Geneva — consensus is the only possible, and therefore correct, way of proceeding. Although "democratic", it does tend to slow things down.

Secondly, no drafting committees with limited membership had been officially established to draft the final document, contrary to what is customary at large international conferences; instead all 35 delegations worked on the drafting in the six conference languages.

Thirdly, the chairmanship of the conference rotated after each meeting, so it was virtually impossible for even the ablest diplomat to try to bring the parties together or to influence the work as a "non-involved party", as is customary in conference diplomacy. Needless to say, these two procedural rules likewise did little to speed the negotiations along.

Role of the "Neutral" States

In Geneva Switzerland earned a great deal of respect on account of its discreet and efficient secretarial services, among other factors. In Belgrade, it was Austria, with its years of political and economic experience and its historical and cultural ties with the Balkans, that could be called the "spokesman" of the neutral countries. For many years, "neutrality" had ceased to be fashionable in international circles. At the CSCE, however, neutrality in its various forms was back in favor. The following 6 countries were viewed as "neutral": Austria, Cyprus, Finland, Sweden, Switzerland and

* World Bank.

¹ Pages 89–110 of the official English version of the Helsinki Final Act.

² Prof. Werner Näf: "Die Epochen der neueren Geschichte", Vol. II, p. 120.

Yugoslavia. In this way, such diverse considerations for neutrality as forced neutralization under a "state treaty", politically imposed neutrality in foreign policy, neutrality as a result of geographically remote location, permanent and integral neutrality by free choice, and deliberate avoidance of power blocs are to some extent thrown together into the same political pot. Even in Geneva this resulted in a strengthening of some of these neutral positions — a process that is still ongoing. Small or very small countries are able to obtain a hearing, in accordance with Europe's democratic traditions. Although there are occasions when a US-Soviet dialogue is conducted before a European "diplomatic audience" listening with mixed feelings, the proposals put forward by the small countries are being taken seriously. However, the "small fry" also serve as puppets that a "master mind" behind the scenes can direct to do his bidding.

The Political Climate at the Conference

A clear distinction was apparent in the political climate at the conference as between Geneva (1973–75) and Belgrade (1977–78). For fifteen years the USSR had been pressing for a CSCE. From the outset, such a conference was planned as a major Soviet propaganda maneuver. The amount of energy, work, "guile and deception" expended for this purpose rivaled what Potemkin put into construction of his sham villages. Here, however, the object was to deceive not the Russian Empress, but the entire continent of Europe. But when the conference met, the USSR had already obtained the concessions by which it set the greatest store (recognition of the territorial status quo in Europe) in the treaties concluded with the Brandt Government in Bonn and in other agreements with the West. This helped to explain the total absence of any willingness to make concessions in Geneva, a traditional feature of Soviet foreign policy. The propaganda maneuver obviously had to culminate in a ceremonial summit conference to sign the Helsinki Final Act. Many Western participants at this grand finale in 1975 were convinced that it was intended solely to delude public opinion, was probably not of world-shaking importance and, like so many other grandiloquently worded declarations, would remain a dead letter.

But this was not so — and the CSCE seems to have unleashed a boomerang effect which was not entirely to the USSR's liking at Belgrade: they, after all, had started the whole process and profited greatly from it, as planned. As a result of the dissident movements that have sprung up following the signing of the Final Act — to the surprise of many people in the West — the Soviets'

Potemkin-like façade as a "power for peace, freedom and progress" was being pierced by what they and the other East European countries had to listen to. The US moderated the initial tone of its attacks. Humanitarian issues (promotion of individual contacts, freedom of information, fewer obstacles to marriages between citizens of different states, promotion of family reunification, etc.) were being handled with kid gloves — at the request of the Western European neighbors of the Eastern Bloc countries, who are convinced that only with "quiet diplomacy" and firm tenacious negotiations on each individual case, without a lot of publicity in the mass media, can one hope to achieve anything. Many matters that were unpleasant for the USSR to hear were certainly not being reported back to the Kremlin, and even less were such matters laid before the Russian public. However, the very fact that "individual cases" were being mentioned by name can be viewed as a step forward in European relations; not merely the names of dissidents, but also those of firms or publications that are examples of inadequate implementation of the provisions of the Final Act as they relate to Basket II (economics).

Two Novel Aspects

A further two aspects in Belgrade were "novel": the first of these concerned the discussion about the establishment of groups of experts. The first such meeting of experts will be held in the autumn of 1978 to discuss the so-called "Swiss proposal", laid down in the fifth principle of the Final Act, namely peaceful settlement of disputes. The Western view was that the political momentum of the CSCE should not be dissipated in groups of experts without powers of decision, and that for cost reasons also³, not too many such groups should be set up. For this reason, too, the West has repeatedly stressed the work of existing organizations such as the UN Economic Commission for Europe, the OECD, UNESCO, etc., while already in Geneva the East was urging further institutionalization of the CSCE. This issue was decided by hard bargaining in the Commission on the follow-up of the Conference. Three groups of experts were set up — with the implicit hope of deferring difficult, politically sensitive matters, i. e., "passing the buck".

³ In Geneva, the conference cost more than Sw F 2 mn a month equivalent today to US \$ 1 mn. The contributions from the participating states are laid down in item 7 of the final recommendations of the Helsinki consultations of 1973, known as the "Blue Book": The Federal Republic of Germany, France, Italy, the USSR, the UK and the US each contribute 8.8 % of the total costs (making a total of 52.8 %), followed by Canada with 5.52 %, Belgium, the German Democratic Republic, the Netherlands, Poland, Sweden and Spain each contribute 3.48 %, Austria, Czechoslovakia, Denmark, Finland, Hungary, Norway and Switzerland 2 % each, Greece, Romania, Turkey and Yugoslavia 0.8 % each, Bulgaria, Ireland, Luxembourg and Portugal 0.6 % each, and Cyprus, the Holy See, Iceland, Liechtenstein, Malta, Monaco and San Marino 0.2 % each.

Until the second follow-up meeting in Madrid (October 1980), the two expert groups already provided for in the Helsinki Final Act will have met, namely the one on the so-called "Swiss project" on the peaceful settlement of disputes (November 1978 in Montreux) and the "Scientific Forum" (June 1978 in Bonn). Furthermore, a meeting of experts on the Mediterranean will be convened in February 1979 in Valletta, Malta. In this context, it is necessary to mention the "passive resistance" against any activation of a Paneuro-pean Mediterranean policy, which was also a novelty in Belgrade.

In Geneva, when Europe was still reeling from the oil crisis, the "Mediterranean declaration" was included in the Final Act⁴. In Belgrade, only Malta has tirelessly sought to "associate the Arab countries and Israel more closely with the CSCE". And the same thing happened as in Geneva when the non-participating Mediterranean States were given the opportunity to speak in the plenary session and in Basket II (economics): the Israeli ambassador spoke objectively on the matter on the agenda, namely expansion of economic relations with Europe, and mentioned water-saving methods in agriculture as an area in which Israel could contribute to cooperation in the Mediterranean area. The other delegations, particularly Egypt (this was before Sadat's visit to Israel), launched verbal attacks against Israel that had nothing to do with the subject under discussion. It was symptomatic that neither in Geneva nor in Belgrade did the chairman intervene, whereas for example in the plenary sessions of the International Labour Conference every political attack must be interrupted by the chair with a reference to the subject under discussion. With the process of détente in Europe — which is the main goal of the CSCE — making such slow progress, one can only imagine what CSCE with all the Arab Mediterranean States plus Israel could manage to achieve. Although questions of security in Europe are undoubtedly linked to questions of security in the Mediterranean, it has been an act of political wisdom on the part of the CSCE not to seek to play an active multilateral role in a Middle Eastern settlement. This passive attitude — which was viewed as a negative one by certain Eastern European delegations — made it possible, in a positive sense, to avoid the possibly disruptive influence of the Arab States in the CSCE. So much for the political climate at the CSCE, as we now turn to the economic issues before the conference.

The Role of Economic Issues in Basket II

Since Geneva there has been a significant change in the role of economic issues, which has been barely noted in the mass media, although it is felt

that it could be of decisive importance for the process of détente. Questions of "cooperation in the fields of economics, science and technology and the environment" (Basket II) did not occupy a central position in Geneva and were regarded by the Eastern European countries as of secondary importance. Their energies were directed mainly toward the "decatalogue", the ten principles embodied in Basket I (security)⁵, particularly because the USSR wished to obtain recognition of the territorial status quo, while humanitarian issues (Basket III) were regarded as a political counterweight and as a concession to the West, and were therefore taken seriously also. Thus Basket II remained in the shadows. It is not an exaggeration to say that in Belgrade, Basket II, i.e. East-West trade and general economic issues, could be regarded as a *basis and at the same time as a barometer* for détente. This enhancement of the role of Basket II was due to three factors.

Firstly, the USSR was urging the convening of the so-called "Brezhnev conferences", three pan-European meetings to discuss energy, transportation and environment, respectively. From the first of these gatherings the Soviet Union hoped to create political tensions among the allies in NATO, a continuation of its traditional policy; from the second, the USSR hoped to obtain Western capital for the expansion of its economic — and hence strategic — infrastructure, while the third is a fashionable subject for conferences and is politically harmless, even though it does offer the opportunity to gain technological know-how from the West.

Secondly, the member countries of the Council for Mutual Economic Aid (the official title of COMECON) have heavy foreign debts with the West⁶. When compared with the approximately \$ 190 bn in outstanding Third World debt, and also taking into account how scrupulous the CMEA countries are about paying their debts, this deficit can be regarded as reasonable from the point of view of Western creditors, the largest of which is the Federal Republic of Germany. This, however, did put Eastern Europe in the position of a "demandeur" in Basket II, and thus *compelled* it to display interest in intensifying trade and cooperation.

Thirdly, the Eastern countries — Hungary, Poland and Yugoslavia in particular — are beginning to realize that their economies cannot and will not develop without Western technology. In ideological terms, Eastern Europe can assume that its technological gap can be narrowed by cooperation

⁴ Page 111 of the official English version of the Final Act, "Questions relating to security and cooperation in the Mediterranean".

⁵ Pages 77–82 of the official English version of the Final Act.

⁶ This debt amounted to approximately \$ 45 billion at the end of 1976, with the USSR (\$ 16.5 billion) and Poland (\$ 12.5 billion) accounting for most of this total.

with the West, and that increased economic relations will expand political relations. As the next step, this might be a way of exerting direct influence on the capitalist market economies.

A *fourth* reason for the greater role of Basket II also emerged in the political tactics being pursued in Belgrade: since questions of security must first be tackled bilaterally, i.e., particularly in the MBFR and SALT discussions, before arms control in Basket I can make progress, and Basket III ("human rights") was to be downplayed, attention could usefully be focussed on Basket II to divert attention away from military and humanitarian issues, both of which were at the very least unpleasant for the East.

The West too had good reasons for seeking to expand its economic relations with the East: a desire to open up new markets, the pressure of public opinion in favor of a further "opening" to Eastern Europe, possibly as a consequence of the "development weariness" resulting from all the economic and political disappointments in the Third World, together with, in general but also ideological terms, a belief (albeit not publicly expressed) in the superiority of the free-market system, strengthened by the fact that Europe has withstood the economic effects of the oil crisis quite well. For all these reasons, therefore, European economic relations can be regarded as a "neutral" factor of equal interest to the East and to the West and at the same time as a barometer for détente.

The Main Economic Issues

In the Final Act, the issues to be discussed in Basket II fall under five headings: "Commercial Exchanges", "Industrial Cooperation and Projects of Common Interest", "Provisions Concerning Trade and Industrial Cooperation", "Science and Technology", and "Environment". Despite these very broad headings in the Final Act, the resolutions submitted and their discussion have both been significantly more concrete and more realistic than in Geneva. Let me give a few examples to illustrate this. Austria had submitted what is probably the most detailed proposal aimed at improving business contacts and facilities: the points included speeding up discussions prior to the conclusion of agreements, by appointing *competent* representatives, sticking to agreed dates, simpler administrative procedures for the issuance of entry and exit visas, speedier frontier formalities for technical experts, and — last but not least — less cumbersome procedures for the establishment of representative offices, which could include joint offices for several small and medium-sized firms. It is widely known that Western representatives have to pay up to six times higher

rent for office space than local or other COMECON companies. The West was advocating *equal treatment of small and medium-sized firms* in East-West trade. To date, it has been a rule in most of the Eastern Bloc countries that only firms with a very high turnover can be considered for trade agreements, which has had the effect of excluding highly specialized but generally smaller firms.

In reply, the Eastern Bloc countries stated that the financing and production capacity of small and medium-sized firms is inadequate to guarantee performance of supply contracts, and that the risk of doing business with firms likely to go bankrupt is simply too great. To this one of the smaller Western countries countered that 60 % of its local firms have fewer than eight employees, and that despite this it imports far more from the Eastern Bloc than it exports, while moreover these small and medium-sized firms have no problem meeting their contractual obligations in countries outside Eastern Europe. In ideological terms, it is a simple matter to refute the theory of monopoly capitalism, "gobbling up" the small firms, with practical and statistical arguments.

The complex problem of *compensation deals* is also closely tied up with the demand for non-discrimination against small and medium-sized firms. In simple terms, a compensation deal can be said to be one where the West provides a production plant and the East proposes to pay with future products from that plant. A small or medium-sized firm will find it difficult to sell these products, which are usually of poorer technical quality and frequently represent low-price competition for its own products, on the more demanding Western markets. Compensation deals of this kind can even produce headaches for large firms, as the marketing of sizable volumes will require expenditure of capital and effort and may even disturb the market. Furthermore, the East is demanding preferential treatment (e.g., customs preferences) for such goods, which is contrary to GATT. The East would have liked to see this kind of support for compensation deals in East-West trade become a general principle. The West was unanimous in rejecting this in the most categorical terms. This Western aversion to compensation deals is to be seen as a first step toward securing payment in convertible currencies.

Demands for Improved Information

Another of the main issues in Basket II was improved commercial and economic information. This involved such specific requests as the provision of telephone directories and lists of responsible officials in the hotel rooms of a West-

ern trade delegation, and direct telephone links to other countries from project sites, or telex links from firm to firm. The East rejected these requests on the following grounds: firstly, such an expansion of communications would require much too much scarce capital and skilled labor, neither of which is readily available. Secondly, such specific "ancillary" requests do not belong in the text of a "ceremonial" final document. The possibility of a reduction in the ability of their security services to monitor direct communications also seemed to play a part in this rejection, although of course the Eastern countries never said this out loud.

The West also wanted better foreign trade statistics, with a more accurate breakdown by products, together with indications of the value and quantity of exports and imports. This would also require adoption of the Standard International Trade Classification (SITC System), a problem that has been solved at the technical level; however, it has not yet been introduced in Eastern Europe because of a lack of political will on the part of the authorities. The EC countries have also stated that a number of statistical yearbooks put out by COMECON countries in 1976 contained fewer tables and pages than in 1973; in other words, more information was available before the signature of the Helsinki Final Act than after it. The West wanted to see *speedier* publication of statistical yearbooks, i.e. to have them published within the year, but even this (for a market economy) rather lengthy deadline was rejected by Eastern Europe. The West had also urged the publication of yearly plans at the national and enterprise level, together with a more precise wording of certain contractual clauses, or for example the inclusion of a precise time schedule in project agreements. So much for the "commercial exchanges" section of the Final Act.

The Areas of Industrial Cooperation, Science and Technology

In the field of "industrial cooperation" (joint ventures, licensing, transfer of technology), the West sought protection for investments, protection of investors' rights and improved payment facilities — in other words, future currency convertibility. In this regard, Hungary and Poland seem to be the best trading partners. A number of CMEA countries provided the West with "handbooks on cooperation" but in general there are more joint ventures with Eastern participation in the West than vice versa. In practice, however, in all these joint ventures it is the joint commissions (on which the partners are represented equally) that take specific decisions, and not the governments of the Western countries. It is warranted to ask,

therefore, why a diplomatic conference representing national governments had to discuss the matter. The answer is that in Basket II the general objective is to create more favorable conditions for trade and cooperation in practice. With partners from centrally planned economies however, this process has to be started and supported at government level.

In the area of science and technology, criticisms were voiced at the *lack of personal contacts between scientists*: often those who have been invited did not appear, while less well-known guests turned up at Western symposia, programs were not printed and dispatched far enough in advance, inspection visits were turned down, travel authorizations not issued, Eastern scientists left without any money, invitations to stay with private individuals remained unanswered, return visits never took place, the exchange of scientific information remained one-sided — this whole chorus of criticism of the way the relevant provisions of the Final Act have been implemented relates, even for Basket II, to the field of *individual rights*, which really come under the humanitarian aspects of Basket III, together with the whole important issue of free access to technical and scientific information.

Other Quite Specific Problems

On the subject of environment, the East-West confrontation was less acute: there was a lot of self-applause for one's own achievements, together with new proposals for European cooperation, as in the "Blue Plan" to combat the pollution of coastal waters in the Mediterranean, research into air pollution, etc. At the CSCE, environmental protection was non-controversial and was being treated as an issue that is already receiving the attention of other specialized agencies (UNEP, OECD).

The subject "Cooperation in Other Areas" (transportation, tourism, migrant labor) produced livelier discussions. The topics discussed for the transport sector as "projects of common interest" were a North-South highway from Gdansk to Istanbul and also an "all-European inland waterways system" (suggested by Austria). The first of these plans raised the question of possible financial assistance for poorer CSCE countries while low-price competition from the Eastern Bloc countries was causing the Austrian plan to run into point-blank refusal from the Federal Republic of Germany⁷.

⁷ This was the only example of open disagreement between two Western European countries in Basket II. At first sight it would seem that, with another of its proposals, calling for "intensified all-European cooperation in the energy sector", Austria was playing into the hands of the USSR by supporting its call for one of the Brezhnev conferences on energy. Both proposals have received Eastern backing. However, Austria interpreted its proposals as independent of Soviet desires and generally free of any commitment to support what the East was seeking.

The Balkan Agreement on tourism is a good example of *regional cooperation* promoted by the CSCE process. It includes the seeds of a further lessening of American-Soviet polarization, since "multilateral" does not necessarily have to mean the same as "involving 35 member countries". Instead, some projects involving East European countries could for example be carried out in the future without the USSR's participation, with such other countries as Turkey or Greece.

The subject of "migrant labor" changed the East-West confrontation into a North-South split, with Spain, Portugal and Italy allying themselves with Yugoslavia. Among the points under discussion were compensation for loss of employment, reunification of families, establishment of schools to provide instruction in the mother tongue staffed by teachers from the country of origin, language and entertainment programs on radio and TV in the host country, and easier procedures for currency remittances.

These examples should suffice to show that the problems discussed were not merely ideological and ethical but quite specific. In these negotiations, both the Eastern and Western delegations were pursuing their own tactics, a subject we shall now discuss to round out our analysis.

Western and Eastern Tactics on Economic Issues

As in every round of negotiations, classical negotiating procedures have already evolved in the five years the CSCE process has been in progress. The Western countries, for example, always started by saying that the governments of the free-market countries have much less control over their private industry than the Eastern European governments have over their state-controlled enterprises — a good argument against unwelcome proposals.

Secondly, Eastern Europe's familiar demands for most-favored-nation treatment (which would amount to a gift from the West worth some \$2 bn), and the removal of obstacles to trade (e.g., admission of drugs and medical instruments free of duty) are countered with references to the recession and high rates of unemployment; similarly, criticism of insufficient interest in industrial cooperation is countered with a reference to surplus capacity in Western countries. The familiar Western arguments against the "new international economic order" are also trotted out each time.

Thirdly, praise was heaped on the work of the UN Economic Commission for Europe — in order to avoid institutionalization of the CSCE. But few mentioned that this Commission is *not* a negotiating body, i.e., that it is not always able to solve practical problems.

Fourthly, the West took the view that the Belgrade meeting did not have to reach agreement on a new Final Act — which would detract from the Helsinki Final Act — but was merely required to record shortcomings and successes in the implementation of the Final Act. No *new* obligations should be assumed until the old ones had been performed satisfactorily. Hence, the brief concluding document mentions the reaffirmation of the "resolve of their Governments (i.e. the Governments of the Participating States) to implement fully, unilaterally, bilaterally and multilaterally, *all* the provisions of the Final Act" (paragraph 6, page 2, of the concluding document, brackets added by the author).

Therefore an explicit mentioning of "human rights" becomes superfluous, because the relevant texts of the Final Act are really crystal clear and precise and also because, as already said, it could be that the direct Western European border States to the CMEA-countries, like the Federal Republic of Germany, are perhaps better off, if this theme does not cause too much publicity. Even if public opinion in the West, and especially in the US, and many a journalist looking for sensational news have been disappointed by this concluding document, the recognition of "different views" (paragraph 7 of the concluding document) and the lack of consensus can be analyzed in the following manner: The Soviet Union has clearly lost out in the concrete talks. In order to conceal this fact before its own public opinion and especially before the West, the Soviets categorically refused any "Western" or "neutral" proposal towards the end of the conference. Minister Vorontsov even repeated several times in February, that his delegation had *not* come to negotiate.

But nevertheless, the process of détente initiated by the Helsinki Final Act cannot be stopped and will be irreversible. At the latest in Madrid, but preferably sooner, even the Soviet Union will have to recognize that fact. In such a case it should then take a somewhat more credible negotiating position, if it counts to maintain its political prestige as "pioneer of détente".

Eastern Europe, for its part, found itself on the defensive, certainly as far as Basket III ("human rights") was concerned, but also in relation to Basket II (economics). Unwelcome Western proposals were rejected with the argument either that the problems mentioned did not exist or that they were not important.

Secondly, Western criticism was often shrugged off as "non-specific" or, if specific cases were mentioned, was rejected as unacceptable "criticism of the system", "value judgments", or "inter-

vention in the internal affairs of another sovereign state".

Thirdly, there was the tactic of "playing dumb". The delegation in question either does not understand the text, or understands it and can accept it but does not see the reason for the proposal (even though an explanation was given when each text was presented), or does understand it but views it as a question of detail which should not belong in a "significant" final document. A fourth tactic was to engage in procedural debates — a skill which certain apparatchiks seem to have developed into a fine art — and which is very useful for filibusters. Fifth and finally — but this is a tactic that is by no means confined to Eastern Europe — the calculated creation of a crisis atmosphere to push one's own demands through.

Two further general tactical measures could be observed at the CSCE negotiations: the first is "coffee breaks", which may seem ridiculous to the outsider, but they do play a very positive role. They enable the delegates to reach agreement on a point at issue, which gets the matter out of the way — even if all that the delegations can agree on is that agreement is impossible — much *faster* than if it were to be handled in the committee of the whole. The second is the switch from official to unofficial sessions, where the diplomats speak in their personal capacity and not simply as representatives of their governments, which usually leads to a somewhat more constructive discussion. Despite all this, the CSCE must be seen as "diplomacy of small — not to say tiny — steps".

Conclusions

The process of multilateral détente that the CSCE has initiated will be long, difficult and demanding. As said earlier, the Congress had not spent its time dancing, yet in its five years of existence the CSCE did not move forward very much either. However, the discussions on implementation of the Final Act have become so *concrete* that the value of past and future efforts to achieve European détente — which, to quote us Ambassador Goldberg, "must have a human face" — has been proven. These efforts therefore seem fully justified, even if the concluding document contains no details.

Initially, the impetus for this multilateral process of détente came from the East, whereas in Belgrade it came more from the West. It is certainly a worthwhile endeavor to take advantage of the "boomerang effect" mentioned earlier to seek to alleviate the repression of human rights in Eastern Europe over the long run, together with

the attempts being made to simplify trade procedures. However, a loosening of rigid planning in the field of economics will come not from outside, not even as a result of the CSCE, but from the Eastern European countries' own consumers starting to demand more in terms of quantity and quality. Thus a liberalization of trade as envisaged by the CSCE will present a *domestic* policy problem for the CMEA countries. It would be an act of naiveté to still believe in the theory of convergence, i.e., that the capitalist and socialist systems are gradually growing closer together. Domestic political pressure, the need to satisfy the demands of their own consumers, may well lead to full and successful implementation of the provisions of the Final Act in the economic field (Basket II).

Getting the parties used to discussions which could move forward from ideological confrontation to true dialogue — this evolution is already detectable in the CSCE negotiations — may well form a useful basis for the establishment of economic equilibrium in Europe. Getting the parties used to discussing things in the CSCE can certainly be regarded as a "confidence-building measure", to employ a concept from Basket I (security) taken from the military field. For this it would be essential that the CSCE retain powers of political decision and not fall prey to groups of experts or the influence of technocratic organizations such as the UN Economic Commission for Europe.

Thus in the best possible case the CSCE can be regarded as a practical first step toward the realization of that ancient dream of a "United Europe" or a "United States of Europe", a dream that has evaded us since the "*pax Augustana*" of the Roman Empire. The much-cited "historic importance" of the CSCE is to be seen in this light. In the worst case, it could degenerate into an academic debating club where young diplomats could earn their spurs, or become a media event where the speeches are presented not for the sake of the subject under discussion but for the public, as is so often the case in the UN. Between these two extreme possibilities for what the future may hold for the CSCE, lies a not unrealistic promise: the CSCE can certainly contribute to political détente by getting the parties used to discussing things together and thus produce a "liberalization of thought", which has already begun in the economic negotiations of Basket II, and will be continued in Madrid in 1980. Thus the de-ideologization of East-West trade might be regarded as the first important step forward by the Congress. Hence our answer to the question raised at the beginning of this article would be: "Le congrès avance, mais il ne danse pas".