

THE WHITE HOUSE  
WASHINGTON

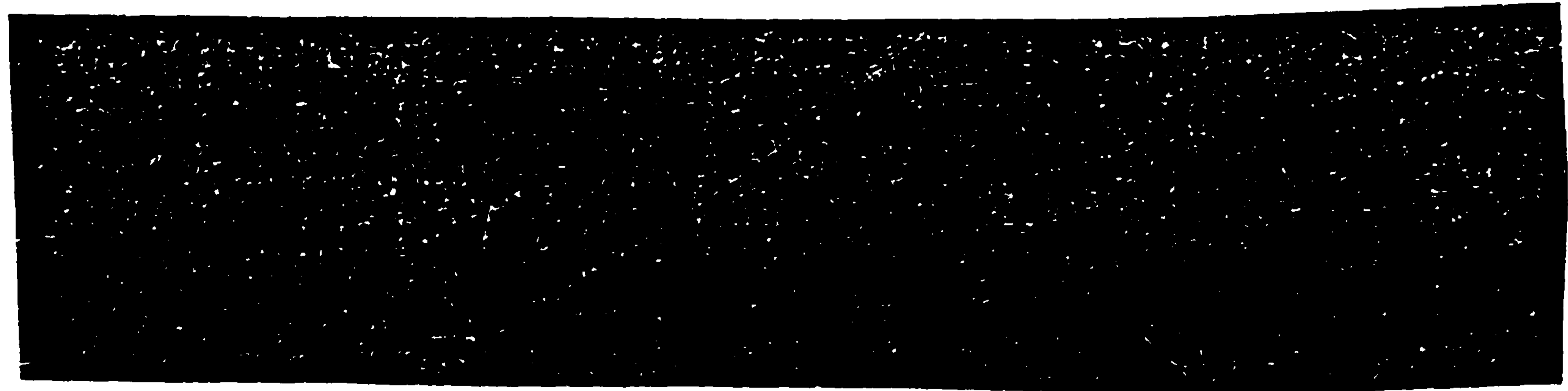
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Remarks of President Kennedy to the National Security Council  
Meeting of January 22, 1963

The President began his discussion of national security problems by calling attention to the worldwide responsibilities of the United States. While we fully recognize our responsibilities, other states are not carrying their fair share of the burden.

Cuba

The major lesson of the Cuban crisis, the President said, was the paramount importance of timing. Both sides, the United States and the USSR, need sufficient time to consider alternative courses of action. Our objective was and is to protect our national interests while trying to avoid a nuclear exchange which, if it happened, would be a defeat for both sides. In handling crises, it is important that the Russians have enough time to debate their action. If they are forced to react in an hour or two, they may react in a spasm and resort to nuclear war. We, too, looking back on the quarantine vs. air strike decision, took several days to discuss and understand the advantages and disadvantages of the alternatives. The reason for building up NATO conventional forces is to gain greater control over the timing of a showdown in Europe provoked by the Russians.



Western Europe

Turning to Europe, the President recalled that de Gaulle's current policy is no different than that he has been advocating since 1958 when he first proposed to President Eisenhower a U.S. - U.K. - France directorate giving France, in effect, a veto on our use of nuclear weapons. The suggestion was turned down because it would have broken up NATO. This Administration agrees it was a correct

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decision. The turndown of de Gaulle's proposal was not, however, the reason why he is behaving as he now is. Even if we had given France nuclear weapons, de Gaulle would have tried to restore France to a predominant position in Europe. For years, in speeches and in his memoirs, de Gaulle has expressed his view that France must be a dominant power speaking to the USSR and the West as an equal, dependent on no one.

In analyzing de Gaulle's present actions, the President said de Gaulle did not question our support of Europe. The proof that he does not fear we would desert him is the deployment of only a small number of French troops opposite the Russians in Germany. He relies on our power to protect him while he launches his policies based solely on the self-interest of France. Having been turned down by the U.S. and U.K. on the directorate, de Gaulle turned to Germany. This helps to keep Germany from looking to the Russians. It does threaten NATO which de Gaulle strongly opposes.

As to the Common Market, the President said that if Great Britain joined, Europe would be strengthened and stabilized. We favor the U.K. joining even though it will cost the U.S. considerable trade. If France keeps Britain out, this will be a setback for us but a more severe setback for the U.K.

Our interest, the President continued, is to strengthen the NATO multilateral force concept, even though de Gaulle is opposed, because a multilateral force will increase our influence in Europe and provide a way to guide NATO and keep it strong. We have to live with de Gaulle. One way to respond is to strengthen NATO and push for a multilateral nuclear force which will weaken de Gaulle's control of the Six. We should not be overly distressed because the problems caused by de Gaulle are not crucial in the sense that our problems in Latin America are.

#### U.S. Trade Negotiations

The President then summarized the guidelines for forthcoming trade negotiations. In the present situation, we must be very careful to protect U.S. interests. Our balance of payments problem is serious, it is not now under control, and it must be righted at the latest by the end of 1964. If we do not do so, there will be pressure against the dollar and Congress will be demanding reductions in our foreign programs.

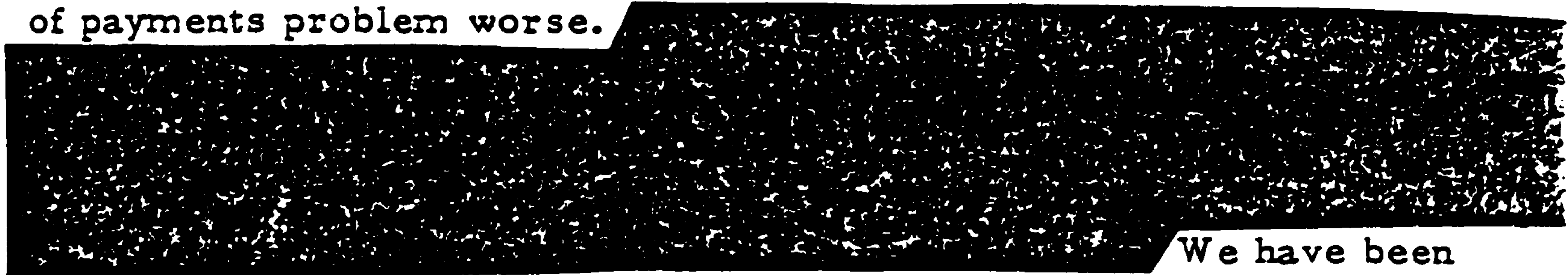
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One effort we must make, the President continued, is to seek to prevent European states from taking actions which make our balance of payments problem worse.



We have been very generous to Europe and it is now time for us to look out for ourselves, knowing full well that the Europeans will not do anything for us simply because we have in the past helped them. No longer dependent on the U.S. for economic assistance, the European states are less subject to our influence.



#### Attitude Toward Neutrals

Referring to criticism by those who say we are treating neutrals as favorably as allies, the President said he did not believe such criticism was sound but we shouldn't be over-confident ourselves. For example, the Pakistanis oppose our giving military assistance to the Indians. Despite the fact that the Pakistanis are our allies, we must recognize the importance of India. If the Indians joined the Chinese, we would have no free South Asia. Our aim is to make the sub-continent of Asia strong. Even under present Indian leadership, we can work with India just as we must use our ally Pakistan to achieve our aim of keeping the sub-continent out of the Communist camp. We cannot permit all those who call themselves neutrals to join the Communist bloc. Therefore, we must keep our ties to Nasser and other neutralists even if we do not like many things they do because, if we lose them, the balance of power could swing against us.

#### Assistance to Foreign Countries

The President said he wanted to make clear that we are giving aid to foreign countries in order to increase the security of the United States -- not primarily for humanitarian reasons. AID programs should be tested against the contribution they make toward improving

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our national security. Recalling that the military could always get Congress to appropriate funds for military assistance, the President asked that Defense Department officials help sell Congress on economic assistance. Some Congressmen will try to cut the heart out of the AID program. Should they succeed, we would be in real danger. A major effort is required to prevent this. We must make every effort to keep countries out of the Communist bloc. Once a country is in, we know from experience that it is very difficult to get it out. We cannot risk the possibility of four or five countries suddenly turning Communist just because we did not give them economic and military aid. An outside group is now reviewing the existing AID program for the purpose of ensuring that our assistance to foreign countries will best serve our own national interest.

Domestic Issues

In introducing his remarks on domestic issues, the President emphasized the major effort which has been made to hold down the budget deficit now estimated at about \$12 billion. The current budget shows increases only for defense, space and the fixed charge of interest on the national debt.

Our economic growth rate over the past ten years, he continued, has been too slow, particularly in view of the great increase in our population.

We must avoid another recession which would endanger our gold position and have a bad psychological effect on the American people. In comparison with the Russians who are making a major effort to improve their domestic economy, we must not give the impression of just drifting lest other states draw the conclusion that we cannot deal with our domestic economic problems.

An unbalanced budget as such is not worrisome especially when we realize that our present deficit is a reflection of the hot and cold war we have been fighting during the past fifteen years. The new tax bill is very important in this respect because if it is passed by the Congress we will be in much better shape.

It is unnecessary to point out that all these matters, AID, defense, economic growth and the tax program are all related. If we become

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weaker economically, our influence abroad will be reduced. If this happens, the entire Free World position weakens. It is basic to our national security to have a strong domestic economy.

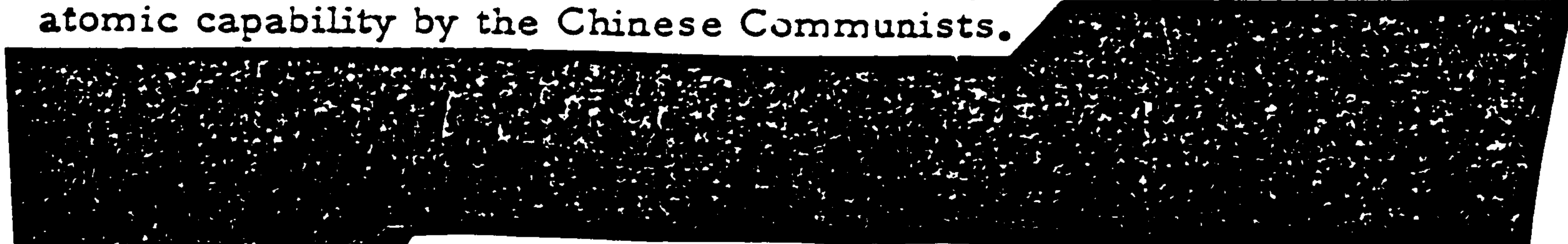
Defense Problems

Recalling recent decisions limiting or halting certain military programs, e.g. the B-70, Skybolt, and Nike-Zeus, the President said we are going forward with large defense and space programs. If the necessity develops, we will do even more, but there is a limit to how much we can do.

One of our big tasks is to persuade our colleagues in Europe to increase their defense forces. If we are to keep six divisions in Europe, the European states must do more. Why should we have in Europe supplies adequate to fight for ninety days when the European forces around our troops have only enough supplies to fight for two or three days? Our forces in Europe are further forward than the troops of de Gaulle who, instead of committing his divisions to NATO, is banking on us to defend him by maintaining our present military position in Europe. While recognizing the military interests of the Free World, we should consider very hard the narrower interests of the United States.

Test Ban Negotiations

The President reviewed the background of the current negotiations with the USSR on a test ban treaty. Our primary purpose in trying to get a treaty with Russia is to halt or delay the development of an atomic capability by the Chinese Communists.



If we get a treaty we think we can live with, all of us must support it in order to overcome Congressional opposition which undoubtedly will develop.

Concluding his remarks, the President thanked the assembled officers for their cooperation, commented on the harmonious relations which exist among the Departments and Agencies, and expressed the hope that during the coming year we could build on the solid foundation which now exists.

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