I would like to share with you the concern that I have that has developed over the course of the last year. It is a longer term foreign policy concern but it is likely to become one of our more serious problems in the course of the rest of this century. I'd ask you to think with me about it for a few minutes this afternoon before we get to the questions.

It has to do with what I would have to describe as the shift in the center of gravity of U.S. foreign policy from the TransAtlantic relationship toward the Pacific Basin and particularly toward Japan. Now, there is nothing particularly wrong with that as a proposition. It is true the United States should have a close relationship with the Pacific Basin and with Japan. But I think there are some things that need to be thought out in terms of consequences of this shift.

First of all, U.S. trade with the Pacific last year, for the first time, exceeded U.S. trade with Western Europe. Demographic changes in the United States for the shift of population from the East Coast toward the West Coast have changed the outlook of many Americans with regard to foreign policy interests.
Twenty years ago, Atlantists were arguing that as Western Europe built its own personality it would, in fact, strengthen the hand of the United States in the conduct of foreign affairs. This was because the Western European democracies, as they coalesced and became more powerful, would be able to march off into the sunset with us in defense of democracy around the world. We would between the two of us be so powerful that we could, in effect, control events around the world.

I think the fact of the matter is that in the process of building Europe, what we have seen -- and it may be a temporary phenomenon -- is, in fact, a more and more inner-directed Western Europe, more and more concerned with its own problems, more and more concerned with its economic difficulties, less and less in tune with the United States as we talk about our international security interests. And this has caused strains which are probably more fundamental and somewhat deeper than what we, in fact, see -- in part, because over the past 40 years we have built a set of institutions which tend to insulate the U.S.-Western Europe relationship from some of the realities of the political world. We see them only if we dig a little deeper.
It is a fact, for example, that in the State Department a rather large office is paid simply to continue to put things into the consultative process so that in NATO we are always talking about something; and it keeps that dialogue going and it tends on occasion, I think, to mislead us a bit in believing that our basic interests have not begun to diverge. Yet I think it is also true that Western Europeans, at least now, are increasingly less interested in dealing with the stability of the world, and far more interested in dealing with stability in and around their particular geographic area.

Let me give you an example. It is a well known fact that many Western Europeans believe that this Administration has been too harsh in its rhetoric with regard to the Soviet Union. I don't happen to believe that, but that's not the point for the moment.

What I think some of us in the process of trying to deal with the Soviet Union over the course of the last three years failed to understand adequately was that, a change in focus and perceptions had taken place. When we talked about the Soviet Union in the ways in which we have over the course of the last three years we tended to frighten Western Europeans who see detente threatened by this American approach. What we fail to see, I think, as well is that whether we like it or not
"detente," in quotes, to a degree tended to work insofar as Western Europe is concerned. Berlin is not the focus of potential confrontation that it was a decade ago. The relationship across that iron curtain in Western Europe is a little less difficult than it was a decade ago.

What Western Europeans failed to understand, and still fail to understand, however, is from the United States point of view detente has been a failure. We believed that it meant Soviet restraint, not simply in the heart of Europe, but on a world-wide basis. Yet what we have seen over the course of the last decade is challenges in Afghanistan, Poland and in Central America. Need I go through the list? It is long and it is troublesome. So that the United States in dealing with its world responsibilities, Europe, Western Europe, our NATO allies, dealing more and more with their immediate difficulties, have tended to some degree to move farther apart with regard to what I would have to describe as basic interest. This is not to say that we don't all recognize there are difficult problems on a day-to-day basis in dealing with Western Europe. But I think we also tend to look upon those difficulties as the difficulties of friends whose interests are basically identical.
Now, I am not here today to say that our Western European interests have so diverged that nothing can be done about it. I am here to say, however, that I think there is a fundamental process at work which we had better think about and think about hard. I think it is probably true that for the rest of this century, no matter what else may happen in this world, our security interests in that Trans-Atlantic security tie are going to be absolutely essential to the maintenance of peace.

Now, you combine that with something else that I think is happening: a shift in the center of gravity and of our foreign policy intention toward the Pacific; our trade increasing with the Pacific, and Japan consistently taking on a more important role, at least in terms of the world economic situation. I think it is probably inevitable that over the course of the next two decades the United States and Japan will either become the two most significant competitors in the field of technology development or the two most significant cooperators in the field of technology.

It is probably true, although it is a generalization subject to qualification, that Western Europe, at least if it continues the trends of the last five years, will fall farther and farther behind in the technology development race. And I happen myself to believe that in terms of international economics the future is precisely in the area of high
technology development. So we face, as well as this tendency to move away from Western Europe, the problem of trying to manage over the course of the next two decades an increasingly complex relationship with an increasingly strong, economically, at least, Japan. And with growing markets in the ASEAN countries and in the Pacific Basin as a whole.

If we are not careful these two trends will, I think, tend to pull apart and the United States will find itself increasingly trying to maintain, and unsuccessfully, I am afraid, the closeness of the relationship with Western Europe while trying to build the relationship with the Pacific. And I think more and more our attention is going to be drawn toward the Pacific and toward trying to manage that competition or cooperation with Japan.

In the process, I think we are setting up a series of stresses and strains, which for the policymaker in the course of the next two decades is going to become increasingly difficult to manage.

This ignores questions such as U.S.-Soviet relations and how those will affect this process. My own judgment is that the U.S.-Soviet relationship, barring unforeseen crises, is largely irrelevant to the process I have described to you. This is true except in the sense that if, in fact, the security
relationship and the intimacy of the relationship with Western Europe changes substantially, it inevitably will lead the Soviet Union to look upon the area as one in which opportunities exist for mischief-making. On the basis of 60 years of history, I think we can assume that the Soviets would not lightly let that chance go by. So this issue does have a relationship to the future of the U.S.-Soviet relationship. If not managed well it is an impact that can have its own deleterious consequences.